

Legislative Assembly,

Wednesday, 27th October, 1915.

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The SPEAKER took the Chair at 3 p.m., and read prayers.

QUESTION—ASSISTED FARMERS, SALE OF CROPS.

Mr. E. B. JOHNSTON asked the Premier: 1, Have the Industries Assistance Board notified all assisted farmers that if they wish to make their own arrangements for the sale of their crops, they must do so before the 31st December next? 2, Was the board, when fixing this date, aware of the advice of the Federal Attorney General to farmers, urging them not to make contracts for the sale of their wheat for the present? 3, As the crops will not be harvested by 31st December, and in view of the present uncertainty regarding freights and the price of wheat, will the Government instruct the board to extend the said date to 1st March, 1916? 4, If not, why not?

The PREMIER replied: 1, Assisted farmers were advised on the 4th instant that they would have a free hand to sell at a time and price considered suitable to them on or before the 31st December, 1915. 2, No. The advice of the Federal Attorney General was not given until the 15th instant. 3, No; as many crops are now being harvested and freights will be declared on the 29th instant. 4, It is essential that the board should be in a position to handle as much as possible of the proceeds of crops before the 1st February to meet guarantees for corn sacks, oil, twine, machinery, and wagons given on behalf of assisted farmers.

BILL—PERTH MUNICIPAL GAS AND ELECTRIC LIGHTING ACT AMENDMENT.

Introduced by Hon. J. D. Connolly and read a first time.

PAPERS PRESENTED.

By Hon. R. H. Underwood (Honorary Minister): State Ferries—Balance Sheet and Auditor General's Report for year ended 30th June, 1915.

By the Premier: State Trading Concerns Accounts—Audit for the year ended 30th June, 1915.

ANNUAL ESTIMATES, 1915-16.

In Committee of Supply.

Resumed from the previous day, Mr. McDowall in the Chair.

Business undertakings and State trading concerns.

Vote—*Albany Cold Stores*, £763—agreed to.

Vote—*Aborigines' Cattle Station, Moola Boola*, £4,650:

Hon. J. D. CONNOLLY: This station was not purchased as a trading concern in the first instance, but for the betterment of the aborigines. The idea was suggested by the late Chief Protector of Aborigines, Mr. Gale, with a view to providing a meat supply for the natives, to forming a general camping ground for them, and also to minimise the destruction by the natives of privately owned cattle. I am sorry to see that the Government are not working it exclusively in the interests of the natives to-day. Of course it would be an extravagant policy not to sell any surplus cattle, but beyond that the trading aspect of the concern should not be pursued. When the Government established State butcheries, one of their first shipments of cattle was from this station. Like many other things the Government have started, the State butcheries have not been successful.

The Minister for Works: They have been.

Hon. J. D. CONNOLLY: If they are successful now, at all events the Government gave them a bad start by bringing down the first shipment of cattle from this station, because the cattle on the station were far from being of prime class. I would like some information as to the working of the station during last year

and as to the policy of the Government for the future.

Hon. R. H. UNDERWOOD (Honorary Minister): The policy of the Government is to make the station successful if possible. The hon. member is not correct in saying that we have lost sight of the object of the establishment of this station, which was the feeding of the aborigines. That is primarily the object of the station to-day. But we breed a surplus of stock over and above that required for the aborigines, and we would be lacking in business acumen if we did not sell that surplus. The hon. member suggested that we were sending down cattle which could not be spared from the station. I think the manager of the station is the best judge of that. The manager is reasonably capable and, if he recommended us to send away 500 or 1,000 fat bullocks, I should endorse his recommendation unless there was positive information to the contrary. On the 31st May there were on the station 11,307 head of cattle valued at 30s. per head, 2,165 calves valued at £1 per head, in addition to 343 horses valued at £7, and 51 foals valued at £2 10s. per head, exclusive of stud stock valued at £683. Therefore, we are able to send away a few cattle without depleting the station.

Hon. J. D. Connolly: What is the yearly increase?

Hon. R. H. UNDERWOOD (Honorary Minister): The balance sheet on the Table gives full particulars. Not only do we feed the natives at Moola Bulla, which is south of Hall's Creek, but we have opened another dépôt about half-way between Hall's Creek and Wyndham. The station is really too far out from the coast. It is on the edge, whereas it should have been in the centre of settlement, and to overcome this difficulty we have opened a dépôt for the killing of cattle for the natives at Violet Valley. The main object for which the station was established is being observed. It has prevented cattle killing in the Kimberley country to a very considerable extent, and in my opinion it should not be treated as a trading concern because it is

really an adjunct of the Aborigines department.

Mr. TAYLOR: If we had an idea of the number of natives being supplied, it should be easy to ascertain whether the sale of cattle is leaving the natives in any need of meat. I think it would not be possible for the number of aborigines in that locality to consume the stock which can be produced on the station.

Hon. J. D. CONNOLLY: I am pleased to have the assurance of the Minister that the object for which the station was established is not being lost sight of. The object in locating the station some distance from the coast was to breed cattle and distribute them in other centres. Regarding the question of surplus stock, the manager would naturally wish to sell as many head as possible to make the station a good proposition.

Hon. R. H. Underwood (Honorary Minister): I do not look at it from a commercial point of view.

Hon. J. D. CONNOLLY: Though the manager is an excellent man of long experience, he is not Protector of Aborigines, and does not know the requirements of the natives and the cattle necessary to keep the dépôts supplied. The Minister should extend these dépôts to all parts of the Kimberleys and stock them from Moola Bulla. I know of no better way to prevent cattle spearing by natives.

Vote put and passed.

Votes — *Government Refrigerating Works*, £3,317; *Kalgoorlie Abattoirs*, £2,261—agreed to.

Vote — *Meat Stall Supplies, etc.*, £33,224:

Mr. GEORGE: The sales of the Perth, Fremantle and Subiaco retail shops have totalled £26,432 6s. 10d. and the balance sheet shows a profit of only £179 10s. 1d. This is a very modest profit, so modest that one is inclined to question whether the audit has been made on commercial lines. I am not questioning the accuracy of the audit, but matters of this kind require to be viewed from a commercial standpoint rather than from the standpoint of strict accountancy. These shops have been running since 1912. In the

first year they showed a profit of £828 3s. 8d., in the second year the profit dwindled to £16 10s. 3d. and for last year it was £179 10s. 1d. The wholesale operations which are interwoven with the retail show a loss of £194 17s. 3d., which obliterates the profit on the whole business. There is a note in the Auditor General's report as follows:—

The transfers of stock to the retail shops, known as meat stalls, from Yandanooka State farm, and the wholesale operations, were not so great this year as last, the figures being:—Transferred from Yandanooka, £4,773 14s.; from wholesale operations, £2,302 17s. 10d.; total, £7,076 11s. 10d. out of total purchases amounting to £21,196 11s. 3d. The price charged to meat stalls in connection with these transfers is stated to be that verbally fixed by the officer who is manager of the three concerns, namely, Yandanooka, the wholesale operations and meat stalls. I have nothing before me to show if the basis was market price or otherwise; in any case I consider there should be written evidence in connection with these prices in the hands of the accountant for production to the audit, and that the market price should be the basis.

That statement will not be disputed. I am not doubting the integrity of the gentleman concerned, but it is not a proper basis on which to found a balance sheet. If these concerns are to be carried on they should be carried on under the conditions laid down by the Government, and should be dealt with as commercial concerns. The Government entered into competition with citizens of this State and with money contributed by the whole of the people of the State, and these undertakings should be put on a thoroughly commercial basis. We have from the Auditor General clear proof that they are not put on the same footing:—

The Minister for Works: That is not proof.

Mr. GEORGE: It is a statement by a disinterested gentleman who could have no motive other than to—

Hon. R. H. Underwood (Honorary Minister): To find fault to show his authority.

Mr. GEORGE: If fault had been found with the Honorary Minister in his early days, he would be an entirely different product to-day. The Auditor General says that he has nothing before him to show if the basis was the market price or otherwise. How are we to judge as to what weight we can put upon these balance sheets, unless we know that they have been framed under the ordinary commercial usage. The question of the price of stock at Yandanooka has as much to do with the balance sheet of the estate as the fixing of the price of wheat and flour has to do with commercial interests. If we have not the basis of prices fixed upon the current market rates, we have nothing to guide us as to whether this statement of profit and loss is sufficiently comprehensive or not.

The Minister for Works: The Auditor General does not audit the accounts himself.

Mr. GEORGE: The Auditor General would not state something in his report unless he had obtained all the facts possible. We find in connection with this matter that the wholesale operations disclose a loss of £194, which is not at all satisfactory. The sales of live stock amount to £2,172 and the transfer to meat stalls £2,302, or a total of £4,475. On the debit side of the balance sheet we find that the purchase of stock amounted to practically as much as is stated here. We also find that insurance, shipping freights and other charges amount to something like £700. It seems extraordinary that in dealing with £4,000 worth of stock these ordinary charges should amount to such a large percentage. If the balance sheets of any private concerns in the State were produced, we should find on these items alone that there was a great divergence from this balance sheet. On the balance sheet of the State meat stalls we find there is nothing to show the total operations of this particular business. The matter should be carefully considered by those responsible with

a view to ascertaining whether we are getting from these various meat stalls all that we should get. It seems almost incredible that on a turnover of £26,000 a year, only a bare margin of £179 should be left to meet contingencies.

Mr. B. J. Stubbs: The people must have been getting the benefit.

Mr. GEORGE: I do not know that they have been getting the benefit. This concern only reaches a certain class of the ratepayers in the State, whereas the whole of the ratepayers of the State are concerned as to whether there is a profit or loss in it.

The Minister for Works: You have just stated that there is a profit.

Mr. GEORGE: If this meat is sold at cost price, those who buy it would be getting an advantage over those who deal with other people. This money, however, really belongs to all the ratepayers of the State and we, in this House, as collectively representing the taxpayers of the State, have a right to question whether a margin of £179 is sufficient provision to make against loss. During the first year of the operations on the meat stalls there was a profit of something like £800. In the following year the profit sank down to £16. This gives one the idea that if the balance sheet for the first year had been audited on commercial lines, probably the profit of £800 odd would not have been disclosed. If the Government say that they are so reducing their prices, that they do not desire to make any profit, but to convey the meat to the people at the lowest possible price, that would be all right. But if that is done we must carry it into the realm of other State undertakings, through the railways, State steamships and so on, and it should be laid down that whatever services are rendered should be rendered at the actual cost to the people. The House is entitled to more information than has so far been afforded.

The MINISTER FOR WORKS: The member for Murray-Wellington read a report of the Auditor General, which I have received. I have, however, before me a statement showing that market rates have been paid for stock in connection

with the Yandanooka estate. I do not really believe that the hon. member thinks that the manager, Mr. Steere, would send cattle from Yandanooka to the meat stalls for the express purpose of making the meat stalls pay. If the Auditor General had not this information before him, he should have made inquiries for it and obtained it. Every person realises to-day that the establishment of the Government meat stalls in the metropolitan area has very materially affected the price of meat in that portion of the State. A large saving has been effected to the people through the agency of this particular trading concern.

Hon. Frank Wilson: No.

The MINISTER FOR WORKS: We have only to look at the reports of the Commonwealth Statistician (Mr. Knibbs), from which we find that the price of meat in Western Australia has gone down considerably, and that those people who are not actually buying meat from the Government stalls are able to get their meat at a lower price from ordinary business sources, because of the existence of the Government stalls, than they would otherwise have been able to do.

Mr. George: I have not experienced that.

The MINISTER FOR WORKS: I know that immediately the meat stalls were established the price of meat dropped from ½d. to 1d. per lb. in my own district. These meat stalls have proved successful in attaining the object for which they were started, namely, that of reducing the price of meat in Western Australia.

Hon. FRANK WILSON: I cannot agree with the Minister when he says that his two or three paltry meat stalls in Perth have affected the price of meat generally.

Mr. Green: That is what has happened.

Hon. FRANK WILSON: It has not happened. Butchers who were carrying on their trade before the establishment of the Government stalls are still doing so; not one of these has been shut up because of this Government institution. Furthermore, these butchers are able to

make a living whereas the Government cannot do so.

The Minister for Works: Yes, we are.

Hon. FRANK WILSON: The Government have failed in this undertaking, notwithstanding the fact that they have been able to draw upon the Yandanooka estate and the aborigines estate in the North-West. The Government are first-hand producers: they grow their cattle, bring them down on Government steamers at, according to the Premier, reduced rates, and they are also able to pasture their stock at Yandanooka.

The Premier: Our North-West coast is the only coast in the world where the rates have not been raised since the outbreak of war.

Hon. FRANK WILSON: The Government have had the advantage of transfers from Yandanooka to the value of £4,773, of transfers from their wholesale operations, and yet the total profit on the turnover of nearly £30,000 is £15. These undertakings, if established at all, should be run on exactly the same lines as private undertakings. The meat stalls were started on a wrong basis, have been woefully mismanaged, and have not affected retail prices one iota except to 200 or 300 people living in the immediate vicinity of the stalls; and those people could get exactly the same advantages from private butchers by paying cash. A handsome profit, a profit of at least £3,000 a year, ought to be shown on the transactions of these meat stalls. But, even supposing the profit were there, are the Government justified in running meat stalls for the benefit of one small section of the community? The Government must govern in the interests of the whole of the people. Other populous centres are entitled to the same facilities in this respect as are Perth and Fremantle, if the meat stalls represent a national policy involving such advantages to the people generally. If that is so, why should not the people of Busselton and Bunbury and Kalgoorlie receive the same benefits as the people of the metropolitan districts? However, it is absurd to contend that national benefit results from these few

meat stalls. I do not think the Government honestly believe that the benefit is as they state. The Auditor General points out that interest on money advanced by the Treasury for the purposes of these meat stalls has not been charged. The Treasury is financing the undertaking. According to the Auditor General, no interest has been charged on the money advanced by the Treasury in excess of the receipts. So that, on the figures, if interest were charged, the undertaking would show a loss.

The Premier: The meat stalls have never owed us a pound.

Hon. FRANK WILSON: But the meat stalls have had the advantage of the wholesale prices, and the wholesale purchase branch and the stalls must be taken together. It is absurd to say that meat supplies to the people are cheaper by reason of the establishment of these Government meat stalls. Of recent years prices have risen by from 20 to 40 per cent. That applies also to the Eastern States. In Queensland the herds have been half depleted. Enormous numbers of cattle have been lost there.

The Premier: Hundreds of thousands of tons of meat were exported from Queensland last year.

Hon. FRANK WILSON: That is right, but Queensland has immense herds—not merely half a million head of cattle, as we have. Moreover, Queensland has immense freezing works, and naturally that State exported enormous quantities of meat on account of the war. Meat has never been dearer here than it is now.

The Minister for Works: What do you pay for your meat?

Hon. FRANK WILSON: I am paying from 9d. to 1s. 2d. per pound.

The Minister for Works: You are being taken in, then.

Hon. FRANK WILSON: I for one shall be glad to see a stop put to this insane attempt on the part of the Government to cheapen food supplies by entering into competition with our own people. As regards the profits from the meat stalls, I observe the Auditor Gen-

eral makes reference to an amount of £53 odd representing fat which was retained by the Government abattoirs, although it would be returned by private abattoirs. The item is still in dispute between the managers concerned. In itself, this would wipe out the profits shown. On a turnover of £30,000 the Government cannot even balance the ledger. I consider the Government would do well to shut up their meat stalls and stop the practice of going into the market to purchase cattle, as they have been doing in recent years, and thus raising the price against the retail butchers. Indeed, I am told by those who attend the stock sales that the action of the Government has enormously enhanced the price of cattle, and that the Government buyer on many occasions has been run up by private buyers to prices which could not possibly be recouped. I see the revenue for the first three months of the current year was £9,000, but there are no figures as to expenditure; so that we cannot gauge the position. In the case of trading concerns of a similar nature, however, the revenue for the same period is exceeded by the expenditure to the extent of about £53,000. We want some explanation of that position. When Parliament is supposed to watch over every pound, Ministers ought to meet members in endeavouring to stop any leakage, even if it is a leakage occurring in these favourite State enterprises.

Hon. J. MITCHELL: Last year this Government undertaking purchased £65,000 worth of stock and sold £30,000 worth of meat through the stalls. I see no item which accounts for the difference. The truth is, I suppose, that the Government have a large stock of cattle and sheep on hand. The action of the Government in buying in competition with other wholesale dealers has increased the price of meat. Two private stalls which were established in the Perth markets years before the Government opened their stalls and which were selling cheaper than the Government sold, have, I understand, put up their prices to those charged by

the Government. I understand, further, that the keepers of those private stalls had their rents increased because the Government did not desire that cheap meat should be sold in competition with them. I often have a look round the stalls, and I have never seen any first class meat in the Government stalls. For the most part, the Government meat is inferior. The number of people buying at the Government stalls must be very limited, and apparently the stalls make a considerable loss. We have been shipping stock to the Eastern States where, according to the Premier, prices have gone down. Of course prices have gone down in the East, because the people there are eating our beef and mutton. It is just a general question as to whether it is worth while investing a large sum of money in a business such as this.

The Minister for Works: There is no money invested in it.

Hon. J. MITCHELL: But there is when the Government buy stock and fatten it and hold up the Yandanooka estate for that purpose. I object to the funds of the country being sunk in ventures of this sort.

Hon. H. B. LEFROY: It would be a kindness to the Government to reduce this vote by one half. I feel certain that the country objects to a Government undertaking such as this, and the majority of the people do not consider that it is one of the functions of the Government to embark on trading concerns of this kind, and such as the others which we find included in the Estimates. Being opposed to the principle, I have given this question very considerable thought, and I have come to the conclusion that, instead of reducing the price of meat, the policy of the Government has had the effect of making meat higher in price to-day than it has ever been.

Mr. Green: What is the price of sirloin to-day? 7d.

Hon. H. B. LEFROY: I have looked at the meat stalls and I have always noticed that the State butchers' shops sell meat which is inferior to that which may

be purchased at other establishments. That is the reason, I suppose, why it is sold at a lower price. The principle is bad, and we are doing an injustice to the people of Western Australia by providing what the Government call conveniences, merely for a few people in the metropolitan area.

Mr. Green: Well, move for an increase so as to extend the operations.

Hon. H. B. LEFROY: I am certain that these undertakings are not going to be extended throughout the State because the people will not permit that to be done. Outside the question of meat stalls, I feel also that the whole principle of the Government entering upon undertakings such as this one is against the best interests of the State. These are matters that should be left to the individual. At the present time the price of mutton and of lamb is higher than I have ever known it to be at this time of the year. I was at Midland Junction to-day and sheep and lambs brought extraordinary prices, and if the retail price of meat does not go up, all I can say is that I am afraid a good many of the butchers in the State will find themselves in Queer-street before long, because it will be impossible for them to pay the ruling prices without increasing the retail price accordingly. I think the opinion of the House should be taken on this question and it would be well if hon. members showed what their views were on the matter. It would be a kindness to the Government if these services were shut up. They must be causing a great deal of anxiety to the Government. So far as the meat stalls are concerned, if my amendment is carried, the Government will have an opportunity of beginning the next calendar year without them. I move an amendment—

That the vote be reduced by £16,000.

The MINISTER FOR WORKS: The hon. member has put up a splendid argument in favour of the Government stepping in at once and stopping the export of meat from this State. We did it with wheat.

Mr. George: And what a mess you made of it.

The MINISTER FOR WORKS: We realise that the first week after the export from Western Australia started, beef went up 1d. a lb.

Hon. J. Mitchell: Would you starve the people in the East?

Hon. Frank Wilson: You are certainly not a federalist.

The MINISTER FOR WORKS: I am not going to discuss that question. I am proud we are developing to that extent that we can assist the people in the Eastern States. But when we find an hon. member stating that he attended the Midland sale yards and found that the price of sheep and lambs was so high that, unless the butchers increase the price of meat accordingly, they will become bankrupt—

Hon. H. B. Lefroy: I did not say bankrupt.

The MINISTER FOR WORKS: It is time, I think, that we took some action. It has been realised for some time past, as far as sheep and lambs are concerned, that they were going to bring high prices. Our flocks have been depleted considerably within the last year or two, and hon. members also know that the farmers who had a few sheep had to get rid of them because there was no feed for them. That accounts for the present high prices, but it is not to say that because of that, meat should also be increased in price.

Mr. Willmott: There is a shortage of beef, too.

The MINISTER FOR WORKS: Not much, but there will be a shortage if we continue to send it out of the State.

Mr. Willmott: There is a big loss coming down.

The MINISTER FOR WORKS: If we still continue to send beef away then the consumers in Western Australia must certainly pay a higher price. I know my friends opposite are strong Federalists when it affects them. But when it is realised that there is a possibility of getting £1 or £2 per head more for their cattle, they say, "Throw all your ports open, and send everything away."

Hon. Frank Wilson: Who are the pastoralists, Scaddan and Co., Ltd.

The MINISTER FOR WORKS: Any-one who has looked carefully into this question must come to the conclusion that the action of the Government in establishing these meat stalls has proved a great benefit, not only to those who have been purchasing in the metropolitan area, but also to those who still continue to purchase from private establishments.

Mr. George: I cannot agree with you.

The MINISTER FOR WORKS: At the present time it is possible to buy the best cut for 7d. a lb., and not 1s. 2d. as the member for Sussex stated. A week or two ago it was possible to buy it for 6d. and I think it will be found that the military forces are being supplied at 4d. a lb.

Mr. Foley: But the wholesale price is 4½d.

Mr. Willmott: Do not argue; their minds are already made up.

The MINISTER FOR WORKS: I do not know what hon. members pay for their meat; I know what I pay for mine. If they wish to go to a butcher who charges them double, that is their lookout. The man who supplies at 7d. a lb. kills more cattle every week than any other butcher in the metropolitan area, and the statement which I have made that it was possible last week to buy the best cut for 7d. is perfectly correct.

Hon. J. Mitchell: The best cut of a bad bullock.

The MINISTER FOR WORKS: The only way that I can see by which we can increase the price of meat is for the Government to stop the export.

Hon. Frank Wilson: You are on the wrong track; you should increase the production.

The MINISTER FOR WORKS: We cannot do that in a week. I feel confident that the good sense of hon. members will assert itself and that they will not agree to the reduction of the vote. Hon. members must realise the benefit which has followed the establishment of the butchers' shops.

Mr. GREEN: The leader of the Opposition stated that the price of meat has gone up enormously in Western Australia. I propose to refute that statement with the aid of figures taken from *Knibbs' Bulletin* of August, 1915, the latest quarterly bulletin issued. In New South Wales the price of meat between 1912 and 1915 rose 25 per cent. In Victoria there was an increase of 20 per cent., in Queensland over 33 per cent., in South Australia over 35 per cent. and in Western Australia 14 per cent. The increase in this State was due entirely to the increased price of mutton, which has become scarce in Western Australia in consequence of the drought. But the beef raised in the Kimberleys has been plentiful, and through the agency of the State Steamship Service it has been made available to the people of the metropolis. In view of these figures I do not see how the hon. member can justify his statement that the price of meat here is higher than it has been for years. In the leading meat shops of Perth the finest surloin of beef is being offered at 7d. per lb.

Mr. Taylor: What are the Government selling at?

Mr. GREEN: At a little below the prices charged in private establishments; this, of course, with the idea of steadying the price. The State meat shops have undoubtedly brought down the prices.

Mr. Taylor: You admit there has been a rise.

Mr. GREEN: If so it is the smallest of any of the States in the Commonwealth. The State steamships have been responsible for keeping down the price of meat in Western Australia.

Mr. B. J. STUBBS: The amendment, if carried, would work considerable injury to the State, inasmuch as some of the shops would have to be closed up.

Mr. Male: It might save the State a few losses.

Mr. B. J. STUBBS: There have been no losses. On the other hand a profit of £15 has been shown, taking the retail and the wholesale departments of the business together. If the profit is small it is

a clear indication that the people must have received the benefit.

Mr. Male: That does not follow.

Mr. B. J. STUBBS: The policy of State ownership does not contemplate the making of huge profits. So long as these enterprises pay interest and sinking fund on the money invested and show a slight profit over working expenses, nothing more is required.

Hon. Frank Wilson: Then why not have a tailor's shop in opposition to the hon. member's?

Mr. B. J. STUBBS: I have been advocating it for years. There is a State tailor's shop in New South Wales, and the Commonwealth have established another. It has been on our State platform for many years. Even on the showing of the leader of the Opposition, the Government meat stalls are paying interest, sinking fund and working expenses, and showing a slight profit.

Hon. Frank Wilson: No.

Mr. B. J. STUBBS: The people of the State are not being asked to finance this project. Not one penny of capital was invested in it.

Hon. Frank Wilson: Then what does the Auditor General mean when he states in his report that interest has not been charged on the amount advanced by the Treasury in excess of receipts.

Mr. B. J. STUBBS: How can the expenditure be in excess of the receipts when there has been a profit? As a matter of fact, there has been no expenditure in excess of receipts.

Hon. Frank Wilson: Then why does the Auditor General point this out?

Mr. B. J. STUBBS: You have read one sentence out of its context, and so the impression given is misleading.

Hon. Frank Wilson: On a point of order: The hon. member is accusing me of misreading this report. I read the entire paragraph. I ask that the hon. member withdraw.

Mr. B. J. STUBBS: I withdraw, but I think the leader of the Opposition has drawn an unfair inference from the report.

Hon. Frank Wilson: I am not drawing any inference at all. I merely quoted the words of the Auditor General.

Mr. B. J. STUBBS: The Auditor General declares that no interest was charged on the expenditure in excess of the receipts. What does that mean? Unless we are told what the amount is, we can gather no information from the statement. The amount may be only £1 or £2. It is unfair to bring that in by way of an endeavour to show that no interest has been charged on the capital expenditure. The leader of the Opposition agreed with the Premier that thousands of tons of beef have been shipped away from Queensland. Previously that meat had been supplied to Victoria and South Australia, and in consequence of the export from Queensland those two States have been compelled to draw their supplies from Western Australia. This is the explanation of the slight rise in price of meat in this State. In other words, we have had to go to the assistance of Victoria and South Australia, and in consequence there has been a slight appreciation of price in our local market. The fact of the Government putting into operation their policy for the establishment of a State steamship service, and for controlling the meat supplies in the metropolitan area has had a beneficial effect, not only upon the people in the metropolitan area, but on people throughout the State and also upon the price of meat in the other States. If the amendment is carried, it will undoubtedly do great injury to the State. The Government have no interests beyond the interests of the people as a whole. The people have had nearly three years' experience of this policy, and have endorsed it, and no objection has been raised to it from the public point of view. To compel the closing up of these meat stalls, which is the effect that the carrying of the amendment will have, will strike a serious blow to the interests of the people in the State. I hope the hon. member will withdraw the amendment.

Hon. Frank Wilson: You have convinced me that we ought to carry it.

Mr. GEORGE: The remarks of the hon. member who has just sat down have swept away any doubt I may have had on the question. The meat stalls cannot serve more than 1,000 persons within the State. Therefore, a three-hundredth part of the people of Western Australia are being served at the expense of the rest of the taxpayers of the State, and the money contributed by the taxpayers of the State is used for cutting away the livelihood of a portion of the people of the State. The last elections proved that this policy has not been endorsed by the people. The interests of the people are just as much studied by members on this side of the House as they are by members on the Government side. With regard to the Auditor General's report, the Minister for Works said that if the Auditor General had not certain information he should have obtained it.

The Minister for Works: If I had had to do with the auditor who made up this report he would have been sacked long ago.

Mr. GEORGE: I think the Minister will regret that he has made that statement because it is entirely foreign to him. It is the duty of Ministers to examine these auditors' reports, and, if they find that they are not sufficiently full, to be prepared to give information to Parliament which members have a right to get. I made no charge against the manager of the Yandanooka estate. The Auditor General says that he has nothing before him to show if the basis of the price fixed for the cattle was the market price or otherwise. We should have something to show that. A large quantity of bullocks has been purchased.

The Minister for Works: I said that the market price had been charged.

Mr. GEORGE: We have nothing to show on the balance sheet that the store cattle on the Yandanooka station had been valued as stores, or that the prime cattle were valued as prime cattle. This report should have been supported by a statement that the cattle which are returned as being in stock have been valued at their present price, and not at the price at which they were purchased.

It should also have been proved that the cattle were mustered and counted and valued at their value on the day that the balance sheet was made up, and not at the time when they were purchased. There is grave reason for nervousness in connection with these balance sheets. The Government should let us know that they have been made up on the same lines as a commercial balance sheet would be made up. I am satisfied that the bulk of the people of the State will have to make up a large sum to enable 1,000 people to obtain relief in regard to the price of meat. I support the amendment.

Mr. WILLMOTT: The present price of beef must be affected by the present high price of mutton. When we have again reared our flocks to the numbers which existed before the drought the price of beef and mutton will again come down in spite of the meat ships or anything else which may indirectly affecting the price now. An hon. member said that the export of meat from Queensland was the cause of the present high price of that commodity in Queensland. I ask that hon. member what would have happened if there had not been an export. Would it have been in that State to-day? Immediately after the drought began when the herbage failed and stock threatened to die the export began. If that had not taken place there would have been a big loss and that loss was saved by export. It is an extraordinary argument that we hear that because there are meat stalls in Perth the price of meat is affected, say, at Bridgetown. The butchers at the present time cannot make a profit at 7d. a lb. or at 8d. a lb. We find, however, that the price varies from 1s. down to 8d. taking everything in. The price is governed by the law of supply and demand. It is now a question of getting our flocks up again.

Hon. R. H. Underwood (Honorary Minister): Meat was dearer when we had big flocks than it is now.

Mr. WILLMOTT: I have seen wethers sold at Guildford for 2s. 6d.

Hon. R. H. Underwood (Honorary Minister): And the price in Perth was 8d. a lb.

Mr. WILLMOTT: Nothing of the sort.

Mr. Heitmann: Do you contend that the law of supply and demand only affects the price?

Mr. WILLMOTT: It will always affect the price, but not solely. We cannot combine to keep the price of meat up when we have unlimited herds of cattle and unlimited flocks of sheep to draw upon. The meat stalls do not affect the price of meat outside a small area and very few derive a benefit, if there is a benefit at all.

Mr. VERYARD: The State steamships have perhaps helped to reduce the price of meat. I do not know of any other cause that has been responsible for it.

The Minister for Mines: Do you think the State steamers have brought about the reduced price?

Mr. VERYARD: I say they may have done so. I think the real cause of the high price of meat is the quarrel amongst the butchers. I know for a fact that one firm recently started in the city at a cutting price and they did not deliver any of the meat. The delivery would cost at least a penny a pound and thus they were able to sell at the reduced price. The other butchers had to fall into line. In the baking trade I remember that when there were quarrels among the master bakers the price of bread was cut so low that it was sold even under cost price. The State shops so far as I can see are supplying a limited portion of the population and the selling price in those establishments is not likely to benefit the people generally. I intend to support the amendment.

Hon. J. D. CONNOLLY: It is outside the functions of the Government of the State to enter into trading concerns such as this, and on that score I intend to support the amendment. These butchers' shops have only served a small section of the people, and that has been done at the expense of the taxpayers of the State. The member for Subiaco declared that the State endorsed the trading concerns of the Government. It does not follow that because a Government are returned that the people will endorse their full policy. My reading of the return of the

present Government is entirely at variance with that of the member for Subiaco. The only electorates which returned Government supporters were those far removed from the meat stalls. The Government representative of Perth was turned down and the East Perth and North Perth representatives were also defeated. These members were in the metropolitan area where the people were served by the meat stalls. In the case of Subiaco three years ago the hon. member was returned by a large majority, but at the last election that had dwindled down somewhat considerably. Directly the people have some experience of these ventures, they say in a decided voice that they are against the Government interfering with commerce. I support the amendment as a protest against the unconstitutional methods the Government have adopted in first establishing the shops and then in carrying them on.

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

Ayes	..	..	..	14
Noes	..	..	..	16

Majority against .. 2

Ayes.

Mr. Connolly	Mr. Nairn
Mr. Jas. Gardner	Mr. Robinson
Mr. George	Mr. Veryard
Mr. Hardwick	Mr. Willmott
Mr. Harrison	Mr. F. Wilson
Mr. Hickmott	Mr. Gilchrist
Mr. Lefroy	(Teller).
Mr. Mitchell	

Noes.

Mr. Angwin	Mr. O'Loughlin
Mr. Carpenter	Mr. B. J. Stubbs
Mr. Chesson	Mr. Taylor
Mr. Collier	Mr. Thomson
Mr. Foley	Mr. Underwood
Mr. Green	Mr. A. A. Wilson
Mr. Heitmann	Mr. Bolton
Mr. Johnston	(Teller).
Mr. Mullany	

Amendment thus negatived.

Vote put and passed.

Vote—*Metropolitan Abattoirs and Sale Yards, £5,255:*

Hon. J. D. CONNOLLY: What are the methods adopted by the Government in regard to the working of the abattoirs and the Abattoirs Act in the metropolitan

area? Some four or five years ago an Abattoirs Act was passed, which provided that where an abattoir area was proclaimed no other abattoirs than those conducted by the Government could exist or carry on. At the time of the passing of that Act the then Government saw that this would inflict a great hardship on those who were owners of abattoirs. The establishment of Government abattoirs is quite right. It tends to a pure meat supply and if there is a number of abattoirs in a given district the Government cannot exercise proper supervision, therefore Government abattoirs are necessary. When the Government abattoirs were erected in Kalgoorlie, an area was proclaimed and all other abattoirs within that area ceased to exist. That was a right and proper course so far as Kalgoorlie was concerned. In closing the so-called abattoirs at Kalgoorlie no great hardship was done to any particular person.

Mr. Taylor: They are really slaughter-houses.

Hon. J. D. CONNOLLY: And poor slaughter-houses, too. All the slaughtering during the past six years at Kalgoorlie has been done at the Government abattoirs. In 1909 the Government passed an Abattoirs Act, but recognising that this would inflict a hardship on the people in the metropolitan area and at Fremantle who had built abattoirs and had spent money on them, and who were carrying them on according to the provisions of the Health Act—

The Minister for Works: There is only one.

Hon. J. D. CONNOLLY: There are two at Robb's jetty and two in the metropolitan area.

The Minister for Works: Only one at Robb's jetty.

Hon. J. D. CONNOLLY: The owners of these abattoirs were forced to spend thousands of pounds in order to get the necessary license from the Health Department, and the Government, recognising that, when the Bill was before the Council inserted a provision that any abattoir then in existence, providing the owner applied for registration within three months, should be registered so

long as the provisions of the Health Act were complied with. The owners of two abattoirs in the metropolitan area overlooked the provision that they had to apply for registration within three months; in fact the provision was not brought under their notice until within the last three months. The result today is that the owners of the two abattoirs, Phillips & Co. and the Gascoyne Meat Co., who have good abattoirs, costing many thousands of pounds, are not allowed to use them. One of these firms was prosecuted for slaughtering cattle within the metropolitan area because there are Government abattoirs in the metropolitan district. This is a hardship to these people.

The Minister for Works: We are simply carrying out the law.

Hon. J. D. CONNOLLY: It is not carrying out the spirit of the law because a technical error has been committed in not applying for registration within the time specified. Are these owners to be penalised for all time? Their abattoirs have cost a lot of money. Will the Minister give relief to these people by carrying out the spirit of the Act, or what course do the Government propose to take in regard to the mistake which has been made?

Hon. J. MITCHELL: When the Abattoirs Act was passed it was intended to license only those abattoirs which were up to the standard at that time. For five years the owners of the abattoirs in the metropolitan area have been called upon to provide a necessary public convenience, and they have been allowed to spend money on their abattoirs. They have carried out the requirements of the Health Act and have done everything necessary, except to apply for registration within three months. The Government should treat these people fairly. If these abattoirs are up to the standard, they should be licensed now. The Minister said there was only one abattoir in the metropolitan area that was up to the standard.

The Minister for Works: I said one at Fremantle.

Hon. J. MITCHELL: The Government are under an obligation to the people who have spent their money on keeping their abattoirs up to the proper requirements. If there is one thing which is harmful to the State it is the disregard of people who have fulfilled a public want. The Minister talks of buying the abattoirs at Fremantle. If there is only one abattoir there, why does not the Minister say he is going to buy those abattoirs.

The Minister for Works: Leasing one.

Hon. J. MITCHELL: Are the Government abattoirs at Fremantle open? Are they being used?

Mr. Bolton: One-eighth of the quantity of the meat required at Fremantle could not be killed at the Government abattoirs there.

Hon. J. MITCHELL: At any rate the Fremantle abattoirs ought to be used. Why did the Government erect small abattoirs at Fremantle?

Mr. Bolton: The site is absolutely unsuitable. The quantity coming from the North then was infinitesimal compared with to-day.

Hon. J. MITCHELL: It is the best site in the State. The Minister should act reasonably by these people who have thus invested their money. The fault rests with the Government and not with the wholesale butchers.

The MINISTER FOR WORKS: The remarks of the members for Perth and Northam are surprising. They were members of the Government who introduced a Bill laying down certain provisions which are being complied with by the present Government. Those who own these private abattoirs thought it unnecessary to comply with the conditions of the Act.

Hon. J. D. CONNOLLY: But they must have been in accordance with the Public Health Act.

The MINISTER FOR WORKS: They did not apply for certificates. The conditions surrounding some of the private abattoirs, considered to be among the best in the State, are disgraceful. It is almost impossible to get within a mile of them.

Hon. J. Mitchell: Why do not you prosecute them?

The MINISTER FOR WORKS: That is for the local health authorities.

Hon. J. D. Connolly: They do not control the meat inspection.

The MINISTER FOR WORKS: They have to see to the drainage. The Government are complying with the Act.

Hon. J. Mitchell: Are you going to close down Copley's abattoirs which were there five years ago?

The MINISTER FOR WORKS: The intention is to enforce the Act. The Government have erected abattoirs at Midland Junction suitable to meet portion of the requirements of the metropolitan area. They have erected small abattoirs at North Fremantle which, next to the Canning River site, which would be more central, is the best site in the State. We are now considering whether it would be advisable, in view of the possibility of building chilling and freezing works at Wyndham, to lease one of the abattoirs at Robb's jetty instead of enlarging the abattoirs now in use at North Fremantle. There must be a considerable change in the meat business when the Wyndham works are provided.

Hon. J. D. Connolly: Why not leave Perth abattoirs outside the abattoirs area for the time being?

The MINISTER FOR WORKS: We have carried out the policy of the previous Government in this respect. The private people have not complied with the conditions laid down, and it is necessary that the Act should be complied with if we are to have proper supervision by one centre, namely the Government abattoirs.

Hon. J. D. Connolly: Have you proclaimed an area?

The MINISTER FOR WORKS: I believe the area is one of 12 miles radius from Midland Junction.

Hon. J. Mitchell: Have you closed up any private abattoirs?

The MINISTER FOR WORKS: Yes, I believe some at Midland Junction have been closed.

Hon. J. D. CONNOLLY: The Minister is apparently not fully seized with the

position. He said it is not intended to build abattoirs until the Government are able to judge the alterations consequent on building the Wyndham freezing works. That is wise. The Government could not proclaim an area at Fremantle because the abattoirs are not sufficient to supply it. Therefore my remarks do not apply to Fremantle. In regard to Perth, the Government some time ago erected abattoirs at Midland Junction. In accordance with the Act, they have proclaimed an abattoirs area of 12 miles radius. This will take in the abattoirs for the metropolitan area at Wanneroo-road, and a great injustice will be done to the owners. The Government abattoirs are not within 10 or 11 miles, and it is not fair to embrace private ones until there are abattoirs at Fremantle. They deal with Kimberley cattle, which will have to be slaughtered at Fremantle or taken to Midland, slaughtered there, and then conveyed back to Perth. These people overlooked the provision requiring them to apply for a certificate within three months of the passing of this Act. It was merely an omission, and it is not right to say they were trying to defeat the Act. The Minister should further consider the question. If the Government withdrew the proclamation prescribing 12 miles radius, and made it 10½ or 11 miles it would meet the position. The only effective system of meat inspection is through central abattoirs, but under my suggestion no injustice would be done.

Mr. ALLEN: The Minister should carefully consider the matter. The position of one firm on the Wanneroo-road is rather critical. If they are compelled to close down their abattoirs, they will have to kill at Midland Junction, which will mean an additional expenditure of £22 a week, or place themselves in the hands of their opponents at Fremantle.

The Minister for Works: We are talking of leasing abattoirs at Fremantle which will be in the Government's hands.

Mr. ALLEN: At present these people have the alternative of closing down, going to their opponents, or slaughtering at Midland Junction. The Minister for

Lands gave me to understand that Fremantle would be proclaimed and brought within the area before the end of this month. The firm have been carrying on under the belief that that would take place. Unless they can get an extension of time beyond the end of this month, they must either go to Midland Junction at heavy additional expense or else place themselves in the hands of their opponents at Fremantle. They are seriously considering whether they shall close down, though I do not state that as in any way conveying a threat. If the Government are not in a position to proclaim Fremantle, it is not a fair thing to force these people to go to Midland Junction—they should be allowed to carry on in the meantime. I believe that is the desire of the Government, but only a few days remain to give effect to such a desire.

Mr. BOLTON: How could the effect of proclaiming Fremantle be to help the firm to whom the member for West Perth referred?

Mr. ALLEN: It would put them on the same footing.

Mr. BOLTON: No. For seven months of the year North-West cattle come down, and it is proposed to train those cattle on the hoof to Midland Junction? Oversea cattle cannot be dealt with except at South Fremantle. Since abattoirs were established on the neck of land at Fremantle, there has been marvellous development in that spot, and one result has been that the trouble with the abattoirs there has been accentuated. Practically those abattoirs are of no use, and consequently there must be abattoirs at South Fremantle. Since the transport of troops began, every slaughter yard in Fremantle has been working double shift, and even now sufficient meat cannot be turned out. All meat supplied to troopships is obtained from Western Australia, because the other States are not able to supply. It would be a mad policy to take all the sea-borne cattle to Midland Junction. Until the Government are able to establish abattoirs capable of coping with the consumption of meat in that portion of the metropolitan area, what is

the use of declaring Fremantle an abattoirs area? The member for Northam knows that he made a mistake in removing the yards and abattoirs from South Fremantle. Until the State can establish State abattoirs at South Fremantle—the only possible geographical position for dealing with sea-borne stock—Fremantle cannot be declared an abattoirs area, and the leasing of one of the private abattoirs would not overcome the difficulty.

Hon. J. MITCHELL: Apparently the Government think it right to allow the abattoirs at Fremantle to continue killing, but wrong to allow it in the case of Perth.

The Minister for Works: It is only for a few months.

Hon. J. MITCHELL: All the abattoirs in the metropolitan area should be treated alike. The considerable number of stock which come from the South-West should not be dragged from Midland Junction to Fremantle to be slaughtered. The Government are not yet in a position to deal with the slaughtering of stock for the metropolitan area. If Perth supplies do not come from Midland Junction, they must come from private abattoirs at Fremantle.

Mr. Bolton: The Fremantle private abattoirs are used for oversea stock.

Hon. J. MITCHELL: The present position is utterly unfair. Quite apart from this question, the Government have gone too far in the matter, and in the end they will put up the price of meat to the people. The Government are not ready to do the killing for the metropolitan area, and yet they say they will force the trade into a few, and probably not the best, of the private abattoirs. It is the sort of bungling that characterises from end to end the conduct of affairs by the present Government. When the Liberal Government established the abattoirs at Fremantle, they knew very well that only portion of the requirements of the area could be supplied by that means. It was always the intention eventually to have metropolitan abattoirs in a better position than either Fremantle or Midland Junction.

The Minister for Works: Canning River is the best situation.

Hon. J. MITCHELL: Let me suggest to the Minister in the meantime to reduce the area controlled by Midland Junction. A radius of six miles would be ample. This matter is of sufficient importance to metropolitan consumers to warrant the serious consideration of the Minister.

Mr. ROBINSON: Has any concession been made in the regulations as regards the small man in and about Belmont, Welshpool, and that neighbourhood, who kills only a single animal?

The Minister for Works: That case is governed by the 12-mile radius.

Mr. ROBINSON: That is a hardship which should be removed. A poultry farmer at Belmont, for instance, keeping a few pigs and slaughtering one occasionally has to take that pig all the way to Midland Junction to be slaughtered, and then bring the carcass back again. Directly and indirectly, allowing for loss of time, that would probably represent to him a loss of 20s. Prior to the existing regulations, it was recognised that the small man having a single animal to kill might kill it in his own yard. When he comes to town the same day he brings the carcass to the Perth markets, where the departmental officer inspects it and puts the brand of the department on it. The carcass may then be sold. The whole operation costs the man some few pence, and he suffers no loss of time. The present system imposes a very heavy tax on the small stock-owner without conferring any extra benefit on the consuming public. The observance of this 12-mile radius is simply creating a monopoly in small stock in the metropolitan area, for the small man cannot slaughter his stock at the Government yards with any prospect of profit. In taking a deputation to the Minister for Lands on this subject I made three alternative suggestions as follows:—1, That the present condition of regulations should continue in respect to the small man; 2, instead of having the small man carry his stock to Midland

Junction, establish one or more killing depots in a central position, where these men could bring their animals on a given day in the week; and 3, a reduction of the radius so that the people in the districts mentioned would not be unduly penalised. That was two months ago, and the Minister said he would let me have an answer as to whether the regulations could be modified to meet the case I have here brought forward. I have not heard a word of it since. I hope the case of the small man will receive the consideration it deserves.

THE MINISTER FOR WORKS: All that the Government are doing is enforcing an Act of Parliament passed by my friends opposite.

Mr. Robinson: You fixed the radius.

THE MINISTER FOR WORKS: The idea was that there should be Government abattoirs, where all cattle would be killed.

Hon. J. D. Connolly: In certain proclaimed areas.

THE MINISTER FOR WORKS: There was no intention to have more than one central abattoir for the metropolitan area. While we have to consider the individual, we must also consider the State. If we permitted private abattoirs in the metropolitan area the money expended in building the public abattoirs, representing £33,000, would be depreciated. Are we to carry out the Act as intended, or are we to say, "You may use your private abattoirs—some of them not worthy of the name—and we will close up the public abattoirs."

Hon. J. D. Connolly: You are stating it very unfairly.

THE MINISTER FOR WORKS: The new system will represent a big saving in regard to the inspection, for fewer inspectors will be required. In regard to Fremantle it is intended that everyone in the trade shall be placed on an equal footing. The Government realise it is only fair that in Fremantle private abattoirs should be used, while in other districts all killing should be done at the public abattoirs. If we can make fair arrangements we propose to lease one

of the largest abattoirs in Fremantle which, in conjunction with the North Fremantle abattoirs, will be sufficient to meet the requirements of the metropolitan area. It is our duty to see that the State gets some return for the expenditure on public abattoirs. If we permit slaughtering at private abattoirs the public abattoirs will become useless.

Mr. ALLEN: The question is, are we to give preference to one set of slaughtermen as against another? I would like the Minister to give an assurance that Fremantle will be brought in. At present there is one of two alternatives, either Midland Junction or Fremantle. If a man goes to Midland Junction it means from £20 to £25 per week more, while if he turns to Fremantle he must go cap in hand to the owners of private abattoirs for terms which, in all probability, will be exorbitant. I know that the Minister for Agriculture is anxious to bring Fremantle in and place them all on the same footing. If the Government cannot do that they ought to reduce the radius, which will allow the present abattoirs at Wanneroo to continue their slaughtering. I do not desire to see the public abattoirs making a loss, but unless some action is taken, certain firms slaughtering at Wanneroo will be compelled to close down. Surely it is not desired to drive people out of business; yet the effect of this proposal will be that one firm at Wanneroo will be compelled to go out of business, for they cannot afford to pay an extra £20 or £25 a week for slaughtering, either at Midland Junction or at Fremantle.

The Minister for Mines: If Fremantle is brought into line, how will it assist them?

Mr. ALLEN: They will all be on the same footing.

The Minister for Works: Take Baker Bros., the largest butchers. At present they are killing at private abattoirs at Fremantle.

Mr. ALLEN: Probably they have a better arrangement than others can make.

Hon. J. D. Connolly: Did they build abattoirs?

The Minister for Works: Yes, and they are now closed.

Mr. ALLEN: If the Government will consider the matter and give these people some extension of time until all are brought on a level they will be doing nothing more than is fair. We must avoid compelling any man to close down.

Hon. J. D. CONNOLLY: I cannot understand the Minister for Works on this question. It will not cost the country anything at all to do justice to these people. I move—

That the vote be reduced by £255.

I do this as a protest against the way the Abattoirs Act is being administered.

The Minister for Works: You should have thought of that before you passed the Act.

Hon. J. D. CONNOLLY: We did think of it because we distinctly inserted Section 7 in the Act. When an abattoir area is proclaimed under the regulations no cattle may be slaughtered outside that area, but, recognising the rights of the people who had established at some expense their own abattoirs, this particular Section was inserted in the Act. This section provides that those abattoirs which conform to the regulations of the Public Health Department should be allowed to remain, but they are not allowed to remain now because of a simple mistake that these people made in not applying for a certificate within three months. That is all they have been guilty of. The only system by which the public health laws in this respect can be carried out is the institution of rigid inspection at the time of slaughtering. The Minister says this would cause a lot of extra expense. I say it will cause no extra expenditure whatever. Inspection is paid for on the carcasses by the owners of the carcasses. If the fees are not sufficient, then the price of inspection can be raised. There is no difficulty under the Public Health Act of making an inspection as rigid as may be desired. It may not be necessary for the Government for the present to erect any more abattoirs, because the meat may all come in chilled for some time to

come. To overcome a difficulty which may exist the Minister will only need to alter the proclamation so that the radius of 12 miles may be reduced to 6 or 8 miles.

The Minister for Works: It is your Act we are endeavouring to carry out.

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

Ayes	16
Noes	15

Majority for	1
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AYES.	
Mr. Allen	Mr. Nairn
Mr. Connolly	Mr. Piesse
Mr. George	Mr. Robinson
Mr. Hardwick	Mr. Smith
Mr. Harrison	Mr. Veryard
Mr. Hickmott	Mr. F. Wilson
Mr. Lefroy	Mr. Giechrist
Mr. Male	(Teller).
Mr. Mitchell	

NOES.	
Mr. Angwin	Mr. O'Loughlin
Mr. Carpenter	Mr. Scaddan
Mr. Chesson	Mr. B. J. Stubbs
Mr. Collier	Mr. Thomas
Mr. Foley	Mr. Underwood
Mr. Green	Mr. A. A. Wilson
Mr. Johnston	Mr. Bolton
Mr. Mullany	(Teller).

Amendment thus passed.

Vote (as reduced to £5,000) put and passed.

Vote—Perth City Markets, £721:

Hon. FRANK WILSON: Will the Minister tell us the position in regard to these markets. I understand there has been a loss during the year, whereas the markets used to be one of the most payable propositions the Government had.

Hon. J. Mitchell: Do the Government pay any rent?

The MINISTER FOR WORKS: Everything pays rent that we deal with. In regard to the Perth Markets the loss which the hon. member spoke of was really a profit last year of £116 13s. The markets are not being kept up-to-date at the present time, because, if finances permit, the intention is to remove them from their present position. There is not the

same attraction there as formerly, and we are not expending any more money on them than be helped.

Vote put and passed.

Sitting suspended from 6.15 to 7.30 p.m.

Vote—State Brick Works, £12,500:

Mr. GEORGE: We have had no balance sheet in connection with the brickworks and I would like the Minister to let us have some information about them. The Minister might explain what capital has been expended on these works, what the present output is and how many men are being employed there.

The MINISTER FOR WORKS: At the present time the works are in a very successful position. No balance sheet was produced for last year because there was up to the end of the financial year practically only a few weeks work done and only a small quantity of bricks were turned out. Now the works are turning out bricks which are second to none in the State and orders have been coming in fairly well. Up to the 30th June, the works showed a small loss, that is to say, for a few weeks only, of £316.

Mr. Smith: After providing interest?

The MINISTER FOR WORKS: Yes, but I am pleased to say that up to the 30th September last that loss had been wiped out and we showed a profit of about £66, that too after providing for interest, sinking fund, depreciation, etc. The system has been adopted by which we shall get monthly statements and we are pretty confident that with a turnover of 180,000 bricks weekly we shall make this a profitable undertaking. I was informed by the Under Secretary for Works that the class of bricks for which we had in the past been paying £3 3s. per thousand were now being supplied by the State Brick Works at £2 2s.

Hon. J. D. Connolly: On the job or on the trucks?

The MINISTER FOR WORKS: On the trucks the same as the others. We are saving from 18s. to 21s. a thousand. We are supplying second quality bricks

at 36s. a thousand. I am confident from the figures which have been placed before me that we shall show a margin of profit at the end of the year. The number of bricks turned out during September was 581,000 and up to the 11th of the present month, up to which date the return I have before me was made up, there were 724,000 bricks on order. These were made up of 628,000 first class, 20,000 specials and 76,000 second class. It is gratifying to find that in a comparatively short period, between 8 and 10 weeks, the loss has been turned into a profit. The capital expended on the brickworks is £27,243. The depreciation has been provided for from 20 per cent. down. I went into that matter before we fixed the price for the sale of the bricks. I am quite willing to permit any hon. member to peruse confidentially the statement I have here. I am glad to say that orders are coming in freely and there is not the least doubt that we shall be able to turn out 180,000 bricks per week. If that can be done the works will be a profitable concern. The kiln is capable of turning out 250,000 bricks per week. I have not here the particulars about the men engaged in the works, but I can get the information for the hon. member. I assure the Committee that the works are being carried out as economically as possible. We have a good man in charge, he has held good positions in this State, and I am satisfied if it is possible to make a success of the concern this man will do it.

Mr. JAMES GARDINER: It is refreshing to hear a statement such as the Minister has given us. We realise that so far as one of these State enterprises is concerned, the Minister intends to show the House that there is a desire to make this profitable and that he proposes to give figures which will enable us to come to some decision on the matter ourselves. I believe from what the Minister has told us, and from what I have seen, that they are apportioning the whole of the charges to each thousand bricks. It seems to me to be re-

grettable that this has not been done in connection with the other works. The Minister himself would be able not only to satisfy himself, but satisfy the House whether a profit is being made on the transaction. I would like to say also, and I am going to refer to it later on more pointedly, that this House ought to have a say in the capitalisation of these schemes. The House could then take the responsibility of apportioning it and saying, "Keep within that capital and if you want more you must come to the House to get it." The success of business ventures depends upon what return will come from the capital employed and until we get the capitalisation of these concerns firmly fixed, neither the Minister nor this House will be in a position to judge whether a concern is profitable or not. There is £27,000 invested in this business at the present juncture. Granting it pays interest and sinking fund, on that amount it would be £1,350. I notice that the estimated revenue is £14,000. That does not leave much margin for the depreciation provided for in the return unless there are outstanding debtors at the end of the year. Granted that it is all that the Minister says, I hope that next session the Government will submit to the House all the schemes and let us have their capitalisation so that we may know where we are.

Mr. GEORGE: I am obliged to the Minister for the information he has given to us. There is another matter I want to ask him about. He has given us the price fixed for selling. It will be interesting to know whether the Government in fixing their price intend to fix it at just a bare margin over cost. That is rather a serious matter to those interested in other brickworks, because although the Government may run their brickworks at a low margin of profit so as to about balance the ledger, it is hardly to be expected to be the right thing so far as other traders are concerned. Neither would it be right for the Government to start a business with the idea of allowing their output to go for-

ward at exactly what it costs them. If we do that we destroy the efforts made by others who have embarked in similar businesses. The Minister should give an indication to the House as to what is the policy of the Government with regard to the fixing of the prices.

The MINISTER FOR WORKS: In fixing the prices we have included the manager's salary and provided interest, depreciation, and sinking fund. The total cash provided is £25,424, and interest during the time of construction has been capitalised.

Mr. Smith: What is the amount of interest and depreciation for the coming year?

The MINISTER FOR WORKS: For the month of September it was £170. I will not make public how we arrive at our charges, but if members like to see the figures in my possession they may do so. With a turnover such as it was in September, there is a good margin of profit between the selling price and the cost of manufacture.

Hon. FRANK WILSON: These brickworks have been somewhat of an incubus on Ministers for the last two years or longer. It is nearly three years since they were first initiated. It was announced with a flourish of trumpets that within three months the State would be turning out bricks at 25s. a thousand. That was the Premier's statement, and I pointed out that it was impossible. It has taken all this time to get the concern working. It cannot be said that the war delayed the erection of the works, because the works could be established in six or nine months, especially when, as I believe was a fact, second-hand machinery was obtained in the Eastern States. The Government followed the course they adopted in the case of the implement works, and we have an establishment now which runs into about £27,000, whereas they would have cost a private firm about half of what they have cost the State. The question whether these works will be made profitable on commercial lines is an important one. If the Government, as they appear to have done with all of

these enterprises, have set out to kill the private individual who is in competition with them, this is a principle I cannot support, whether they are paying or losing concerns. The Minister quoted prices which anyone who has had experience in the manufacture of kiln-burnt bricks must know is very near the margin of the cost of production. When I compare this with the unseemly wrangle which for some months past has been carried on between two departments in connection with the powellising of piles for the foundations of the new electric power house at East Perth, where one department has charged another 10 per cent. for profit, I am at a loss to understand where the policy of the Government begins and ends. Evidently the Government are going to bill different departments with a 10 per cent. profit after covering all working expenses, including interest on the capital money, but when supplying bricks to outside purchasers the Government are going to compete on the basis of cost of production. The Treasury figures for the first three months of the present year showed a revenue of £1,799, and an expenditure of £1,784. I admit that is not the sum total of the position of the works. No doubt they had bricks on stock, but I believe all the marketable bricks had been delivered.

Mr. Green: There is a pretty large stock of good seconds.

Hon. FRANK WILSON: Have we established these works to make seconds?

The Minister for Mines: There is a market for seconds.

Hon. FRANK WILSON: No doubt, so long as the Government sell them cheaply enough. We did not establish up-to-date brickworks and invest £27,000 of the public money in them for the purpose of turning out second-class bricks. The seconds should not be a very large percentage of the firsts, but from the interjection one would imagine there were as many seconds as firsts. This establishment has been in course of preparation for nearly three years, and we have been paying the manager £500 a year,

and his salary, I presume, has so far been charged up to capital cost. It is easy to produce figures in the first two or three months to show a margin of profit.

The Minister for Works: We showed a loss in the first ten months.

Hon. FRANK WILSON: It all depends what is charged to capital cost. I venture to say if the Minister were as acute as he proved himself on one or two occasions in connection with the State Implement Works, he would find that most of the expenses have been charged to capital cost; otherwise, I cannot understand the excessive capital value of works of their capacity. I am not satisfied with the statement of what has been done in two or three months. We want to see the works paying year in and year out. I remember that the Minister was jubilant about his implement works. They were going to show a profit.

The Minister for Works: I had to rely on the information given to me.

Hon. FRANK WILSON: But the Minister was hoodwinked, and there was a very considerable loss last year. I am afraid that will be repeated in connection with the brickworks. It is not sufficient for the Government to embark on concerns of this description and think that because there is a certain trade of their own, they can make a success of them. I again emphasise that there is no justification for employing public funds to compete unfairly with our own citizens.

Mr. E. B. Johnston: Bricks were wanted for the workers' homes.

Hon. FRANK WILSON: I do not object to the Government providing works as adjuncts of their own departments, but I object to establishing works on the principle of wiping out the private individual who has put his capital into the industries of the State. It is a question of principle more than of profit. I am afraid that in the course of years the brickworks will prove a dead loss, as they have done in all other States where they have been tried. Under Government management it is impossible to do other than make a loss unless a very much

heavier charge is imposed for public works. I would like the Committee to decide to close down the brickworks absolutely, as they are by no means a wise venture.

Mr. ROBINSON: Are interest and sinking fund included in the item "Manager's wages" or in the items "Wages and general working expenses"? If not, where are they included?

The MINISTER FOR WORKS: Interest and sinking fund are not included in either of the items mentioned. They are supposed to be derived from the bricks which are sold. In reply to the leader of the Opposition it is not possible to show profitable results year in and year out when the works have been operating only a few months.

Mr. ROBINSON: Having been answered by the Minister, I now desire to make one or two comments on the figures. The total expenditure is, I suppose, to be £12,500. A foot note estimates the revenue at £14,000. The difference between the one and the other is £1,500. The Minister has said he has not allowed for either interest or sinking fund, which will come out of the profits, out of the sale of the bricks, out of the £14,000. Previously the Minister told us that for the month of September the amount of interest and sinking fund was £170. Multiplying that amount by 12 gives a total of £2,040 for the year. Taking the figures of the member for Irwin and calculating five per cent. on the capital value of £27,000, I get £1,350; and subtracting that amount from the £2,040 there is a remainder of roughly £700 to cover sinking fund and depreciation. If the interest and sinking fund amount to £2,040 annually, there is on these figures a margin of £1,500 wherewith to pay it. It is apparent, therefore, that the prices fixed for the sale of bricks are so near the margin that at the end of the twelve months—if the figures given here are reliable—there will be a loss of at least £1,000.

Hon. J. D. Connolly: Provided there is a regular output.

Mr. ROBINSON: Yes. If £700 is the only sum allowed for depreciation and

sinking fund on a capital value of £27,000 of machinery—

The Minister for Works: It is not all machinery.

Mr. ROBINSON: What would the capital value of a brickworks consist of except plant and machinery? The siding and the buildings may be in it as well. All these things depreciate rapidly.

The Minister for Works: The fixed plant and machinery amount to £9,000 odd.

Mr. ROBINSON: Apart from the siding and the buildings, ten years at the utmost is the life given to machinery of that description. Some of it, such as mixing machines, would have a life of perhaps only five years. And yet only £700 is provided to cover all the depreciation. That allowance amounts to 2½ per cent., which is utterly inadequate.

Hon. J. D. Connolly: The Minister said he was allowing 20 per cent. on some of the items.

Mr. ROBINSON: It is no use his saying that on these figures. I have offered criticism which will, I think, require an accountant to answer. Failing an answer, I say the figures are wholly unsatisfactory.

The MINISTER FOR WORKS: These figures represent merely estimates of receipts and expenditure. When they came before me I said, "I am confident some members will take objection to these figures." I only hope that on the 30th June, 1916, we shall have no stock and no outstanding accounts. There is a possibility, if orders continue to come in as they are coming now, and if we continue to supply bricks as we are doing at the present time, that there will be a fair amount outstanding on the 30th June next. Further, some bricks will be then in stock, which cost money to produce. That is how the difference to which the hon. member for Canning refers is made up. If the output falls off, working expenses will of course be reduced correspondingly. In dealing with trading concerns it is impossible, in times such as these, to give anything like exact figures of trade for 12 months ahead. I honestly believe that

many of these figures are merely farcical; or shall I say that they represent the merest expression of opinion? There is no use beating about the bush. On the present production of 180,000 per week the brickworks will pay interest and sinking fund, and also return a fair profit to the State.

Mr. GEORGE: This discussion will be of value to the Minister and to those who framed the estimates. If the expenses are estimated—and they can only be estimated—at £12,000 and the revenue is estimated—and it can only be estimated—at £14,000, then it must be impressed on those responsible for the management of this undertaking and all similar undertakings that in fixing the prices of their products they must take into consideration all the costs involved. One of those costs is interest and sinking fund. An estimate of interest and sinking fund should have been furnished in this instance. Is the policy of the Government to estimate the exact cost of their product and to realise that cost including sinking fund and depreciation?

The Minister for Works: That varies according to the output.

Mr. GEORGE: Exactly, but there are certain fixed charges which do not vary at all. The output may diminish or may increase, but certain charges will remain the same. I am obliged to the Minister for the candour of his reply. If interest and sinking fund are omitted in this case, the price of the bricks might be fixed at 1s. or 2s. per thousand too low. It is in order to prevent such a possibility that my criticisms and those of the member for Canning have been offered. If the Government are going to fix prices which leave no margin of profit, private enterprise will be driven out of the business; and it will be impossible for the Government to cope with the demand. Further, if the principle is to be distinctly understood that the Government will fix their selling prices barely above cost, if it is to be understood that that is the goal at which the Government aim, then private persons will be very chary of investing their capital and their brains in trading enterprises of this sort in Western

Australia. The interest of £500 a year may appear to the Minister a sufficient recompense for the capital involved, but are we to accept it as sufficient repayment for the risks in trade on a capital of some £27,000? The difference between private concerns and Government enterprises is that in a bad year the Government have the public funds to trade upon to make up the deficiency, whereas the private individual has either to borrow or to make a raid on his reserves. This is not fair competition. If the Government go in for brickworks, they should not make their prime object the selling of the bricks at cost price. If they do that, away goes all private enterprise. The Government can go into business with advantages enjoyed by no private enterprises. The principle I wish to lay down is that it is not a fair policy that the State trading concerns shall be worked with the idea of merely making revenue balance expenditure. To do this is to rob private enterprise of all incentive. I accept the Minister's word that in making up the cost price they have included everything that should be included; but the question is, what should be the basis of their selling price? To be satisfied with selling at cost price is to be absolutely unfair to private enterprise. We are told that the same thing obtains in regard to the State meat shops. I want to know from the Minister if it is the Government's policy to base their selling price on the actual cost. It is a matter of vital importance to the State, and will inevitably have a considerable influence on the avenues of employment, which may be either opened up or closed, according to the policy adopted by the Government.

Mr. Heitmann: If we are careful to provide interest, depreciation and reserves, what more would you have?

Hon. J. Mitchell: The private individual has to pay taxes.

Mr. Thomas: The consumer will benefit.

Mr. GEORGE: How will the consumer be affected when, by this policy, we have smashed up all private enterprise? The policy is bad for the State.

Mr. Heitmann: What profit would you advocate?

Mr. GEORGE: I do not care, so that it is something above cost.

Mr. B. J. STUBBS: The hon. member claims that, because the Government propose to give the consumer the benefit of cheap manufacture, private enterprise will be destroyed. Suppose a private firm, discovering a new method of production, were able to sell much cheaper than any other firm: would the hon. member object to their giving the consumer the benefit of the cheap production, or would he have them still keep up the price merely because they might otherwise drive out of business all others engaged in the industry? Surely the hon. member can see how foolish his argument is. All the world is trying to get better methods of production in order to give the consumer the benefit. To prevent the consumer getting the benefit of cheaper production is to kill all incentive to enterprise. Suppose one or two brickmaking firms are driven out because the Government can produce bricks much more cheaply, and can supply more cheaply to the consumer, will it not be in the interests of the community?

Mr. George: You are missing the point altogether.

Mr. B. J. STUBBS: Many private individuals have been prevented from erecting homes of their own because of the enormous cost of bricks. If by producing cheaply the Government will enable people to build homes, will not that be a stimulus to industry in the community? It is the same old plea as was heard from the owners of windjammers when steamers were first invented. Hon. members who complain on this score are out to smash up all machinery; they would stop all progress because some person with a brickyard might possibly be injured. The very principle of public ownership is to produce cheaply and to give the consumer the benefit of that cheap production. Members opposite object to the Government selling on a little profit because this may interfere with some other brickmaker.

Mr. George: I object to the Government using the funds of the State for this purpose.

Mr. B. J. STUBBS: They are not doing so, so long as they are charging a sufficient price for the bricks to cover the necessary costs, interest, sinking fund and depreciation. The consumers of the bricks are paying for them all the time when they are covering all these charges. The policy is undoubtedly a wise one and this system of criticism is uncalled for.

Mr. GEORGE: The policy of the Government is, then, I take it to produce locally in order to give bricks to the people at practically the ascertained costs, and that is their policy in entering into all these business concerns.

Mr. Taylor: Silence gives consent.

Mr. GEORGE: I want the Minister to confirm that. He has himself said that these Estimates of revenue are a farce.

The Minister for Works: So they are.

Mr. GEORGE: Is it the Government policy to enter into a business concern and provided they get their costs back again not to make any profit out of it?

The Minister for Works: I have not said so.

Mr. GEORGE: Then we are at a deadlock. I have it on the authority of the chief lieutenant of the party, the member for Subiaco, that the policy of the Government is to produce as cheaply as possible, and to sell as closely as possible to the cost.

Hon. Frank Wilson: Ask Mr. McCallum for the policy.

Mr. GEORGE: I do not know him. If the Minister does not deny that I shall take it as a fact.

The MINISTER FOR WORKS: The manager we have at the brickworks is a man who knows his business. The price which he recommends should be fixed for the bricks is based on the price which in his opinion is sufficient for any person who carries on the brickmaking industry. I suppose the largest consumer of these bricks will be the State itself. If we are saving to the State £1 a thousand on the price we shall be conferring a benefit upon the people of the State.

Mr. Smith: Are the Commonwealth Government buying bricks for the post office?

The MINISTER FOR WORKS: We have an order for 500,000 bricks from that quarter. If the works can be kept up as they are at the present time they will be a payable undertaking. The output of 180,000 bricks per week has not been realised on account of the weather, but I hope the Works will turn out as anticipated. There is an arbitration award in force to-day with regard to wages in connection with the brickmaking industry. The employers represented at the court stated that it was impossible for a private man to compete in the brick-making industry against the up-to-date works which belong to the State, because they are so well equipped and conducted.

Hon. J. D. Connolly: You ought to have a complete plant upon that capital cost.

The MINISTER FOR WORKS: We have a good plant. I hope the estimate will be more than realised.

Mr. GREEN: I am particularly cheered by the statement made by the Minister for Works on the position of the State brickworks. The member for Murray-Wellington asked for a definite pronouncement as to whether the Government were going to embark on the industry against private enterprises. Members of this party may differ on that particular point. So soon as an industry in the State manifests a desire to charge the consuming public an exorbitant rate for the products, whether food, clothing, or building, it is the duty of the Government under the labour ideal to step in and endeavour to prevent the public from being exploited. This was the position in regard to the brickmaking industry when the State brickworks were inaugurated. The price of bricks here was then £3 3s. per thousand and any builder will admit that this price was exorbitant.

Hon. J. Mitchell: What is the cost of laying bricks?

Mr. GREEN: Anyone who has been in the trade knows that it is impossible to make one statement which will cover the general costs of laying bricks on all classes of work. On some classes of work a man will do well to lay 500 bricks a

day, but on another class he will lay 2,000 bricks a day.

Hon. J. D. Connolly: A man dare not lay 2,000 bricks a day now.

Mr. GREEN: No one should understand better than the member for Perth that most of the brickwork in Perth is done by contract, and that the men are all out to do as much in the way of laying bricks as they ever did. The member for Canning expressed concern that there might be a loss on the State brickworks at the end of the year. The Minister has answered that by stating that the manager is going to supply bricks at a price which will leave a small profit for the Government. If the brickyard is going to make 180,000 bricks a week and we are going to continue as we are doing at the present time to make a reduction of £1 a thousand, that means that we are going to benefit the community to the extent of practically £10,000 a year. A man building a small cottage, which will take 30,000 bricks will, if he buys from the State, save £30 on the cost of his bricks. He would also get a better brick than he would if he bought from another source. The State bricks are better than any other bricks in Western Australia. The samples of State bricks which I have in my hand I took from the kiln at dark. They are not picked out in any way. The objection to State brickworks some time ago was that they could not make bricks, and that the bricks were bad. I went down to the contractor of the General Post Office the other day, and Mr. Arnott told me that he was ordering 500,000 bricks from the State yards. The State bricks are stacked alongside the bricks made by private people, and anyone will admit that they are the best bricks on that particular job. They are equal to the New Northcote bricks in Victoria. I will hand these two bricks to the managing director of the *Sunday Times*, the member for North Perth. In all State enterprises the man in charge must be a man who understands his business. Whatever may have been our experience in regard to some of our industries in the past, and it must not be forgotten

that we are dispensing with the weak managers, we have in Mr. Bradshaw, the manager of the State brickworks, one of the best authorities on brickmaking in Australia. That gentleman is receiving £100 less than he was getting from the Golden Horseshoe, where he was engaged as chief engineer. Years ago he managed large State brickworks in Victoria, and it was he who selected the site of the present works, because of the deposit of clay there. Western Australia is particularly unfortunate in having a very small number of good deposits of shale suitable for the manufacture of bricks. In no other part of the State is there a machine brickyard so well equipped as the State possesses. Every article of machinery there is new. Nothing is second hand, and the gas producer plant, too, is the latest of its kind. When we talk about the considerable time that has elapsed since the State brickworks were founded, we have to bear in mind that because of the difficulty of finding clay the manager had to go into the hills to select a site. A siding had to be taken to the existing site because it was difficult of access; and last, but not least, in the establishment of a brickyard it is necessary to manufacture the plant. The principal part connected with it is the building of the Hoffman kiln, and that has to be constructed out of bricks which are made as they go along. So far as the manager himself is concerned, there is nothing canny about him. If a man is not suitable the manager stands on no sentiment but gets rid of him. The highest wages are paid, but he claims the right to sack anyone who may be a waster. I am sure that the State machine brickyard will be a magnificent success and it will continue, as it is doing now, to make bricks second to none in the State.

Vote put and passed.

Vote—*Ferries*, £5,020:

Mr. ROBINSON: The question of State ferries is an interesting one. It is the latest branch of State enterprise, and we have here a direct comparison with private enterprise. The South Perth fer-

ries, until a very short time ago, were conducted by a private company, of which, if I mistake not, a distinguished member of this House was one of the directors.

Mr. Male: Who was that?

Mr. ROBINSON: The member for Irwin. That company ran very successfully, and used to make a profit of between £1,500 and £2,000 a year. The first year the Government took the service over it was announced in the Press that they had continued the profit made by the company, and that a sum of £2,000 had been paid into the Treasury as the profit for the year. Imagine my surprise, when I headed a deputation to the Colonial Secretary a few months ago, to learn that the service was not paying. I said, "What about the £2,000 you made last year?" The Colonial Secretary replied that that was a mere statement and that no interest and sinking fund had been provided for. The £2,000 which was paid into the Treasury was gross. This year, I see by the profit and loss account, there is an actual loss of £396. In 18 months a profit-earning machine has been converted into a concern which has lost £396. This is a monument of the incapacity of the Government in the management of State concerns. We want to know how they do it. Is it the fault of the manager? I do not know who the manager is. I am in the dark there. I asked some questions in this House a few days ago—I wanted the information for the benefit of members—in regard to the management now and the management when the concern was in the hands of a company. In this particular service I venture to say it is almost impossible, under existing conditions, to make ends meet and the reasons are given in the questions I asked the Minister. I asked him how many employees did the late company have and he answered, 11. I asked how many employees there were now and he said 17. The Minister went on to say that the number of hours, instead of being 62 per week, were reduced to 54, that under the Government service a day off per week was allowed

each man, the result being that the wages roll to-day amounts to £2,612 per annum. I venture to say that when the total earnings of that company amount to £5,400 per annum and the wages roll to earn that money is £2,612, quite apart from the £10,000 capital expenditure, and apart from maintenance it is too much. The maintenance of these steamers amounts to £1,400 per annum, that is fuel, light, and so on. If we add the maintenance and the wages we have a sum of £4,000, leaving only £400 of the takings. But that sum is consumed by a large number of items which are comprised in the paraphernalia of the department. In dealing with the question of depreciation and sinking fund let me quote the words of the Auditor General on ferries—

Depreciation of the ferries with the exception of the "Perth" is based on the estimated life and breakup value as fixed by the Engineering Surveyor of the Harbour and Light Department. The depreciation of the "Duchess" was calculated on the sinking fund basis—

He does not say what it is.

with interest at $3\frac{1}{2}$ per cent. No investment however has been made. Neither has it been treated in the books as invested. Depreciation on the "Perth" is based on the fixed annual instalment principle (without investment) and on an estimated life of 20 years stated by the acting accountant to be the estimate given verbally by the Chief Harbour Engineer.

I have no fault to find with regard to the "Perth" but when I take the detailed amount allowed for depreciation on the whole service I find that the sum amounts to £472. The capital value of the ferries is £10,896; therefore, the depreciation in round figures is about $4\frac{1}{4}$ per cent. per annum. The boats taken over from the old company were taken at a value of about £2,800, whereas £8,000 odd has been spent on the new boats. On the "Perth" a 20-year allowance has been made, and the depreciation would, therefore, be about 5 per cent per annum, less the break-up

value. The argument I deduce is that if it is a fair thing to allow 5 per cent. depreciation on the new steamer "Perth," the depreciation on the "Duchess," which is at least 14 years old, should be not less than 10 per cent., instead of $\frac{1}{2}$ per cent., so that if a proper depreciation of this sort were allowed—£472 on £10,896 capital is not a proper depreciation—the loss, instead of being £398, would be greater. I have said enough to show that under the existing management, the ferries do not in any shape or form equal from a commercial or State point of view the private management. From answers to questions I put to the Minister, I learned that the fares charged to-day are in some cases more than the fares charged by the old company.

Hon. R. H. Underwood (Honorary Minister): In some cases a lot less; the average is less.

Mr. ROBINSON: In some cases they are less. The single fares are the same. The monthly fares are slightly less, and the quarterly fares, which the bulk of the people take, are more. The total fares are very similar to what obtained previously and instead of making a profit of £2,000 a year on this venture, we are making a loss. This is a very good example of what States should not do. It shows that with State enterprises in juxtaposition to private enterprises on the same article, private enterprise will win every time, and I have no doubt that any State enterprise will ever kill private enterprise, even if the Government are prepared to sell their product at cost price. With the Government controlling State enterprises and selling at cost price, the private man could produce the same article as well at the same price and make a profit. The State ferries prove my argument up to the hilt.

Mr. WILLMOTT: The "Perth" was designed by McKay and Baxter. I would like to know who introduced this particular firm to the Government. Was it the same gentleman who is agent for the man who recommended the purchase of the "Kangaroo?"

The Minister for Mines: You have struck a mare's nest.

Mr. JAMES GARDINER: If there is any one in the House who has had a pretty good interest in the ferries, it is myself. The Government took over a very profitable little business and it will be the Government's own fault, and to their everlasting disgrace, if they mismanage it into a losing scheme. When the Government took the ferries over the gross receipts were about £3,100. In the last year under the company it took £2,230 to run them and pay the necessary depreciation, leaving a net profit of £970, though there were times when the ferries returned £1,500 a year. For the boats the Government paid £3,600 and the £970 profit represented nearly 30 per cent. on the capitalisation when the ferries were taken over. Last year the revenue was £5,385 and the expenditure £4,574, a difference of £814. The loan figures show that there is £12,000 in this concern. If we debit interest and sinking fund without depreciation with £650, the profit would be £164. The member for Canning spoke of the depreciation on the "Duchess." Probably a 10 per cent. depreciation would be required on her, but there are other boats which would not require so much, and probably the new boat ought not to start depreciating straight away. This year the expenditure is estimated at £5,020, and the estimated revenue at £7,000, leaving a profit of £1,980. For an extra expenditure of £446, the Government are going to earn an extra profit of £1,166. I am very dubious about that. I remember once seeing a balance sheet in which credit was taken for undiscovered profits, and in this particular instance it is quite possible the receipts will be less than is estimated. I have not much sympathy for the South Perth people. They have had a marvelously cheap service. They are not as modest as their representative. Each individual of South Perth wants a timetable and a service to suit his own convenience. If the people of South Perth are paying higher fares, they have got what has been coming to them for a considerable time. This is a franchise which

ought to belong to the people, either of the city or of the State, and it ought to pay. The Minister should look into this concern for himself. Here is a scheme that a blind man could make pay.

The Premier: That is, if the blind man had the power and could run it as a private concern.

Mr. JAMES GARDINER: What is the power the Government want?

Mr. Allen: Brains.

Mr. JAMES GARDINER: If the Government have not the power and are going to take away these businesses from people who could make them pay, and run them at a loss, the sooner the Government get out of them or get the power, the better it will be for the State.

The PREMIER: I agree with the member for Irwin that a concern of this nature ought to belong either to the Government or to the local authority and ought to pay, and that the people using the service should not call upon the rest of the community to bear portion of the cost of operating that service. Where such an undertaking is controlled by the Government, they are pressed by members representing the district to provide additional accommodation and conveniences of all descriptions, and to do this at a less cost to those obtaining the benefits than would be paid, without grumbling, to a private company. What was the position in regard to the Perth trams? The people complained to the Perth City Council regarding the class of cars used and the conditions of the service generally, but they did not get the council to move against the company. As soon as the Government came on the scene, however, the Perth City Council and everybody else, including the member for North Perth, began to howl for all sorts of extensions of the system, reductions in fares—

Hon. J. D. Connolly: Which you promised.

The PREMIER: Which I promised to make when the time arrived. I am not going to reduce the fares until such time as we are able to supply cheaper methods of transit. I do not intend that the State shall make a loss on the Perth

tramway system. The ferry system was a positive disgrace under the company's administration, and the Government had to step in. When the steamer "Perth" was launched, congratulatory motions were carried by the South Perth Council. Then suddenly somebody found something to make a noise about, and the chorus has been going on ever since. In these matters the public must recognise that if they ask the Government or the local authority to provide better conveniences than a company would provide, the public must pay something. A ferry service for a small population carried out on the lines of a service for a large population must either charge high fares or show a loss. We cannot have a service like that of Sydney until we have a corresponding population. The desire of the Government is to encourage the people to settle in the healthier districts outside the City, and with that end in view the service will be operated along the river. Under these circumstances, there must be, for a time, a struggle to make the service pay. It is, however, paying now, and will pay better in the future. The Government have improved the service and have also improved the conditions of the men employed. Hon. members need not worry much about the ferries, which are not showing a loss. Last year we did not have the best of the season with the new steamer, but this year we shall have the full season for her. If the ferries will not pay under existing conditions, we shall alter the conditions so that the ferries will pay.

Hon. R. H. UNDERWOOD (Honorary Minister): The member for Canning said that before the ferries were taken over by the Government they returned a yearly profit of £1,500 to £2,000. The hon. member who was connected with the ferry service, however, said the profit had been £800.

Mr. Robinson: He said it had been up to £1,500.

Hon. R. H. UNDERWOOD (Honorary Minister): The men employed in connection with the ferries were undoubtedly entitled to increase of wages and reduction of hours. In any case, they obtained

those better conditions through the Arbitration Court. In consequence, there has been an increase in the number of men employed, and the wages bill has risen by £800 per annum. All enterprises should pay a fair wage and give fair conditions of work. The profit of the past is in this case accounted for by the increase in wages. Six additional men are now employed.

Mr. James Gardiner: Come down and see the system.

Mr. Robinson: Two men on the door.

Hon. R. H. UNDERWOOD (Honorary Minister): Last year the ferries made a loss of £400, but almost all business concerns either made a loss or showed heavily decreased profits last year. The ferries have had practically no holiday traffic since the outbreak of the war. In such circumstances a private company would think nothing of a small loss. The very fact that we got through with so small a loss proves that the ferries are a paying proposition. The member for Canning stated that the "Perth" had been blown up to the Causeway and down to the Narrows, and he suggested that nine feet should be taken off the top of the boat and put on to the bottom.

Mr. Robinson: You are paraphrasing my remarks.

Hon. R. H. UNDERWOOD (Honorary Minister): I have made inquiries, and learn that there is absolutely not a word of truth in the statement. The ship never drifted on any occasion.

Mr. E. B. Johnston: I say that the ship could not get to the jetty for half an hour.

Hon. R. H. UNDERWOOD (Honorary Minister): I am not taking the hon. member's word for it.

Mr. Robinson: The member for Williams-Narrogin says he saw it.

Hon. R. H. UNDERWOOD (Honorary Minister): I do not believe it. I would sooner believe the officers.

Mr. E. B. Johnston: There were several hundred people watching her drifting.

Hon. R. H. UNDERWOOD (Honorary Minister): Again, the member

for Canning said there had been an increase in fares. That, once more, is not correct. Notwithstanding a recent increase in some of the fares, there is in the fares to-day as compared with those obtaining before the Government took over, a decrease of approximately 10 per cent. Further, special concessions such as workers' and school children's tickets at half rates have been granted, and reductions have been made in the case of charitable institutions. In addition to the falling off in traffic, a disadvantageous feature of the past year's working was that the cost of stores ruled higher than ever before. Taking all these things into consideration, it must be admitted that the service has not been, under Government management, the failure some hon. members would like to make it out to be, simply because a small loss resulted in a year like the last.

[*Mr. Male took the Chair.*]

Mr. THOMAS: The trouble with the ferries seems much on a par with the trouble in other trading concerns, of which we have not made a success. There seems to be a desire on the part of the Government to give people everything they can at the lowest possible remuneration, and sometimes their optimism runs beyond the bounds of discretion. I would advise the Premier to make better provision for unexpected possibilities than he has done in the past. When speaking on the Railway estimates I told the Premier he was trying to give the people 22s. 6d. for every pound they paid. The explanation has been made that since the Government took over these boats they have had to work the men shorter hours. That is as it should be; but when the Government took over the service they were aware of the fact that they would work the men proper hours and give them a reasonable wage, and therefore, they should have made provision for these things in their Estimates. The fault in this, as in many other things, is that the Government are trying to do too much for the public, without taking into consideration the contingencies that may

arise. Even in a year such as the present, with an absolute monopoly of the service between Perth and South Perth there is ample room for a very decent profit. Seeing that the previous owners made a profit in their last year of nearly £1,000 I think that with an increased population—

Hon. R. H. Underwood (Honorary Minister): And a decreased trade.

Mr. Robinson: No.

Mr. THOMAS: How can there be a decreased revenue if the returns have increased £2,000 per annum? I agree with the member for Irwin (Mr. James Gardiner) that in this little concern we have a very fine property, and with fair consideration, and its estimates prepared with less optimism, this concern should pay well. Under fair conditions and proper management we should be able to provide all that the service requires, and demand a fair rate in return.

Mr. E. B. JOHNSTON: I did not think the harmless interjection I made was going to bring me into this debate.

Hon. R. H. Underwood (Honorary Minister): There is nothing harmless about a misleading remark such as you made.

Mr. E. B. JOHNSTON: My statement was absolutely true, and I will deal with you before I have finished. I simply mentioned that I had seen with my own eyes the boat drifting off the Barrack-street jetty for nearly half an hour, and that several hundred people were watching its antics and wondering if it would ever reach the jetty. The boat appeared to be in considerable difficulty. I merely endorsed the statement that that was so, and the Honorary Minister, with that courtesy and refinement which always distinguishes his utterances, said "I do not believe you." Coming from him as it did, I am quite prepared to leave the statement to the judgment of the public. As a private member no one was more independent in his criticism than the Honorary Minister, but to-day he prefers to believe what he says is the statement of the officers. Personally, I do not believe he has any statement of the

officers on that subject; I believe he was deliberately incorrect when he made that statement. No one could be more intolerant than is the member for Pilbara as a Minister.

The CHAIRMAN: The hon. member must keep to the question.

Mr. E. B. JOHNSTON: I made a statement regarding what I saw of that boat, a statement which the Honorary Minister boorishly contradicted.

The CHAIRMAN: I must ask you to withdraw that word.

Mr. E. B. JOHNSTON: I withdraw it. There is no Minister more intolerant than the member for Pilbara, or more pliable in the hands of his officers than is that member since he got on the front benches. I merely make this explanation in justice to myself and in view of the Minister's denial of the incident I happened to see not many months ago. We have been told that since the boat was out of control on that day she has been tied up to the jetty for 3½ months. That statement appears to me to confirm the truth of what I saw with my own eyes.

The Premier: There is no connection between the two.

Mr. E. B. JOHNSTON: If that is so, the Minister certainly weakened his case by denying the truth of the statement I made. It appears to me the one result of the taking over by the Government of these ferries is that there is a reduced service at an increased cost to the season ticket holders.

Mr. ROBINSON: It has been stated from the Government benches that the fares are 10 per cent. lower than they were under the regime of the private company. I have here the two schedules of rates. Let us contrast the prices charged by the Government with those charged by the private company. Single tickets are the same. In respect to monthly tickets there is a difference of 6d. all round, men, women and children, in favour of the private company. In respect to quarterly tickets, the company's price for men was 21s.; the Government charge 23s. The company's price for ladies' tickets was 12s. 6d.; the Government charge 14s. The company's price for children's tickets was

10s. 6d., whereas the Government charge 11s. 6d. Thus there is a difference of 6d. in the monthly tickets and in respect of the quarterly tickets of 2s. in each case, except that of the children, in favour of the company, so that the service has decreased and the fares are higher than before. The Minister should find out what is wrong. He need not go beyond the front door to discover that one man too many is employed.

Hon. R. H. UNDERWOOD (Honorary Minister): The monthly fares have been reduced and the quarterly fares have been increased and we have introduced workers' tickets at half rates. My statement is correct.

Vote put and passed.

[Mr. McDowall resumed the Chair.]

Vote—*State Fish Supply*, £14,362:

Hon. H. B. LEFROY: This is one of the latest enterprises of the Government. It is only a minnow at present, but the time may come when it will grow into a whale and possibly swallow the Government. It would be to their interest to cut down the expenditure and discontinue this enterprise. A few people might get some advantage from it, but the State as a whole gets no advantage. It is one of the most precarious businesses into which anyone could enter. According to the public accounts the expenditure for the first three months of this year was £3,524 while the revenue was £2,354, or a loss of £1,170. Thus it has not proved a commercial success. I move an amendment—

That the vote be reduced by £7,000.

The Government will then be able to continue operations only until the end of the present year.

Hon. R. H. UNDERWOOD (Honorary Minister): If the amendment is carried, we shall have to close down. When starting such a business, we cannot hope to keep the finances level for the first two or three months.

Mr. George: Explain the loss.

Hon. R. H. UNDERWOOD (Honorary Minister): The ships had to be got into proper working order; they had to be equipped and, with all the initial expenditure, there must naturally

be a loss. We had to buy two ships and equip them, and obtain gear and organise the whole thing—

Mr. George: That is plant and not loss.

Hon. R. H. UNDERWOOD (Honorary Minister): Every purchase is not put down to capital cost. To judge the result of this enterprise on the first three months business is not fair. If the hon. member's desire is to discontinue the concern, I can understand the amendment, but I do not think he has given this subject his usually fair consideration. I hope the State Fish Supply will be continued. So far it has proved of very great convenience to the people in most of the southern towns of the State, and when the enterprise is in proper working order it will show not a loss but perhaps a margin of profit. Our object is not to make a profit but we hold there should not be a loss. Those who do not enjoy the advantage of this enterprise should not have to pay for those who do. When in working order this will prove of advantage to a large number of people in the State, and sound financially. Although there is a Liberal Government in Victoria, strongly opposed to State enterprise, they are seriously considering the question of embarking on a similar enterprise.

Mr. George: Is fish any cheaper here?

Hon. R. H. UNDERWOOD (Honorary Minister): Yes.

Mr. GEORGE: I think the member for Moore has voiced the opinion of most members. At the inception of manufacturing concerns, there is bound to be a loss, but in this particular business there ought not to be a loss. Cheap fish is wanted by the people and it has always been a puzzle to me why they could not get it.

The Premier: That applies all over Australia.

Mr. GEORGE: The fishermen do not get the profit.

Mr. Green: Do not you think it is the wholesaler who gets the profit from your fruit?

Mr. GEORGE: The difficulty seems to be that the fishermen cannot get into close touch with the consumer. Anyone who could get a supply could start a fish business, and the mere fact of exposing it for sale at reasonable prices would ensure it being cleared. Of course the Government had to purchase all the boats and nets and crates but these items should have been debited to plant. The ordinary stores should not account for a loss of £1,100 in three months, or if they do, it is difficult to understand a loss of £5,000 a year in this connection. It is desirable in a country like this that we should have a cheap fish supply. If the Government were to solve this question as between the producer and the consumer, they would earn the gratitude of the House and of the community. Here the revenue of the State is to be applied to make up the deficiency between the cost of production and the results of the sales.

Hon. FRANK WILSON: How is it I have to pay 1s. 2d. per pound for schnapper at the present time? When the 1911 elections were on, the Premier announced that he was going to provide a supply of fresh fish for the people at half the then cost, and said that it would be delivered at the doors of the consumers at 5d. a lb.

The Premier: I said nothing about delivery at the doors. It is obtainable at 5d. a lb.

Hon. FRANK WILSON: We cannot purchase fish at anything like that price. The Premier said it would be delivered at the door of the consumer.

The Premier: I said that fish would be put on the market at 5d. per lb. and this has been done.

Hon. FRANK WILSON: I have been looking for a fresh fish supply at 5d. a lb. ever since. Unfortunately, the price has gone up to 1s. 2d. a lb. Why has not the Premier carried out his promise to the people?

The Premier: We have.

Hon. FRANK WILSON: This is another of the promises of the Premier which he has failed to carry out.

The Minister for Works : You must be charged a higher rate than the general public.

Hon. FRANK WILSON : The Government have made a mess of this enterprise and have started at the wrong end. Instead of getting someone who does understand the business to direct it into proper channels they go on in their own sweet way. The system is not well thought out, and is not carried out in detail, and the result is that the people can get no advantage from it. In order to cheapen the fish supply, the Government have not only to get the article from the ocean and bring it to their ports, but they have to control the distribution of it. They have to control the production so that it gets to the consumer.

The Premier : How could we bring about an increased production of fish ?

Hon. FRANK WILSON : It is of course possible to get more fish from the ocean, otherwise the policy would be of no effect. As a matter of fact the State fish supply is a farce, and of no benefit to the people. If I had my way, I would close down the fish stalls altogether. In a period of three months the fish business of the Government has gone to the bad to the extent of £1,170. I do not suppose there is a stock of fish on hand to make good the shortage, or that the Government have any book debts to account for it, so that we must assume they are drifting to leeward to the extent of £4,000 or £5,000 a year. I object to the principle and to the administration, and support a reduction in the vote to emphasise that objection.

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

Ayes	..	..	..	14
Noes	..	..	..	15

Majority against .. 1

Ayes.

Mr. Allen	Mr. Mitchell
Mr. Connolly	Mr. Plesse
Mr. George	Mr. Robinson
Mr. Hardwick	Mr. Smith
Mr. Harrison	Mr. Willmott
Mr. Hickmott	Mr. F. Wilson
Mr. Lefroy	Mr. Gilchrist

(Teller).

NOES.

Mr. Angwin	Mr. Scaddan
Mr. Chesson	Mr. B. J. Stubbs
Mr. Collier	Mr. Taylor
Mr. Foley	Mr. Thomas
Mr. Green	Mr. Underwood
Mr. Johnston	Mr. A. A. Wilson
Mr. Mullany	Mr. Bolton
Mr. O'Loughlin	(Teller).

Amendment thus negatived.

Vote put and passed.

Vote—*State Hotels, £29,430 :*

Mr. GEORGE : We have no balance sheet of the State hotels, though four months have elapsed since the close of the financial year. A cash concern ought to produce its balance sheet promptly. Unless a balance sheet is furnished, I shall have to move a resolution.

Hon. FRANK WILSON : This vote represents an expenditure, including £1,700 for interest, of £31,000 odd. The estimated profit is £4,300. That is not a fair thing. There must be six or seven of these hotels, and for the establishment at Dwellingup an ingoing of £4,300 could be obtained in consideration of a seven years' lease. For the first three months of the current year the expenditure on State hotels has exceeded the revenue by about £4,000. Although fair stocks must be carried at times, and although the new hotels require to be stocked, the excess of expenditure over revenue seems ominous for the success of the undertaking.

The Minister for Mines : Several of the State hotels in new agricultural districts have been much affected by the bad seasons.

Hon. FRANK WILSON : In my opinion, the Government ought to close down even on State hotels, or at all events not build any more just now.

The Premier : We are not building any more just now.

Hon. FRANK WILSON : The times are too stringent and the cost of money is too great to justify us in embarking on these ventures. In particular, the present high cost of money means saddling an undertaking with permanent heavy cost.

The PREMIER: The Government have decided that under existing conditions it is not desirable to devote funds to the building of new hotels. One hotel is in course of erection at Corrigin and one at Bolgart; and these will be completed, making the total number of State hotels seven. In every case but one these hotels have shown a profit, and in two cases they have repaid their capital cost twice over—at Gwalia and at Dwellingup. The Government have provided facilities for the public outside mere drinking, and the general upkeep of State hotels is heavier than the upkeep of private hotels similarly circumstanced. The State hotels in country districts are very much ahead of private hotels in the country. It is true that some of the State hotels in the country have been erected ahead of existing requirements, but the districts will expand. Moreover, in view of the fact that no other license can be granted within 15 miles of a State hotel, something substantial is required. The State hotels are not shanties like some private hotels, the existence of which is a disgrace to the State and to the licensing benches. Our country hotels are showing a fairly decent profit, inasmuch as the State hotels in the aggregate pay the cost of all work connected with the liquor traffic, such as inspection of liquor, as well as expenditure connected with tourist resorts. The State employs only barmen, who are paid the best rates and are furnished with the best accommodation. As far as possible we select married men to manage our hotels, and we do not object to the size of the family, and all of them are kept at the expense of the hotel. My opinion is that we should encourage men to enter the State hotel service as barmen with a view to qualifying for a managership, and that we should not object to employing a man because of the number of his children. I think it can be said that the State hotels are favoured by the public generally because the accommodation provided is better, the liquor is first class, and the provisions of the Licensing Act are observed. In the circumstances there is no ground for

complaint because the profits are not larger.

Mr. FOLEY: I know that the Premier and the Attorney General give effect to their views regarding the employment of married men. I deprecate the fact that any officer in the Government service should consider a man debarred from employment because of his being married. However, I have always held that a man ought not to shield behind a petticoat to keep his job. Certainly it is to the benefit of the State to employ married men in its hotels, because the married man is more likely to be steady and will be more disposed to remain in the district where he is stationed. In my opinion the State hotels are run well. I have had the opportunity of visiting many of the State hotels and I can say that it is impossible to get better accommodation than that which is provided at Gwalia. We have good men managing some of the State hotels, but in regard to the others it is possible to find fault with them. At Bruce Rock the public are not catered for as they should be. I arrived there recently at ten minutes to seven o'clock in the evening and found that it was not possible to get dinner. A common sense manager would have ascertained from the railway authorities how many people were likely to arrive by the train. Of course I did not go without anything to eat, but one would have expected something better from a State hotel. There is a sum on the Estimates of £28,200. I do not know whether that includes anything for stock; if it does, I contend that a mistake is being made in some of the State hotels by not allowing the managers to buy their own stock under the best conditions. When we are running a business of this kind, the managers are expected to know exactly what is wanted and they should be able to purchase it wherever it is possible to get it. The managers should be allowed a little more latitude in regard to the purchase of stock. I am glad to know that at the present time the question of the prosecutions for bad liquor is under the one head. In a few years' time, when the department gets going, they will be

able to guarantee to the public that, no matter what the hotel, only the best liquor is supplied.

Hon. J. D. CONNOLLY: Hotels owned by the State should be run, not so much for profit as for the better regulation of the liquor traffic.

Hon. Frank Wilson: They are run at a loss, or would be if rents were charged.

The Premier: No. Two of them have repaid their capital outlay twice over.

Hon. J. D. CONNOLLY: It would not require a genius to make a big profit at either Gwalia or Dwellingup. At the State hotels too much attention is given to pushing the sale of liquor, as against affording proper accommodation to the travelling public.

The Premier: That is not so at any State hotel.

Mr. Smith: It was my experience at Bruce Rock.

Hon. J. D. CONNOLLY: I was surprised to find that at the State hotel at Corrigin there was only a bar, and no other accommodation.

The Premier: The hotel is not open yet.

Hon. J. D. CONNOLLY: I object to a State hotel consisting of a bar only.

The Premier: When completed it will supply all accommodation.

Hon. J. D. CONNOLLY: But you should not be so anxious to push the sale of liquor as to open the bar months before any accommodation is provided for the public.

The Premier: We have put up a magnificent building.

Hon. J. D. CONNOLLY: Probably too big for the place; but you need not have been so anxious to open the bar. There is any amount of sly-grog selling going on.

Mr. E. B. Johnston: That is an unfair reflection.

Hon. J. D. CONNOLLY: It is perfectly correct. Sly-grog selling is going on to-day in the country districts and no attempt is made to stop it.

Vote put and passed.

Vote—*State Implement and Engineering Works, £163,827:*

Mr. WILLMOTT: I have here a statement showing that there has been a loss of £40,000 on these works for the year.

The Premier: Who is the statement by?

Mr. WILLMOTT: By one who should know.

The Minister for Works: What year?

Mr. WILLMOTT: This year, ending September.

Mr. E. B. Johnston: You have multiplied the loss by four.

The Premier: Why not tell us who gave you the information?

Mr. WILLMOTT: I want to know if it is correct. The Minister for Works knows who wrote the letter.

The Premier: The late manager.

Mr. WILLMOTT: I do not know. I desire to know if the statement is correct.

The MINISTER FOR WORKS: The statement which the hon. member refers to shows a loss of £10,000 for the first three months.

Mr. Willmott: Which means £40,000 for the year.

The MINISTER FOR WORKS: It states that an interim balance sheet was got out and that it showed a loss of £10,000. There has been no interim balance sheet, and as for the loss of £10,000 I may say that on the 4th May last the same authority supplied me with information showing a profit of £40,000. The same person made both statements.

Hon. Frank Wilson: What is the position?

The MINISTER FOR WORKS: The balance sheet is not audited.

Hon. Frank Wilson: That does not matter; what is the position?

The MINISTER FOR WORKS: The member for Irwin recently asked some questions which give a fair idea of the position. A few weeks ago I tried to place before members the position of the works. It is not necessary to go over that ground again. An inquiry has been held by a Royal Commissioner since. During the last 12 months the works have been far from satisfactory.

Hon. Frank Wilson: Ever since the inception.

The MINISTER FOR WORKS: I am referring to the period during which I have had to deal with them. Since I addressed the House on this subject, I have been trying to obtain the costs of manufacturing some of the implements. A new man has taken charge, but with the mess in which he found the place some months will be required to put things in order. We now have an officer for the express purpose of ascertaining the costs. The costs of manufacturing one machine were such that I immediately gave instructions to take no further orders for machines of that kind until the matter is reviewed. The costs of another machine being prepared, I have been told, are not too satisfactory. I want to state clearly that unless we can manufacture agricultural implements at a cheaper rate than we are doing, we shall cease manufacturing them. Last year the works showed a very heavy loss. What the amount will be I cannot say exactly, but I can assure members it will be over £30,000—that is, for the year ended 30th June last.

Hon. Frank Wilson: That means nearly £40,000 since the works started.

The MINISTER FOR WORKS: I was not satisfied with the position. I asked the Under Treasurer to get the Audit Department to make a special audit, and eventually I hope to arrive at the exact position of the works. I sent an officer to go through the whole of the work carried out during the past 12 months, and ascertain where losses have been made so that we shall know the exact position. All the losses have not occurred in connection with manufacture of implements, because the losses made have equalled the total value of the implements which have been sold.

Mr. Willmott: I was going to ask if you intend to knock off making implements and to continue making under-carriages for trucks.

The MINISTER FOR WORKS: During the past year about £37,000 or £38,000 worth of work has been carried out for the State Government, and about £9,000 worth for the Commonwealth Govern-

ment. After discussing the matter with the acting manager, I have concluded that it will be better for us to refrain from tendering for railway trucks. This is not in our line of business. We have 40 under-carriages to make for the Commonwealth Government, and the acting manager unfortunately has left to him a legacy and in all probability the manufacture of those trucks will result in a loss of £5,000. Immediately I ascertained that an error had been made I wondered whether we could get out of the contract, but the material had been ordered and £2,000 or £3,000 worth of work had been done, so we shall have to carry out our contract. It is my intention to thoroughly investigate this matter. I have a good manager who has been brought up in the department, and who is spoken of highly by the officers who have trained him and I believe he will assist to place these works in a satisfactory position, which at present they are far from.

Mr. B. J. Stubbs: And give them a square deal.

The MINISTER FOR WORKS: We expect this year to sell a fair number of machines, and from the costs already placed before me, I am afraid the manufacture of those machines will result in a loss. That was my reason for stopping the taking of any more orders until the matter has been thoroughly inquired into. Without doubt there has been too much reaching out for work which the State can very well do without. We have taken several contracts which have resulted in losses. If we confine ourselves to work which the concern was established to undertake, I hope and believe it will turn out a satisfactory and payable proposition. Rearrangements will have to be made; extra machinery to manufacture implements must be installed, because, to make agricultural implements successfully and cheaply, we must have proper machinery to do away with a lot of the hand labour now necessary. Every machine we turn out is thoroughly well made and is satisfactory, and I have no fear that in future the works will prove more satisfactory than in the past. Some of our engines have not proved

a success. Some have been returned, and we have stopped manufacturing them until we can get a satisfactory engine, that is, for irrigation work. In the past year a total of £3,000 or £4,000 has been knocked off various accounts, in consequence of machinery not giving satisfaction, through machines being returned and through overcharges in connection with work carried out for various departments. The acting manager has had uphill work during the few months he has been in charge, but I hope that, with the assistance of his officers, he will be able to put the works on a satisfactory basis. I do not desire to deal with the inquiry which was held recently. All I can say is it white-washed the lot of us.

Hon. FRANK WILSON: I can understand the feelings of the Minister when making such a humiliating statement to the Committee. I admire his openness in at once admitting the position in which the Government find themselves, and the evident sincerity with which he has set about to rectify those mistakes which ought to have been more apparent to the Government than they have been in the 18 months the works have been in operation. I can conceive of no more distressing position for any Government or Minister to be in than to have a legacy of this description cast on his shoulders, and to have to admit that the whole of the works are in a state of chaos, and that, so far as the financial administration is concerned, they have up to the present proved disastrous. I must in self-defence remind the Premier and his colleagues that, times out of number, during the past four years, I have pointed out to them from my place in this House that they could not possibly make a success of the works as they were laid out, designed, and managed. In other words, I pointed out that they had attempted too much. They started off with the idea that they had a heaven-sent manager who was endowed with all the experience of managers who have passed through all different departments connected with the manufacture of the hundred and one different classes of machinery. In

my opinion it is impossible to get one particular man who is a specialist in the manufacture of all classes of machines or implements, ranging from water meters to railway waggons for the Trans-Australian railway, and including the agricultural implements and general repair work which these Works were designed to carry out, or any man to make a success of works situated as these were, no matter who the man might be. What are we to say to the Government which have absolutely refused to listen to any advice on the subject, and which indeed rejected any suggestion of advice from this side of the House with scorn and contempt? I have on many occasions been severely hurt by the personal interjections which were flung across the Chamber against me when I was pointing out to the Government directions in which they were going wrong, and I have been hurt by the imputations which have been so frequently indulged in. Any suggestion emanating from this side of the House is received with jeers. I want to know why the Premier's instructions, which he says he has given, in regard to the accounts have not been enforced. Week after week, to the end of October, we have had these reports from the Auditor General in regard to the accounts. Last night a return was placed on the Table of the House which stated—

The work is well in hand. The statements received cannot be considered as final as the stores on hand at the 30th June last, being a part of the trust stores, are not included.

Mr. James Gardiner: I would make the Auditor General's Department sit up if I was Premier.

Hon. FRANK WILSON: It is not the Auditor General who is at fault; it is the Comptroller of Accounts.

Mr. James Gardiner: You are referring to the Auditor General's report, are you not?

Hon. FRANK WILSON: To the state of the audit. He is not to blame. The return goes on—

The necessary figures, I am informed, have not yet been supplied to the department.

The Auditor General cannot conclude his audit because certain stores have not been taken into account. The Auditor General has no power over the department. The Comptroller of Accounts is the man.

Mr. James Gardiner: They allow things to stand, and go on standing, as long as they can be put on the files.

Hon. FRANK WILSON: I know that, but let us blame the right man. The Auditor General can only audit accounts when they are submitted to him, but the Comptroller of Accounts can insist upon accounts being produced. If they have not been produced someone ought to be sacked. If I could not get the Comptroller of Accounts to see that the accounts were produced to the Auditor General I should take steps to find out what he was doing.

The Minister for Mines: There were several difficulties in the way this year because stock had to be taken of everything, after the late manager left in May.

Hon. FRANK WILSON: They would not take stock until the end of June, when they were balancing.

The Premier: They could not balance until they had completed the stock taking. There are thousands of spare parts there.

Hon. FRANK WILSON: I know that. The hon. gentleman has had sufficient experience to know what this means. There are works a hundred times larger than these State Implement Works where balances are made every year, and where the accounts and balance sheets are audited long before these are.

The Minister for Works: This is dealing with the stores.

Hon. FRANK WILSON: I know; it deals with the whole thing. I know all about it.

The Minister for Works: Then you would not do the same as has been done here?

The Premier: The Audit Department have other accounts to audit besides these.

Hon. FRANK WILSON: If the Premier cannot get his accounts out in time some one ought to be dismissed.

Mr. James Gardiner: Hear, hear!

Hon. FRANK WILSON: If the accounts cannot be audited in time outside assistance ought to be brought in to enable this to be done.

Mr. James Gardner: I would go through the Department from top to bottom and make a clean sweep.

Hon. FRANK WILSON: The whole thing is deplorable, so deplorable that it reflects upon Parliament and upon the whole country. Here are Works established under such a system that they cannot possibly be a success, and the only way to make them a success now is for the Government to adopt the method outlined by the Minister, namely to get rid of all extraneous works, in connection with the manufacture of which they do not employ the necessary experts and with which those employed are not conversant, and confine their operations to undertakings which they do know how to control and manage.

The Premier: The idea of trying to compete with the Midland Junction Workshops in the manufacture of waggons!

Hon. FRANK WILSON: The idea of taking on waggons which are going to show a loss of £5,000 unless the State recoups it, when the Rocky Bay Works, started under the auspices of the Labour Government, are practically assisting to shut up the neighbouring works and throw their men out of employment! The thing is preposterous. I want the Government to insist upon these accounts being audited. We have no right to be asked to consider these Estimates until we are in possession of the whole facts. I have glanced through the report of the Royal Commissioner, Mr. Justice Northmore, who was appointed to inquire into these Works. I find that he says—

It is unfortunately true that in the year and 11 months during which the Works were under his management a very heavy loss was made, and to some extent the late manager must be held responsible for that loss. The Minister has told us what the loss is approximately, that it is practically that mentioned by the Leader of the Country Party, namely, £40,000 since

the inception of the Works. That is deplorable. What is the reason for it? The reason is that the Government selected a man and pinned their faith to him. They did not take the advice of anyone or of any responsible men who were experts in the manufacture of implements, waggons, water meters, and the hundred and one different items connected with engineering. They simply pinned their faith to this manager, notwithstanding that he had taken on far more work than he could possibly control, or that anyone with any knowledge of engineering would have taken on at the salary offered, or indeed at any price at all. The sun rose and set on that gentleman until the hon. gentleman who is now Minister for Works took charge of the department. I remember the late Minister for Lands eulogising this man as the best manager who could possibly be got—as the manager who was going to prove a huge success.

Mr. James Gardiner: We all make mistakes.

Hon. FRANK WILSON: We make nothing but mistakes in all our State enterprises latterly.

Mr. James Gardiner: I think the manager's own evidence proves that he was not the man for the job.

Hon. FRANK WILSON: It has been pointed out over and over again that he was not the man for the job. That was patent to anyone with a knowledge of engineering. No sane engineer would have taken on such a job. It is impossible to construct sewing machines at a profit in a locomotive shop, and yet we tried to construct meters in agricultural implement works. We even tried to repair motor cars in works calculated for harbour and river repairs. Not content with that, we went further and set out to build wagons. Under such conditions success is unattainable. One must specialise. However, we have drifted into this unfortunate position. Last year I pointed out that the implement works could not possibly prove a success while the Government were taking credit for paying the employees on an average 2s. per day per man more

than was paid to the employees at McKay's works in Victoria. I said it was an impossibility to compete on such terms with McKay and sell implements at prices from 25 to 30 per cent. lower than McKay's prices, no matter how clever our manager might be. That ought to have been sufficient to warn the Government of whither they were drifting.

Mr. James Gardiner: There is £20 commission on a McKay harvester.

Hon. FRANK WILSON: One cannot sell these machines without paying some commission. The gas engines constructed at the implements works have not proved a success, and the Minister has rightly stopped their manufacture.

The Minister for Works: The present manager did that.

Hon. FRANK WILSON: Implements are manufactured at a loss, and wagons are constructed at a loss. Even departmental work done at the works is not paying, because of the excessive cost. The only gleam of hope in connection with the whole concern is that the Minister realises the position, and owns up to it, and is going to do his best to set matters right. If he will take advice from me in the spirit in which it is offered, he will get a board of three—a practical man, a financial man, and a business man—to confer and to go into the whole undertaking. He had far better spend a few hundred pounds on a board of that description with a view to getting the works placed on a proper footing, than ask for money to extend the works, which in my opinion are quite large enough for the good of the State.

The Minister for Works: There is no intention to extend the works.

Hon. FRANK WILSON: So far as the works are concerned, let us concentrate our attention upon meeting our departmental requirements cheaply and expeditiously, rather than set out to shut up the private engineering enterprises already in this State. I do not want to labour the position, but let us look at some of the figures for a moment. The Treasury figures show for the first three months of the current financial

year a revenue of some £7,000 from the works. The revenue should be larger than that. Implements are going out now. The harvest is coming on. Whatever sales there are of implements are being made now.

The Premier: The money will be coming in now.

Hon. FRANK WILSON: Probably the only sales made are effected through the Industries Assistance Board, who find the money and pay the implement works.

The Premier: No. The board guarantee the first payment in February.

Hon. FRANK WILSON: The expenditure for the first three months, according to the Treasury figures, amounted to some £32,000. There is a difference of £25,000 between revenue and expenditure. That money is not in implements. Twenty-five thousand pounds' worth of implements has not been sold this year. The piling up of stock ought not to go on year after year. The works should now begin to show a substantial margin of profit, to cover the stock which has been accumulating during the previous twelve months. To be on a proper business footing, the works should be provided, as required by the law, with sufficient capital to fit up the shop and also to finance their undertakings.

The Premier: I am glad we did not adopt that course with the late manager. It would have meant a million.

Hon. FRANK WILSON: Then Parliament would have some check. The works might have been provided with a capital of £100,000. I suppose £150,000 is locked up in them now, including stocks. Under those conditions the Government, if they wanted more capital for the works, would have been compelled to come to Parliament for it and would have been obliged to furnish an explanation of the need for additional capital, in the same way as directors have to satisfy their shareholders of the need for further capital. Knowing that the works had already made a loss of £40,000, Parliament would have refused to sink more of the people's money in them. I hope the Minister will not

attempt to straighten the works up himself. He cannot do it, and also attend to the work of his department as he should. He requires expert advice, as I have suggested; and I hope the Government will decide that the Minister shall have that advice.

Mr. JAMES GARDINER: Like the leader of the Opposition, I have a good deal of sympathy with the Minister for Works, who has had the courage to acknowledge that there has been a failure. The Minister has said, in effect, "We have been making mistakes, and we are going to try and correct them." I believe these works are of benefit to the State. I do not intend to go into the everlasting question of State *versus* private enterprise; I have heard of it ever since I have come into this House and I know the arguments off by rotation, but I do want to say that the Ministry with which I was associated very nearly started State implement works because it was recognised they were a necessity. Occasionally these State concerns are very fine policemen in checking other concerns and the community may not have been paying too big a price to have such policemen in the commercial life of the State. Ministers have done with State money what they would never have dreamed of doing with private money. I know of a dock at Fremantle. The leader of the Opposition has been a Minister of the Crown and it makes me more generous in my criticism to Ministers, because I am conscious of errors which I myself have committed. I do not want a halo round my head for the work I did.

Hon. Frank Wilson: Parliament was responsible for the dock, and the labour supporters approved of it.

Mr. JAMES GARDINER: I do not care who approved of it. Ministers have spent public money in a way they would not have thought of doing if they had been responsible for private instead of public funds. I did it myself, but I never blamed anyone else.

Hon. Frank Wilson: I do not think you did.

Mr. JAMES GARDINER: I did and did not make any mistake about it. There is a good deal of posing for saintship in this House but sometimes our halos are likely to slip down and choke us. This matter is of serious importance to the State and I want to say there is not a man on either side of the House who does not want to see the State manufacture of implements a success if it can be made a success. It is vital to the party I represent, and that is why I am laying myself out to criticise it more severely than I would any other venture. It is not right for us to keep a silent tongue on anything which affects our interests and be severe on that which does not affect us. I am glad that the Minister for Works has given the figures, because they come out to nearly what I made them from the figures which I obtained. There is £74,150 from loan funds. In 1913-14 the expenditure was £84,572 and the revenue £43,385, showing that to capital account that year we had to transfer £41,187. In 1914-15 the expenditure was £142,300 and the revenue £73,313, so that we had to transfer to capital account that year £68,987. We had creditors at the end of that term £5,566, making a total of £189,490, which had to go to capital account. We sold apparently £108,000 worth of plant. I put the profit on that at roughly £15,000, practically 15 per cent., making £204,490 to capital account. It must be clearly understood that this does not provide for any profit on sundry debtors of £41,684 or any profit on the balance of the expenditure of £68,000. The stock and implements amounted to £49,689, sundry debtors to £41,684, and all other assets totalled £83,902, making a total of £175,275. If we take that from the capital account of £204,490 we get £29,215, on my way of reckoning. That is not taking into consideration any profit on sundry creditors or manufactured stock. There was a provision out of that amount for bad debts of £2,097 and for depreciation £6,310. We are now asked to pass expenditure of £163,827 for this year and the receipts are to be £128,000, so that consequently there is a debt

to go to capital account of £35,827. If we add that to the assets that we now hold, £175,275, it will show that the capital of this trading concern at the end of the present financial year would amount to £211,000. That will be the position if we pass these Estimates and if the figures are realised at the end of the year. I find that the manager of these Works receives £700 a year. If I knew of a man willing, for the remuneration of £700 a year, to take the responsibility of running a trading concern with a capital of a quarter of a million and a turnover of £150,000 a year, I would say he was mad. These concerns require good management. I am not wedded to having for manager a man who is an expert manufacturer. A manager need not know the difference between a fly-wheel and a cog-wheel. We require a business man who will want to know all about the figures and the profits, and will be content to let the others know all about the technical side of the works. To get that essential business experience we must pay a high salary. The Minister requires some assistance to get the best man. In a private business the directors when choosing a manager have a collective brain to put into the selection. There are two essentials in successful business management. One is that the capitalisation shall be such that the manager in his working can pay interest and whatever obligations he has under it; the other, that the management shall be of the best. It is not fair to any Minister to ask him to be an expert in every department he manages. If he could manage all these departments he would be getting £5,000 a year, and would be well worth it. Yet the Committee holds the Minister responsible, and we are going to pass a salary of £700 a year for a man to manage a trading enterprise with enormous ramifications and a turnover of £150,000. Let us say in common fairness, it is not the work of a Minister to do that. We have so much capital involved in this venture that the Committee has to do its best to see that the scheme is a success. It is all very well to say cut it out. I do not feel

like penalising these people to the extent of £50,000 a year interest for all time because we cannot show ourselves competent as a Committee to give valuable advice to Ministers as to how these things shall be managed. There has been too much politics in the questions and answers asked and given in respect to this particular trading concern. One side has been asking questions for political reasons, and the other side replying for political reasons. Let us throw this out. When the Minister comes and says "These are our difficulties," let us say "There is not going to be any politics in this, but an honest desire to give honest advice, and assist to make the thing a success." To me it will be a personal shame if I cannot suggest to Ministers some business methods by which they can properly control these things. I am satisfied that if Ministers do nothing else they are controlling the prices charged by other people. Numbers of these agricultural machines which have been supplied on trust we honestly believe can be made pay. We do not know what information Ministers were getting. If the State is going in for this kind of thing we cannot afford to produce cheaper than the other man, and give the same terms. If the State is going to cheapen the construction of any piece of machinery, it will have to be sold to the purchaser at as near cash price as possible; otherwise we will require an enormous floating capital to finance the proposition, and it cannot be done for the money. In this Committee are men public-spirited enough, especially after what the Minister told us to-night, to say "We will give you any hours you like, to discuss this, and see what help we can afford." If I have any business brains for which other people are prepared to pay highly, I will take all the sneers the Press give me—if I can help this State at the present juncture with any advice Ministers can count upon it. Unless we can help Ministers, we have no right to be sitting here. In a way it is satisfactory to me to know that not the whole of this loss has been made over agricultural implements. As the member for Murray-Wellington has said, we have to separate

these departments. The Minister has said, and rightly too, that this thing is not paying. Well, do not make any more of them. That is what we would say. Where £200,000 capital is in a business, not one of us would say cut it out, without first having a try to rectify it. We constantly hear the cry, "Cut it out." If heed were given to it there would be half a million cut out, and are we going to sacrifice that amount of the people's money without a struggle to make the concern a success? The responsibility rests a good deal with this House. We cannot expect any Minister to be an expert. He must be advised by his officers. Never since I have been in the House or since I left Ministerial office have I said anything against a Minister, because he is so often the victim of his departmental officers. If Ministers are to take charge of business concerns we shall have to pay them business men's salaries or we shall not get the best possible advice. A lesson which comes to us is that a man might be extremely popular at the poll and become a Minister of the Crown, but it does not follow that the popularity at the poll gives him qualifications which other men have taken 25 years to gain. It is no discredit that any man without business training should be led away in connection with business concerns. It should be possible for the officers to place their reports before the Minister so that he, as a man of commonsense, should be able to clearly see whether a concern will result in a profit or a loss. It is because I feel strongly that we cannot afford to say we will let this capital go that any advice I can give to Ministers will be willingly given.

Mr. GEORGE: With a great deal of what the hon. member has said I agree. I can carry my memory back a good many years in connection with engineering concerns in other countries, as well as in Australia. Dozens and dozens I have known, and the fingers on one hand would be too many on which to count engineering concerns which, with simply an engineer at their head, have proved successful. The training for a tradesman is so different from that re-

quired by a commercial man that the only engineering concerns I have known to prove successful have been those having in the partnership a union of the commercial man and the engineer. The salary of £700 for the management of the State Implement and Engineering Works might have been fair had the operations been confined to the manufacture of implements. It is useless to unite the manufacture of agricultural implements with ordinary engineering and foundry work and expect to make a success of it. The member for Irwin referred to officers misleading Ministers. Are we quite fair to the officers when we expect them, professional men as a rule, to be trained in business and able to give business advice to the Minister who may have had little or much experience?

The Minister for Mines: Many of our best professional men are notoriously lacking in business.

Mr. GEORGE: I do not wish to anticipate discussion in connection with the freezing works at Wyndham, but in the evidence members will find instances where advice placed before Ministers with quite honest intentions was not such as would have been accepted by the head of any commercial house, but they had not the time, or their training was such that they were not in a position to advise properly and so trouble resulted. One of the items on which there has been a big loss at the implement works is the manufacture of trucks, and I believe in the estimates for this work items of material of the value of nearly £100 per truck were omitted.

The Minister for Works: The manufacture of these trucks is not yet completed.

Mr. GEORGE: If I am correctly informed the main steel work, girders, channel irons, and so on were omitted from the estimates. This would not be done wilfully. Then how would it come about? Simply because the man had too much on his shoulders and could not give the estimates the close attention he otherwise would have done. The works have grown so greatly that they

have as yet hardly got into their stride, yet all the responsibility is on the manager. It is unfair that he should be responsible for all the manufacturing details, and at the same time be liable to be pulled to pieces on matters which might be attended to by a man who has not been trained in manufacturing work. There is another thing which might probably account for a good deal of the capital expenditure. I have no idea of the amount of stock or material on hand at the works, but to take one item alone, they had over 3,000 tons of pig iron in stock. With a comparatively small turn-over I cannot see why such a stock, worth £15,000 to £18,000, should be required. If possible one likes to have a big stock on hand to meet an emergency, but there is no necessity for the works to keep a stock of 3,000 tons of pig iron. They have not the cupola arrangements to use such a quantity. Even if they were using 100 tons a day, and there is no work which could be given by this State which would require the use of that quantity, there would be practically six weeks stock on hand. There is no necessity to carry such a stock, because pig iron can always be obtained. The same argument applies also to steel bar iron, and all material required for implements. A strong business man at the head of affairs, who understood finances and commercial matters, would see that his stock did not over accumulate.

Mr. Harrison: If necessary they should be able to dispose of a large quantity.

Mr. GEORGE: That is what we all do in a rising market. When the market seems likely to rise and we can get the money, we buy stock and get it in.

The Minister for Works: There was not such a large amount of stock on June 30th.

Mr. GEORGE: There was supposed to be 3,000 tons of stock on hand.

The Minister for Works: This was stores.

Mr. GEORGE: It was said to be in connection with the implement works.

The Minister for Works: I hope it is. It will knock off some of our losses.

Mr. GEORGE: It came before us in a minute that there were 3,000 tons of pig iron in stock, and that this stock was going to be increased. That is one direction in which there might be a considerable amount locked up in the way of capital, which would be required for the works in other directions. With a commercial man at the head of affairs, and with the possibility of the market rising he would not require to keep a large stock. I would say, with all the weight I can, that if this were my concern I should separate the implement works from the machinery works. Each particular division, with the large amount of capital that is required for it, is entitled to have a separate manager at its head, to whom it would pay the State to give a greater salary than £700 a year. The Government should also engage the services of a commercial man with experience and knowledge of the markets, and who knew something about the trade and a considerable amount about financing, to keep these other two gentlemen in their respective places. His business would be to see that the machinery and implements which the managers turned out were disposed of in such a way as to return a profit on the outlay. If on the other hand there is a loss he would be in a position to say to the managers "You have had £40,000, what have you done with the money?" In this way the fitness or otherwise of the managers would be proved.

Mr. Harrison: And in that way you would improve the position.

Mr. GEORGE: Yes. In connection with the different engineering works there, I may say that costing is the work almost of an artist, and it is watched closely. It cannot, however, be watched closely by a man if he is overworked.

The Minister for Works: We have a good man down there now engaged on costing.

Mr. GEORGE: I believe he is a good man. He was formerly employed in the Railway Department at a salary of £140 per annum. He ought to be paid well, because he is an honest worker.

The Minister for Works: I think he is in receipt of £250 per annum now.

Mr. GEORGE: I think Mr. Shaw is now the manager of these works. I know him well. I would, however, like to see him confined to the engineering part of the works solely, rather than that he should run the risk of taking on more than he can carry out, and perhaps lose his reputation as a result. I should have a strong line drawn between the two branches of work down there. It might be possible to run foundry and casting work together, but the finishing work on implements and all classes of engineering work should be kept entirely separate. When I was engaged on engineering work in this State and in England we absolutely threw on one side anything in the shape of repair work, because we found that this interfered with our manufacture. My advice to the Government would be to act in the same way in regard to their engineering works here. They should not allow the works to be turned into a pair of Siamese twins, because properly speaking the two classes of work which I have indicated are entirely distinct from each other. A man engaged on agricultural implements cannot turn out a satisfactory job when engaged in engineering work at the same time. I agree with the member for Irwin that it is time that these and other undertakings of the Government were brought under the Act, under which they were created, in regard to capital account. It is only a question of bookkeeping. If the finances of these concerns are conducted as they should be conducted, namely, on ordinary business lines, a check on the Treasury bank book would enable the Minister to see at once how these works were progressing. He should also be able, when the account is overdrawn at any time, to ask for an explanation and insist upon getting it. In the past Ministers have had a difficulty in getting information except at the cost of a great deal of trouble. I am hopeful that after the changes which have been made by the Minister, especially if he can supplement them in the way suggested by the member for Irwin and

supported by myself, that these works, which have involved the country in a quarter of a million of money, will not be scrapped. We cannot afford to scrap them now. If it is found that they cannot be carried on without considerable loss we might be able to dispose of them to someone. I should indeed be sorry to see them closed up now, or scrapped. We are committed to them now and we must help them along in every way we can.

12 o'clock, midnight.

THE MINISTER FOR WORKS: A large proportion of these works which have been placed under the Trading Concerns Act is really a part of the old Harbour Workshops, which were brought into existence for the purpose of carrying out certain Government operations. The whole capital account is not brought into existence with the object of constructing agricultural implements, nor has this expense been brought about expressly for the manufacture of implements. A portion of this expense would have to be met for Government works even if no implements were manufactured at all. I assure hon. members that I am always pleased to have any assistance they may render. The Government have been handicapped as regards the implement works by inability to obtain figures of cost. I trust the member for Murray-Wellington is right in his statement that there is £18,000 worth of pig iron at the works, which would reduce the loss very considerably.

MR. GEORGE: It was stated in evidence that at one time there was 3,000 tons of pig iron at the works.

THE MINISTER FOR WORKS: Much of the criticism of the leader of the Opposition was directed to the control of stores. The difficulty in that connection, it is fair to state, arose out of the system in vogue of obtaining stores from the Stores trust account. That is an account of the Public Works Department and is kept entirely separate from the implement works accounts. It was after the resignation of the late manager, I think, that I discovered the system or practice was that if an employee wanted

say, a bar of iron he would simply take it from the rack, and that there was no check, the quantity being obtained from the manufactured article. Then, if a bar of iron was cut wrongly, it was simply thrown on the scrap heap. So that, in order to arrive at the actual position, it was necessary to take stock of everything in the Stores trust account.

MR. GEORGE: Was there no one in charge of the stores?

THE MINISTER FOR WORKS: No one at all. The necessity for going right through the Stores trust account is the cause of the delay in supplying the balance sheet of the implement works. The closest scrutiny has been made, and the costs will be obtained with the least possible delay. We have now a capable manager, whom the member for Murray-Wellington described as one of the best men of his profession in Western Australia; and we hope to bring about such changes as will turn the implement works into a paying proposition. I want hon. members to understand the position. The implement works have been selling machines at less than cost during the past year and also will be selling them at less than cost during the current year. Orders have been booked at the unpayable prices. I trust hon. members will bear these facts in mind when criticising the implement works estimates next session, and also remember that a loss will be incurred over the truck business.

Vote put and passed.

[Hon. M. F. Troy took the Chair.]

Vote — State Dairy Farm, Claremont, £3,801:

MR. WILLMOTT: The profit and loss account of this dairy farm for the year ended on the 30th June last shows a loss of £533; but a careful examination of the figures proves that, in fact, a substantial profit was made. Items are charged against the farm which ought not to be charged against it. Why should it be debited with £228 for rent, seeing that it forms part and parcel of the grant for the Claremont Hospital for the Insane? Water is also charged, although obtained from the bore supplying the hos-

pital. Then there is an item of £240 for wages of lunacy patients.

The Minister for Works: That is only a bookkeeping entry.

Mr. WILLMOTT: As a result of the extraordinary method of keeping the accounts, a loss of £533 is shown, whereas the return from milk supplied to Government institutions, were the milk charged at the proper price, would be, instead of some £4,000, over £8,000, and thus the loss would be converted into a profit of about £3,500. The loss is shown as the result of charging everything possible against the farm and of crediting the milk at the lowest possible figure.

Hon. Frank Wilson: I thought the milk was being charged at one farthing per pint above the ordinary price?

Mr. WILLMOTT: The price is 1s. 6d. per gallon delivered at the door, which is absurd. The ordinary price in Perth for milk delivered at the door is 5d. per pint.

Hon. Frank Wilson: What do you propose to do about it?

Mr. WILLMOTT: My object is to point out that the accounts are kept unfairly to the dairy farm and are misleading. I have gone carefully into the matter, and have visited the dairy farm, with the management of which I was very pleased.

Hon. R. H. UNDERWOOD (Honorary Minister): I was under the impression that no fault would be found with this. We have fixed the price to the various institutions. In regard to the wages, it is true that we pay the Lunacy people, and if the farm were not there those people would not be earning that money. We realise that is a distinct saving to the State, but it is out of one pocket into another. We are effecting a saving by supplying the institutions with pure milk, and that is the best we can do.

Vote put and passed.

Hon. FRANK WILSON: I think we ought to report progress at this stage. I would remind the Premier of the promise which was made that the House would adjourn at a reasonably early hour if we agreed to meet at three o'clock in

the afternoon. It is not fair to have to sit here such long hours. We must have some sleep. I only got four hours sleep last night, and it is not sufficient. Besides, what difference will it make if the session lasts a day or two longer.

The Premier: The Council have practically no work at all.

Hon. FRANK WILSON: The Estimates will not give them any work. It is a fair thing that we should report progress at this stage. Therefore I move—

That progress be reported.

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

Ayes	..	..	..	16
Noes	..	..	..	17

Majority against .. 1

AYES.

Mr. Allen	Mr. Nairn
Mr. Connolly	Mr. Piesse
Mr. George	Mr. Robinson
Mr. Griffiths	Mr. Smith
Mr. Hardwick	Mr. Willmott
Mr. Harrison	Mr. F. Wilson
Mr. Hickmott	Mr. Gilchrist
Mr. Lefroy	
Mr. Mitchell	

(Teller).

NOES.

Mr. Angwin	Mr. O'Loghlen
Mr. Chesson	Mr. Scaddan
Mr. Collier	Mr. B. J. Stubbs
Mr. Foley	Mr. Taylor
Mr. Jas. Gardiner	Mr. Thomas
Mr. Green	Mr. Underwood
Mr. Johnston	Mr. A. A. Wilson
Mr. McDowall	Mr. Bolton
Mr. Mullany	

(Teller).

Motion thus negatived.

Vote—*State Quarries, £11,500:*

Hon. FRANK WILSON: This is another enterprise which the Minister should look into. It was started many years ago in order to supply stone for the Fremantle Harbour Works, purely as a departmental quarry. Of late years it has developed into a trading concern, inasmuch as it not only supplies our own requirements for public works, but enters the market and competes with other quarries, supplying stone for local authorities who in the past have got their requirements from privately owned quarries. By following this policy we are

injuring the trade of those private quarries, interfering with the industry and reducing the numbers of their employees, while, at the same time, we are making a loss of £197 on our operations. The Government charge the departments just what they like for the stone, notwithstanding which they show a loss. Why should the Government go out of their way in an endeavour to ruin private individuals who have put their money into the State and provided employment? For over 20 years we have had up there a private quarry which has been content with a small profit. All these State undertakings should be brought within the limits suggested by the Minister himself in regard to the implement works, namely, their operations should be limited to supplying our own requirements, and the Minister should see that the charge made for the work covers the cost. Then he will do no harm to anyone.

The MINISTER FOR WORKS: I hardly know how to follow the hon. member. For years past members demanded that there should be a State Trading Concerns Act controlling the various State undertakings. The only thing the hon. member did in regard to a State Trading Concerns Act was to draft one and put it in a pigeon-hole. This quarry was opened by the hon. member himself.

Hon. Frank Wilson: To supply our own requirements. We never went outside this.

The MINISTER FOR WORKS: You made a mess of it.

Hon. Frank Wilson: I like that from you after your admission in regard to the implement works.

The MINISTER FOR WORKS: This quarry was brought into existence for the purpose of supplying stone to public undertakings. It is true we have sold a small quantity to the Commonwealth and to local authorities. It has been desired that we should supply private people as well, but I have not yet done it. The quantity of stone supplied is small, and almost the whole of it is supplied to Government services.

[Mr. George called attention to the state of the House; bells rung, and a quorum formed.]

The MINISTER FOR WORKS: I regret that the leader of the Opposition lost his temper.

Mr. Allen interjected.

The MINISTER FOR WORKS: Oh, you shut up for a while.

Mr. Allen: I ask that the Minister withdraw that remark. It is offensive, and I think I am entitled to have it withdrawn.

The CHAIRMAN: I did not hear the expression.

Mr. George: I heard it.

Mr. Allen: I hope you will accept my assurance that he told me to shut up.

The CHAIRMAN: I am satisfied the Minister will assure the member for West Perth that he did not mean anything offensive.

The MINISTER FOR WORKS: I have no objection to withdrawing anything I say. The hon. member was disorderly in interjecting. These quarries are not intended for profit making.

Hon. Frank Wilson: But they are supplying below cost; it is dishonest trading.

The MINISTER FOR WORKS: The balance sheet shows that there was a profit of £299 6s. 7d.

Hon. Frank Wilson: Is it honest to sell stuff at less than cost price?

The MINISTER FOR WORKS: Whether it is sold at less than cost price or not, until the present Government came into power no statements at all were presented to Parliament.

Hon. Frank Wilson: Because the quarries were only supplying departments.

The MINISTER FOR WORKS: The stone supplied is charged up to the various departments and small quantities are supplied to local authorities. The estimated expenditure is £11,500 and the estimated revenue £13,000. The capital expenditure is very small indeed. These quarries are just paying their way and that is all that is necessary.

Mr. GEORGE: We are entitled to more information than the Minister has given us.

The Minister for Works: You will not get it. I have no more. You have the balance sheet.

Hon. Frank Wilson: What about these sundry debtors?

Mr. GEORGE: Sundry debtors account for £1,914. The Government have no right to give credit in connection with the quarries. They have not been brought under the Trading Concerns Act and the Government are abusing their trust in allowing property of the State to be taken away except in exchange for cash.

Mr. Green: Could not they do that with safety in the case of responsible bodies?

Mr. GEORGE: No, not until quarries are brought under the Trading Concerns Act. The Government are the trustees for the estate belonging to the people, and should not part with any of it unless they receive money in exchange. This is a most flagrant instance of flouting the law of the country. Sundry debtors account for £1,914 and the Minister glories in the fact that he is entering into unfair competition with private enterprise.

Mr. Willmott: Almost a debauchery of credit.

Mr. GEORGE: Yes, I am surprised that the Minister has not referred to that. The report of the Auditor General of the 18th August, 1915, states—

Under Section 19 of Act No. 70 of 1912, the accounts of the Boya Quarry have been audited under my directions to the 30th June, 1915, and I now enclose balance sheet and profit and loss account. With the exception of the matters hereinafter referred to, the accounts in my opinion are properly drawn up so as to show the true position as disclosed by the books. All items of receipts and expenditure and assets and liabilities have been brought into the accounts and the assets have been fairly stated. Explanations of items in the accounts are given where considered necessary. The variations in the capital account during the year were as follows:—Transfer to Loan of capital expenditure from Revenue in

1913-14, £9 2s. 6d.; Reduction of the capital on account of the transfer of certain assets to other Government works, £816 12s. 6d.; New expenditure from General Loan Fund mainly in connection with the erection of a new crusher, £357 17s. 2d.; Value of an engine transferred from the Harbour Trust, £65; departmental loan charges not included in the previous year, £38 0s. 6d.

Why were they not included in the previous year? In that year there was a loss of £296 14s. 10d., yet we are told the departmental loan charges were not included in the previous year. What else was not included in that year? The report continues—

Making a net reduction in the Colonial Treasurer's Capital account, £355 14s. 10d. as compared with the Capital account in the previous year.

Mr. GRIFFITHS: I call attention to the state of the House.

The CHAIRMAN: I satisfied myself only a few minutes ago that there is a quorum within the precincts of the House.

Mr. GEORGE: The Auditor General goes on to say—

The assets representing the expenditure are shown as £4,341 11s. 11d., or an excess of 7s. 8d. which is represented by an unpaid account.

This comes out of the Colonial Treasurer's capital account of £4,341 4s. 3d., and out of the Colonial Treasurer's working expenses account there comes £3,108 8s. 1d., making a total of £7,449 12s. 4d. which has to be accounted for.

Mr. Willmott: What was the amount which was lost?

Mr. GEORGE: The loss in 1912-13 is £200 3s. 10d., according to this report, and the loss for 1913-14 was £296 14s. 10d. The report goes on—

The capital appropriations to be paid to a special account (Section 5)—There is a great difference between that and Section 4, in which there was an amount of 7s. 8d. as represented by an unpaid account. The report continues—

The provisions of this section have not been applied to moneys appropriated by Parliament to the capital expenditure, but in this respect the concern is not different from others.

We are here to discuss money which can be applied to the working of this quarry, yet our Auditor General tells us that Section 5 of the Act, which should have been applied to it, has not been applied to it. How can anyone expect that we can have a concern carried on properly in this way? The Auditor General says that the concern is not in this respect different from others. The law of the country, then, has been flouted by the Government in their arrogance. The report continues—

It is understood that there are difficulties in giving effect to the law in this respect.

If we have had difficulties in the law being put into operation, this Chamber should put it right. Why should it be necessary for the Auditor General to bring in a report like this? Either the Government have been neglectful in this matter or they have not the courage to ask the House to rectify the law. On a question of sundry debtors, £1,904 17s. 10d., the report says—

With a few exceptions these are current and represent mainly amounts due by the Commonwealth Government or State departments.

We shall, therefore, have no need to worry so far as bad debts are concerned. Section 5, dealing with stores and stone on hand, £1,805 15s. 8d., is debatable. I know the difficulty there is in connection with getting even an approximate estimate of the value of the stone which has not been passed through the crushers. The report says—

Rates charged for stone sold: These are fixed by the Engineer in Charge, the bulk of the sales being to the Commonwealth Government and State Departments.

Therefore, this particular enterprise should never show a loss, seeing that the engineer himself fixes the prices.

Depreciation (Section 13): In a similar manner to last year this is

based on the life of the assets and worked on the sinking fund principle, with the exception of loose plant and appliances, which were written off by an equal annual amount, the rate being governed by the life of the article. The sinking fund principle is not applicable, as there is no money available for investment, and, in any case, no investment has been made.

What on earth is the use of our playing with a matter of this sort? The sinking fund is supposed to be a reality, not a fiction or a myth. What has become of the money? Where has it gone to? As usual, there is no answer.

The life of the various assets has been fixed by the engineer in charge, but no breakup value has been allowed. Without being a prophet or the son of a prophet, I say there will be a breakup value very shortly.

Sinking fund (Section 12): This is based upon repayment of the capital in 46 years.

Who ever heard of 46 years being fixed as the basis of a life of a quarry? "You cannot have your cake and eat it." As soon as ever one starts to get into a quarry, the value of the quarry goes down by the stone taken out.

The capital shown as drawn from the General Loan Fund at the close of the year, viz., £4,341 4s. 3d., is taken as the basis, and a full year has been included. The charge is in addition to the full depreciation, a practice not contemplated by the Act. Further, I am of opinion that it is meaningless, there being no cash available for investment.

What a fool's paradise we have lived in as regards the sinking fund! Now coming to the balance sheet, sundry debtors represent £1,914 17s. 10d. The sundry debtors, I presume, are the Commonwealth and our State departments. Fixed plant and machinery, with loose plant and appliances and buildings, represent £3,817 4s. 9d. For depreciation a total of some £500 is allowed, equivalent to about 7½ per cent. That allowance is utterly inadequate for a quarry. It ought to be at least 20 per cent. The life of a stone-crusher, for example, even

under the most favourable conditions, is not more than five years.

Hon. Frank Wilson: Last year nothing at all was written off.

Mr. GEORGE: From the trading account it appears that from £11,696 19s. 1d. worth of stone a net profit of £299 6s. 7d. resulted. Therefore, if proper depreciation had been allowed, the balance would have been on the wrong side. The gross profit on that turnover of £11,600 odd was £904 4s. 2d., after paying wages and general working expenses. For depreciation £174 18s. 8d. was allowed, which is totally inadequate—in fact, silly. Interest, £195 0s. 9d., is nothing like what would have had to be paid by any private person engaged in that business. For sinking fund £42 1s. is allowed, and the Auditor General says that the sinking fund is a farce. Departmental charges amount to £167 7s. 2d., and audit fees to £25 10s. So the net profit of £299 6s. 7d. is arrived at. That is the melancholy tale of the Boya quarry. Contingencies, £11,500, includes wages and general working expenses, as well as provision for insurance under the Workers' Compensation Act. The estimated revenue for the current year is £13,000. The difference between the expenditure and the estimated revenue is £1,500. In the face of such a balance sheet the Government have actually the front to show a possible profit of £1,500—with three solid years of working behind them, for two of which properly audited balance sheets show a loss of £496. If we are to give an intelligent vote on the Estimates, the figures submitted to us should not be an insult to our intelligence. If the Estimates are of any value whatever, the whole of this surplussage must have been taken into account by the Treasurer when making up the estimates of sources of revenue. In this instance alone I have shown there is an absolute loss. Last year's profit was made only by not taking into account certain items. Words fail me to express my feelings in the matter.

1 o'clock, a.m.

Hon. FRANK WILSON: I move—

That progress be reported.

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

Ayes	..	..	..	14
Noes	..	..	..	19

Majority against .. 5

AYES.

Mr. Allen	Mr. Plesse
Mr. Connolly	Mr. Robinson
Mr. George	Mr. Smith
Mr. Griffiths	Mr. Willmott
Mr. Hardwick	Mr. F. Wilson
Mr. Lefroy	Mr. Gilchrist
Mr. Mitchell	(Teller).
Mr. Nairn	

NOES.

Mr. Angwin	Mr. Mullany
Mr. Chesson	Mr. O'Loghlin
Mr. Collier	Mr. Scaddan
Mr. Foley	Mr. B. J. Stubbs
Mr. Jas. Gardiner	Mr. Taylor
Mr. Green	Mr. Thomas
Mr. Harrison	Mr. Underwood
Mr. Hickmott	Mr. A. A. Wilson
Mr. Johnston	Mr. Bolton
Mr. McDowall	(Teller).

Motion thus negatived.

Mr. GEORGE: I move—

That the vote be reduced by £2,500.

The result hardly warrants the House carrying on what is practically a losing concern, and in order to mark the necessity for economy I think the House should accept the amendment. The total amount of £11,500 I notice is in excess by about £600 of what would be expended last year.

The Minister for Works: Go over it again. We spent last year £11,389.

Mr. GEORGE: The balance sheet I have before me, signed by Mr. Brodribb, shows what I have stated to be correct, and that balance sheet is endorsed by the Auditor General. It states clearly that the charges and general working expenses last year were £10,909. Let the Minister dispute that if he likes. We have this year £600 put down more than was expended last year.

Hon. FRANK WILSON: I intend to support the amendment. I am surprised at the moderation of the hon. member who moved it. If there is one thing the Committee is entitled to when considering the votes, it is that we shall have, as far as possible, an accurate estimate of the

proposed expenditure and receipts, if any. More especially is this so in connection with a trading concern. In respect to a business concern, one might perhaps be more lenient in regard to the figures, because those concerns deal only with actual work done for Government departments, and therefore it is not quite so necessary that one should watch every penny of expenditure or revenue, because it is merely transferring money from one pocket to another. But when we come to a trading concern like this quarry we have a very different proposition. Here we have a concern not merely for the purpose of quarrying stone for the Harbour Works; if we did that alone, we would be simply supplying our own requirements, and it would not be a trading concern. If we go outside public works and enter into the realm of trading by selling the stone to others, then and then only it comes under the designation of a trading concern. When supplying public requirements it is not as necessary to be so particular in the estimates as when dealing with a trading concern. The figures show that if the Government charge all they are entitled to, there will be a loss on the working of the quarry. There is a paragraph in the Auditor General's report which proves my contention. It states—

Interest (Section 12): The rate charged is 4 per cent. on the amount of commencing valuation, $4\frac{1}{4}$ per cent. on 1912-13 expenditure, and $4\frac{1}{2}$ per cent on 1913-14 and 1914-15 expenditure. The calculations are on the monthly balances of capital expenditure only. No interest has been charged on other advances from the Treasury, whether from loan for working expenses or from the Consolidated Revenue Fund.

Could we have a stronger indictment against the administration than this?

Mr. Taylor: What action is Parliament going to take?

Hon. FRANK WILSON: We should refuse to pass these Estimates until the interest is charged up. This is a trading concern because it goes outside the legitimate province of supplying State requirements.

Mr. Thomas: On a point of order, is the hon. member in order in making a long discourse trying to arrive at a distinction between a trading concern and a business concern on the question of reducing this vote by £2,500?

The CHAIRMAN: I confess I myself have had extreme difficulty in arriving at a conclusion as to what the hon. member is driving at. I intend to allow him to proceed because he may possibly come to the point.

Hon. FRANK WILSON: I maintain my speech is composed of all points and, if hon. members would listen to my arguments, they would realise it. This is a most important matter and deserves careful consideration. I want the vote reduced, because it is a trading concern and it is utilised for coming into competition with other private quarries in the State.

The Minister for Works: Have you a share in any other quarry in the State?

Hon. FRANK WILSON: Not a penny.

The Minister for Works: Then we do not compete with you.

Hon. FRANK WILSON: If I had I would not hope to make it pay with the unfair and dishonest competition of the Government, for a man is dishonest in his competition if he sells at under cost price. When we come to a trading concern which utilises a portion of a vote which has been very badly estimated to compete with outside quarries, then we are justified in reducing the vote by the amount which we think would cover that competition. Therefore, I think that the £2,500 which the member for Murray-Wellington suggests should be deducted from the vote will, as far as one can judge from the balance sheet and the amount of turnover we have had during the past year, reasonably cover the approximate cost of trading other than what is necessary to supply our own requirements. To say that the quarries can reasonably be expected to get a revenue of £13,000 is, I think, absurd. We had a fairly prosperous year last year, from the aspect of output from the quarries.

With the probable stoppage of many of our public works in the near future, and the lack of friendly feeling which is exhibited by the Federal Government, in that they will not assist us to raise further loan moneys, the only conclusion we can come to is that the trade of this State quarry will not be anything like what is estimated. I hope the Committee will assist the Government by reducing the amount, thus reducing the expenditure on the department, and by that means convey an instruction to the Minister that he has to stop this unfair competition with other concerns of the kind in which our citizens have invested their capital. I intend to support the amendment. I would draw the Minister's attention to the last paragraph in the Auditor's report headed "Estimated charges."

THE MINISTER FOR WORKS: This quarry only supplies the public and not private individuals. If I thought that it would shut the hon. member up I would accept his amendment. As we know, if it is necessary to quarry stone we would have to spend the money whether we had it or not. The hon. member himself opened the quarry in the first place.

Hon. Frank Wilson: I did not.

THE MINISTER FOR WORKS: Then some of the officers of the department at the time he was in the Ministry must have done so. The cutting down of the vote will make no difference whatever, because if the stone is required for public works or the local authorities we will supply it.

Hon. Frank Wilson: You will not; we will put you out of office if you do.

Mr. George: The Minister threatened the House; is that in accordance with the Standing Orders?

Mr. ALLEN: I am interested in this question of State quarries, as a member of the Perth City Council. That body has a quarry which was established some years ago at Parkerville. It was felt by the City council that they could work the quarry more profitably if they were permitted to sell stone to other municipalities, which the Municipal Corporations Act prevents them from doing.

The Minister for Works: The City council tried to get the power, and your party would not give it to them.

Mr. ALLEN: I know nothing about party in this matter. The attempt to obtain the power was unsuccessful, although other municipalities were anxious to purchase stone from Perth and were being charged a price exorbitant in comparison with that at which the Perth City Council offered to supply. Even under the restricted conditions of working, however, the council's quarry paid interest, sinking fund, and depreciation. The State quarry is a very different proposition. Its estimated expenditure is £11,500 and its estimated revenue £13,000, and no provision is made for interest, sinking fund, or depreciation of machinery. With the same privileges as the State quarry enjoys, the Perth City Council's quarry would do very much better than the Government undertaking. I wish to draw attention once again to the manner in which the Government answered an entirely pertinent question asked by the member for Claremont (Mr. Wisdom), namely, what prices were being charged to the various Government departments for stone from the Boya quarry? The reply was that the prices charged were sufficient to cover working expenses, interest, and sinking fund—a reply which I characterise as being little short of an insult. I support the amendment.

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

Ayes	..	..	..	14
Noes	..	..	..	15

Majority against .. 1

Ayes.

Mr. Allen	Mr. Mitchell
Mr. Connolly	Mr. Nairn
Mr. George	Mr. Robinson
Mr. Griffiths	Mr. Smith
Mr. Hardwick	Mr. Willmott
Mr. Hickmott	Mr. F. Wilson
Mr. Lefroy	Mr. Gilchrist

(Teller).

NOES.

Mr. Angwin	Mr. Scaddan
Mr. Chesson	Mr. B. J. Stubbs
Mr. Collier	Mr. Taylor
Mr. Foley	Mr. Thomas
Mr. Green	Mr. Underwood
Mr. McDowall	Mr. A. A. Wilson
Mr. Mullany	Mr. Bolton
Mr. O'Loghlen	(Teller).

Amendment thus negatived.

Vote put and passed.

Vote — *State Steamship Service*,
£102,838:

Mr. GILCHRIST: I move—

That progress be reported.

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

Ayes	..	..	..	12
Noes	..	..	..	17

Majority against .. 5

AYES.

Mr. Allen	Mr. Mitchell
Mr. Connolly	Mr. Robinson
Mr. George	Mr. Smith
Mr. Griffiths	Mr. Willmott
Mr. Hardwick	Mr. F. Wilson
Mr. Lefroy	Mr. Gilchrist
	(Teller).

NOES.

Mr. Angwin	Mr. O'Loghlen
Mr. Chesson	Mr. Scaddan
Mr. Collier	Mr. B. J. Stubbs
Mr. Foley	Mr. Taylor
Mr. Jas. Gardiner	Mr. Thomas
Mr. Green	Mr. Underwood
Mr. Hickmott	Mr. A. A. Wilson
Mr. McDowall	Mr. Bolton
Mr. Mullany	(Teller).

Motion thus negatived.

Mr. WILLMOTT: Has Mr. Stevens the necessary knowledge to advise on the purchase of a Diesel engine steamer?

The Minister for Mines: That vessel has nothing to do with these Estimates.

Hon. R. H. Underwood (Honorary Minister): You can discuss that on the Loan Estimates.

Mr. WILLMOTT: It will be admitted that while Sir John Biles is an authority on naval architecture—

The Minister for Mines: On a point of order, I would like to draw attention to the fact that these Estimates have nothing to do with the purchase of the

new ship. Provision is made on the Loan Estimates for that.

Hon. Frank Wilson: How will you pay for the running of that vessel?

Hon. R. H. Underwood (Honorary Minister): You can ask that question on the Loan Estimates.

The CHAIRMAN: That vessel can only be discussed on the Loan Estimates. The general management of the State Steamship Service can be discussed on this vote. If the salary of the general manager of the service is paid from this vote, that can be discussed.

Mr. WILLMOTT: I hope Mr. John Denny will advise us more satisfactorily as agent for Sir John Biles than he has done in the past.

2 o'clock a.m.

Mr. George: Who is Sir John Biles?

Mr. WILLMOTT: Sir John Biles, L.L.B., etc., is a professor of a lot of things at the Glasgow University, and stands at the head of his profession.

The CHAIRMAN: What has Sir John Biles to do with this vote?

Mr. WILLMOTT: I understand he has been quoted by Mr. Stevens.

The CHAIRMAN: The personality of Sir John Biles has nothing to do with the vote.

Mr. WILLMOTT: The whole question hangs on it. The "Western Australia" was sent Home on the distinct understanding that we had purchased another boat to take her place. If I cannot discuss the boat to take her place I do not see how I can discuss the administration of the vote.

The Minister for Mines: You will have a full opportunity on the Loan Estimates.

Mr. WILLMOTT: I ask the ruling of the Chair. May shipbuilding contracts be discussed?

The CHAIRMAN: When I find the hon. member is departing from the proper scope of discussion I will tell him of it.

Mr. WILLMOTT: I would like to point out that shipbuilding contracts are of a very stringent character. Failure to fulfil any one of several conditions

may involve very heavy penalties, may even involve repudiation of the contract. Those conditions are—(a) failure to deliver at a certain date; (b) failure in the speed of the vessel; (c) lack of stability under various conditions of loading.

The CHAIRMAN: What is the hon. member's inference?

Mr. WILLMOTT: I am speaking of shipbuilding contracts. Mr. Stevens has advised on this matter.

The CHAIRMAN: Shipbuilding contracts are not mentioned in the vote. If the hon. member can connect his remarks with the vote, I shall be satisfied.

Hon. J. MITCHELL: I do not know why hon. members opposite should object to having this vote discussed. We have had this service for some time, and it has been a losing one right through. Ministers should show reason why this vote should be continued. The "Eucla" on the southern coast is a disgrace to the service. Of course that is of no consequence to Ministers. Yet we are asked to approve of that vessel. Freights on that coast are as dear as before, and the passengers do not get that consideration which they had prior to the Government taking charge. It would be interesting to know how we are to run this "N2."

Hon. R. H. Underwood (Honorary Minister): There is a mistake in the Estimates. S.s. "Una" should read s.s. "N2."

Hon. J. MITCHELL: What has become of the "Western Australia"? She cost £39,000, and I believe as much again was afterwards spent on her.

Hon. R. H. Underwood (Honorary Minister): She is in the service of the Empire.

Hon. Frank Wilson: What are you getting for her?

Hon. R. H. Underwood (Honorary Minister): Eighteen thousand pounds a year.

[Mr. McDowall resumed the Chair.]

Hon. J. MITCHELL: We know how the "Western Australia" was bought and the failure she has been. We were told

there never was such a bargain, but she proved to be quite unsuitable for the trade, and at last Ministers admitted it and sent her home. She is being replaced in the Northern trade by the "Kangaroo," and we hear now that this steamer draws too much water for the northern coast. When are we going to get reasonable management of this service? Our State fleet is referred to in scathing terms by the acting manager. He has asked for something better in order to have an opportunity to make the service pay. The Government are paying £140,000 for a boat which is unsuitable, and Ministers now tell us she is intended for oversea traffic. In none of these purchases of steamers or machinery for the power house and sawmills, or the power-lising agreement—

Mr. Mullany: On a point of order, is the hon. member in order in discussing the power-lising agreement, the power house and sawmills?

The CHAIRMAN: The hon. member is not in order in discussing anything outside the matters contained in this vote.

Hon. J. MITCHELL: I can surely make a comparison between the methods adopted in regard to State steamships and other concerns. Ministers have been wrong in failing to consult Parliament before acting.

The CHAIRMAN: On the first vote "His Excellency the Governor" members can roam wherever they like, and also on the first vote of each department, but we have disposed of the departments. I think the Chairman of Committees ruled that members must speak on items. I will not go as far as that, but will allow members to discuss the whole of a vote. *May* is very explicit on the point that members must keep within the bounds I have indicated.

[Mr. George called attention to the state of the House: bells rung and a quorum formed.]

Hon. J. MITCHELL: Ministers have not made it clear that they are going to use the "Kangaroo" for the North-West trade. The Government displaced the

boats run by the steamship companies and have not given an adequate service in their place, and largely because the State steamship service has failed, the price of meat has been so high. When the Government steamer should have been in the North she was away in the East, and the service the people had a right to expect was not provided. The "Kwinana" is a fair cattle boat, but outside her there has been no Government boat capable of doing satisfactory work. The "N2" is running in the cattle trade.

Mr. Willmott: Where is the "Una"?

Hon. R. H. Underwood (Honorary Minister): She has been sold to the Fisheries Department.

Hon. J. MITCHELL: Is the "N2" doing her work?

The Minister for Mines: Yes, very well indeed.

Hon. J. MITCHELL: We would like to know under what conditions this boat has been hired from the Federal authorities. We are told the "Una" has been sold to the State Fisheries Department.

Hon. R. H. Underwood (Honorary Minister): It is shown in the balance sheet.

Hon. Frank Wilson: Where is the balance sheet?

Hon. J. MITCHELL: We know that she is unsuitable for the purpose for which the Government bought her. Is it a satisfactory thing to have Mr. Stevens as manager of the State Steamship Service and also as secretary of the Harbour Trust? I think it is highly unsatisfactory. It is questionable whether Mr. Stevens is a suitable man to manage the State Steamship Service.

Mr. George: I want to know about this hideous nightmare of which Mr. Stevens speaks.

Hon. J. MITCHELL: It is not satisfactory to have Mr. Stevens holding a dual position. It is recognised by the Government that they cannot do the whole of the work of the North-West trade or cope with the whole of the coastal shipping which goes out of Fremantle. It ought not to be possible for any one boat to have an undue advantage over any other

boat. All the trade should receive equal consideration at the hands of the harbour authorities. I doubt whether that can be so when the manager of the State Steamship Service is also the secretary for the Harbour Trust. Complaints have been made in this regard and I think they are justified. Mr. Stevens has held many positions. As manager of the State Steamship Service it is his duty to advise the Government as to anything appertaining to steamers at all. Some time ago he recommended selling the "Western Australia" and the purchase of a new boat. He advised the Government to buy a boat in England at the cost of £140,000. During the course of his minutes in connection with the new steamer he made it clear to the Government that they had made a mess of their purchases in the past. He was anxious to be given an opportunity of running a boat which would earn her own working expenses. He satisfied himself that he had got in touch with such a boat and advised the Government to pay £140,000 for her. The Government acted upon this recommendation. Is Mr. Stevens capable of advising the Government in so important a matter?

The Premier: Yes.

Hon. J. MITCHELL: I doubt it.

The Premier: You asked a question, and you have no right to doubt the answer.

Hon. J. MITCHELL: The Government responded to the advice of Mr. Stevens and wired him to secure this boat. Have all the conditions necessary in connection with the running of this boat been understood by Mr. Stevens? Has he any experience of oil ships?

The Premier: There is one in Fremantle now.

Hon. J. MITCHELL: He has not bought another, surely.

Hon. R. H. Underwood (Honorary Minister): This is the one Lovekin bought.

Hon. J. MITCHELL: There is nothing on the papers to show that Mr. Stevens had any special knowledge of ships or any special knowledge of the trade he expected to control.

The Premier: You ought to move for the production of the testimonials of Mr. Stevens.

Hon. J. MITCHELL: Where did Mr. Stevens get his experience? Can the Minister assure the Committee that Mr. Stevens is an experienced shipping man? We ought to know his qualifications before we entrust him with the expenditure of hundreds of thousands of pounds on steamers.

The Premier: I have Mr. Stevens' testimonials here.

Hon. J. MITCHELL: What does the manager propose to do with the new boat?

Hon. R. H. Underwood (Honorary Minister): On a point of order, the new steamship is not mentioned on the Estimates.

The CHAIRMAN: I have already ruled that the hon. member can deal with the vote as a whole or with any part of it, but with nothing outside the vote.

Hon. J. MITCHELL: In connection with the estimates relating to trading concerns, very little detailed information is given. Does "general expenses" cover the cost of fuel? I am told that the Government are not using all the Collie coal they might. We invite the steamers of other countries to bunker here, and we should certainly set an example by burning Collie coal on our State steamers. There has been considerable criticism on that point, and on the purchase of supplies for the State steamers, and there have been complaints by passengers travelling on the steamers. If we must have a State Steamship Service, let it be a first-class, up-to-date service. In connection with stock shipments, the State steamers have lost enormous numbers of cattle—losses which would not have been incurred by a private company managing the steamers, and losses which meant a good deal not only to the shippers, but also to the people of the metropolitan area, whose meat supplies were curtailed. All matters connected with the State trading concerns should be freely discussed, in order that these concerns may

become a credit to Western Australia, instead of being a discredit.

Hon. R. H. UNDERWOOD (Honorary Minister): The leader of the Country party asked whether Mr. Stevens is competent to judge of the purchase of ships. My reply is, yes. As regards the "Eucla," the statements of the member for Northam are discreditable, inasmuch as she affords the best service that the South coast has ever had. She may not be the latest thing in steamships, but the people of the South coast are well served by her. The "Una" has already been discussed on the fisheries vote. She was transferred from the steamship service to the State fisheries, at £3,000. Her original cost was £2,000. In regard to the "Western Australia," I am afraid the questions asked by the member for Northam will not be listened to carefully at this hour of the morning. He desired to know what had become of her. The "Western Australia" was sent to England for sale. The British Government is not eager that British ships at the present juncture should be disposed of and, furthermore, the British Government required this vessel as a cross-channel hospital ship. We were compelled to accept the offer if only from patriotic motives. The British Government are to pay us £18,000 a year for the charter of the "Western Australia," and to pay all expenses, all risks and all costs of running her. It seems to me that we could not refuse to accept that offer.

Hon. J. D. Connolly: I should think not.

Hon. R. H. UNDERWOOD (Honorary Minister): If the British Government want a ship for a hospital ship, and we have one, it is our duty to let them take it.

Hon. J. D. Connolly: You deserve a lot of credit for that.

Hon. R. H. UNDERWOOD (Honorary Minister): We are taking it. Questions have been asked in regard to other vessels. The "N2" was a German ship taken as a prize. The Federal Government handed over the vessel to this State on condition that we put her in sea-going

condition and maintained her, and we are to hand the steamer back in good order, but not allowing for deterioration. Moreover, she is to be handed over when required. The cost of putting the "N2" into good condition was roughly £6,000. There is no charter whatever to be paid. The vessel is the most up-to-date we have running on our coast and the people from Darwin to Fremantle are absolutely satisfied with her and with the people who are running her.

Mr. George: They said she could not carry cattle.

Hon. R. H. UNDERWOOD (Honorary Minister): I am talking about people not cattle. It is impossible to get a ship right up to perfection to carry cattle and passengers. In this ship we can carry 300 head of cattle and carry them safely. We can also carry a large number of passengers, but if a cattle steamer is wanted we supply them with that in the "Kwinana," the best cattle ship on the coast.

Hon. FRANK WILSON: The management of our State Steamship Service is certainly not such as will commend itself to hon. members.

Point of order.

Mr. B. J. Stubbs: On a point of order. I would like to draw attention to Standing Order 386a which states that a general discussion can take place on the whole of the Estimates, and 386b provides that a general discussion on the administration of one department can only take place on the first vote of that department, and that in both cases the reply of the Minister closes the debate. I hold that the reply of the Minister, which we have just had, has closed the debate on the first item of this department, and we can only discuss now the items after the first one.

The Chairman: Standing Order 386a was framed for a special purpose. There was some uncertainty in regard to the Standing Orders, and 386a and 386b were framed to apply really only to the general discussion on the first item, namely the vote His Excellency the Gov-

ernor. Then, when the Premier in charge of that vote has replied, that closes the discussion on the whole of the Estimates. Standing Order 386b allows a general discussion on the administration of one department, for instance, the department of the Minister for Works. When the Minister has replied to that discussion he closes the debate on that particular department. We then come to the items or votes. If hon. members look at Standing Order 386a they will notice that it says "Notwithstanding the provisions of Standing Order 372, no member except the Ministers who shall have the right to reply, shall speak more than once." Standing Order 372 provides for speaking more than once in Committee, and the new Standing Order was to get over that. These Standing Orders refer only to general discussion on the Estimates as a whole, and the general discussion on each Ministerial department. In all other cases the rules of debate in Committee of the whole shall apply. They permit of speaking more than once.

The Premier: This is the department of the Colonial Secretary.

The Chairman: No. Further, the Committee, in framing this rule, went extensively into the question and arrived at the conclusion that it would be unwise to restrict the rights of individual members when speaking on a vote or item. It was held over and over again that a member could speak repeatedly, and that the Minister did not close the discussion. Standing Orders 386a and 386b were framed to alter that, but they do not refer to discussions on items or votes after the general discussions on the whole of the Estimates and on the Ministerial departments have been disposed of.

Mr. B. J. Stubbs: Paragraph (b) distinctly states that the general discussion on the amendment of one department is held on the first item of that vote, and that the reply of the Minister shall close the debate.

The Chairman: The general discussion is done with. We are on the vote "State Steamship Service, £102,000." I rule that the hon. member is in order in

discussing any part of this question up to "£102,538."

Debate resumed.

The Premier: Then next year I will put these all in the departments.

Hon. FRANK WILSON: We will be compelled to take drastic action if the Premier tries to wrap up these Estimates so that hon. members cannot understand them. We will have to refuse to pass them. I can understand the hon. member's reluctance to allow free debate on this vote. If there is anything that equals the State Implement Works in bad merit, it is the State Steamship Service. Naturally the Premier does not desire that the light of day shall be thrown on this vote, but simply wants the glamour of the charter he has made with the British Government to blind hon. members to the real position of the service. We could have better discussed the vote if we had the balance sheet before us. We have this periodical return with which the Premier has been fooling Parliament during the session. The Auditor General says the audit is completed of the State Steamship Service, or company, as he calls it, and that the report is in course of preparation. The Auditor General received the accounts on the 4th October, 1915. It is not the Auditor General's fault that we have not these accounts on the Table, but the fault of the department concerned.

The Premier: No, no.

Hon. FRANK WILSON: The Premier has taken the advice of the member for Irwin (Mr. James Gardiner), his right-hand man and adviser, who made an attack on the Auditor General because these accounts were not audited. The accounts were received on the 4th of this month, and the audit has been completed. We are treating these important matters with levity. We are discussing a vote of £100,000 without knowing how we stand, and yet the accounts practically closed on the 30th June last. Shipping companies have profit and loss accounts made out for every voyage. If the Premier had only taken my advice, he would have saved himself a lot of trouble and

the State many hundreds of thousands of pounds. In connection with this division of the Estimates there are shown the three old steamers, which were originally purchased by the Government without the authority of Parliament, and the "N2," which was obtained from the Commonwealth Government for the use of Mr. Nevanas in carrying out the contract for the Wyndham freezing works. The commencement of the history of the "N2" was even as disastrous as the commencement and the career of the "Western Australia," the "Encla," the "Kwinana," and the "Una" some three years ago. The bungling of the Government in regard to the "N2," the breaking of their contract with Mr. Nevanas when he had arranged to load her, no doubt largely contributed to the very huge sum which was paid him by way of compensation, and I am not sure whether we are yet out of the wood or whether some further claim will not be lodged in connection with this matter. It is well to go back to the inception of the State Steamship Service to ascertain whether we have that efficient service which Parliament should demand at the hands of the Government who control it. The "Western Australia" was purchased for something like £39,000, but many thousands of pounds was expended on her subsequently to alter and equip and make her suitable for the North-West trade. When she arrived in Fremantle, she was again given into the hands of the repairers, and many more thousands of pounds was expended in order that some of the fittings might be removed because they were unsuitable for our requirements.

3 o'clock, a.m.

Mr. A. A. Wilson: Whose fault was that?

Hon. FRANK WILSON: It was the fault of the administration or the management.

[Hon. M. F. Troy took the Chair.]

Mr. A. A. Wilson: Did not the Agent General advise that the "Western Australia" was all right?

Hon. FRANK WILSON: The Agent General is not a shipbuilder.

Mr. A. A. Wilson: But he had expert advice.

Hon. FRANK WILSON: Captain Gregory, a Government officer, advised the Agent General.

Mr. A. A. Wilson: Then the Government took all necessary precautions.

Hon. FRANK WILSON: It has been proved over and over again that they did not take necessary precautions. The Chief Harbour Master turned down this steamer as being absolutely unsuitable, and this opinion was reported to the Government. When Captain Gregory was Home, the Agent General was instructed to purchase the best steamer available. This steamer was acquired because the Government said the Adelaide Steamship Coy. were after her and the Government did not want to lose the opportunity to secure her. It was a splendid bargain, we were told, and the Government reckoned they could sell her immediately at a handsome profit. I should like to draw attention to the feeling of the Government, as expressed by Mr. Stevens, towards this vessel to-day.

Mr. Taylor: She is a hospital ship now.

Hon. FRANK WILSON: Mr. Stevens, in writing and describing the Minister's view with regard to the steamer, said, on the proposed new purchase, that they could not risk being saddled with another such desperately bad proposition as, for instance, the s.s. "Western Australia."

Hon. R. H. Underwood (Honorary Minister): She is a bad proposition for that coast, but she is a beautiful ship for cross-channel purposes.

Hon. FRANK WILSON: I am sorry to think that the Government are jubilant at the idea of the British Government having taken this white elephant over and paid such a tremendous rental as £18,000 a year for her.

Hon. R. H. Underwood (Honorary Minister): She has the finest lines ever seen in any boat in an Australian dock.

The Minister for Mines: She is a splendid boat, but unsuitable for the work.

Hon. FRANK WILSON: What does the Honorary Minister want us to infer

from that? Does the suitability of a vessel depend upon her lines?

Hon. R. H. Underwood (Honorary Minister): Yes, she is a lovely hospital ship.

Hon. FRANK WILSON: To make a suitable hospital ship she must have a flat bottom, and not fine lines. Now that the Government have found out that she is an incubus and such a terribly bad proposition they have taken a German vessel instead of a Russian vessel. When the Russian vessel was taken over she was deemed to be the best possible proposition. But she has a badly arranged engine room and is a most extravagant vessel to run on this coast, and now the Government have sent her home to try and get rid of her.

The Minister for Mines: She will never turn up again, I can promise that.

Hon. FRANK WILSON: Because the "Western Australia" had fine lines she was thought to have been the most suitable boat for our trade, but she has lost her whole value to-day.

Hon. R. H. Underwood (Honorary Minister): She is worth £18,000 a year on charter.

Hon. FRANK WILSON: She is now said to be a desperately bad proposition. The British Government will have her for a few months and this Government will get her back again. They eulogised the Russian boat which was built in Siberia. Now they are eulogising the German boat "N2" as being the finest vessel on the coast. They are going to meet with as disastrous results regarding the "N2" as they did with regard to the "Western Australia."

Mr. Willmott: She was taken away in an immoral way from a man who had her under charter. The Government cannot have any luck with her.

[Mr. McDowall resumed the Chair.]

Hon. FRANK WILSON: The "Western Australia" was purchased to reduce the price of cattle and meat in the metropolitan area. She was set to work to carry out this principle some three years ago. I had the temerity to suggest that she would not be successful on our coast and when I did so one Minister said that

I had never seen her, and practically gave me the lie notwithstanding that I had spent a couple of hours aboard her only a few days before.

Mr. Willmott: There is a difference of opinion regarding this boat. Some people call her a stalking horse, and other people a nightmare.

Hon. R. H. Underwood (Honorary Minister): She was bought by a couple of Liberals, Sir Newton Moore and Captain Gregory.

Hon. FRANK WILSON: Captain Gregory acted on the instructions cabled to him by the Premier to take the best steamer available at the time. This boat was the best of a rotten lot. She had been built to run on the Siberian coast. She was treble-decked in order that the ice and snow might not damage her, and was never constructed for tropical voyages. Her very cabins had solid port holes which could not be opened, and there was a steam stove in each cabin. Her stoke-hole was a marvel of intricacies.

Point of Order.

The Minister for Mines: I rise to a point of order. The hon. member is dealing with ancient history which has been before the House very often, the construction and mechanism of this boat and the manner in which she was purchased and managed in the years gone by. He is, I claim, not right in speaking thus on this particular item, which provides only for the running of this vessel for the present year. I submit that the leader of the Opposition is not in order in dealing with the purchase of the "Western Australia" in some past year, inasmuch as the provision on these Estimates deals only with the running of the steamer for portion of the present year.

Hon. Frank Wilson: I submit that I have a perfect right to deal with the steamers referred to in these Estimates in all their phases, from the date they were built to the date when they have passed out of the Government's hands. I have the right, I submit further, to deal with the "N2," under the last portion of the steamship items, and a right to deal with the service for all years.

The Chairman: I have already ruled—and let me emphasise it—that the hon. member has the right to deal with every item in this vote, but beyond that he may not go, and there is nothing down for the purchase of the "Western Australia" or for ancient history as to Captain Gregory or as to Sir Newton Moore. Therefore it is evidently tedious repetition, and, further, it is repetition of matters that took place years ago and that certainly have nothing to do with this vote. As regards the "N2," the hon. member has a perfect right to deal with that, since the item appears on the Estimates. But as to the "Western Australia" and what took place in regard to that steamer two or three years ago, I must rule that that is not right, seeing there is only £11,000 on the Estimates for the "Western Australia." I want also to call the attention of members to Standing Order 140a, because it strikes me forcibly that I shall be compelled to use it—

The Speaker or the Chairman, after having called the attention of the House or the Committee to the conduct of a member who persists in irrelevance or tedious repetition, either of his own arguments or of the arguments used by other members in debate, may direct him to discontinue his speech: Provided that such member shall have the right to require that the question whether he shall be further heard be put, and thereupon such question shall be put without debate.

If there is going to be a continuance of the tedious repetition which has taken place this evening, I shall be forced to put that Standing Order into operation.

Hon. Frank Wilson: I should like to know, Sir, if you charge me with tedious repetition? I have not repeated anything.

The Chairman: The hon. member is not usually guilty of repetition, but I am afraid he has repeated an immense amount over the "Western Australia."

Hon. Frank Wilson: I have not repeated myself. I have answered interjections.

The Chairman: I am ruling now that the hon. member has the right to discuss the "Western Australia" as far as this vote is concerned, but no right to discuss the purchase price of the "Western Australia" and the ancient history of the matter, because it has nothing to do with this vote. The purchase money of the "Western Australia" was paid out of Loan funds.

Hon. Frank Wilson: But the interest comes out of this.

The Chairman: It is paid out of the Consolidated Revenue, but—

Hon. Frank Wilson: May I draw your attention to the words "all other expenditure" in the item referring to the "Western Australia"?

The Chairman: That is for the current year. However, I am forced to rule as I did. All authorities, including *May*, are in favour of it that you must deal with these items as they appear, I have given the widest possible latitude, but there is a limit.

Debate Resumed.

Hon. FRANK WILSON: The item referring to the "Western Australia" provides for salaries and wages, repairs and surveys, supplies, commission, insurances, claims, proportion of No. 3 survey, and all other expenditure in connection with the steamer.

The Minister for Mines: For the current year.

Hon. FRANK WILSON: I want to point out why the expense is so heavy. As regards the No. 3 survey, which cost, I think, £12,000, only £7,000 was debited against last year's working expenses, and the balance is to be carried over three years. I cannot say what amount has been written off this year, because the documents are not available to show it. That is the fault of the Government and of the departmental officers. Why was the cost of the survey so heavy? Because the Government bought a steamer which was second-hand, ready for the scrap heap when we got her, and unsuitable for our work.

Member: That is relevant.

Hon. FRANK WILSON: Ministers by irrelevant interjections seek to hide their tracks. I want to make their tracks plain for everybody to see.

Several members interjected.

The CHAIRMAN: Order! I must ask hon. members not to interject. For the last half-hour there have been scarcely half-a-dozen coherent sentences, because of the interjections.

Hon. FRANK WILSON: We first had to spend money to purchase the "Western Australia," and we have been spending money on her ever since. She has proved a ghastly failure, and I am happy to think that even at the eleventh hour the Government have come to their senses and stopped her running and sent her Home to be sold at the best price obtainable. They have been fortunate in chartering her to the British Government, but I very much fear that the charter will end abruptly when the authorities find that the vessel is not suitable for their purposes. I must admit that we can profitably employ a vessel of this description when she is lying most of the time in a harbour. The loss in connection with this steamer was incurred while running her. It was impossible to run the "Western Australia" economically, because she consumes a larger quantity of fuel than any other modern vessel of her tonnage. We are going to earn £18,000 per annum from the "Western Australia," so the Minister tells us. I consider that the Government and the State are exceedingly lucky that for a short time they have got out of what I consider one of the most foolish and desperate positions any Government could find themselves in, owing to their inexperience and incapacity. After having had experience of this steamer, we immediately rush along and charter a German ship to take her place, the place of an Austrian-built vessel, and we are told by the manager of the Steamship Service that there is a necessity for getting hold of the "N 2" to take the place of the "Western Australia" because the "Kwinana" has done excellent work in the past and is now about 24 years old, and will soon be fit

for the scrap heap, if she is not already fit to go there. The "Kwinana" was purchased in Melbourne at about the same time as the "Western Australia." Mr. Stevens reports that the "Kwinana" is getting a very old ship and in 12 months' time will have to face her second No. 3 survey and heavy repairs, and the question will arise whether it will be economical to run her in view of the economy of the Diesel type of ship, and if it becomes advisable to sell her, the "Lalandia" could do all, pending the arrival of another vessel to take her place. Here we have not only the "Western Australia" a failure, but we have the "Kwinana," stated by the manager of the Steamship Service to be so old as to shortly be practically useless.

Mr. Willmott: And entitled to the old age pension.

[Hon. M. F. Troy took the Chair.]

Hon. FRANK WILSON: I admit that Mr. Stevens is actuated by a desire to force the purchase of a new vessel, and it might be a laudable desire, but it can hardly be so at the present juncture. This is the way he describes the State steamers which Ministers are so proud of: he says that the relief to the minds of those who are administering this branch of the Government service at the chance of being at last provided with up-to-date economical working machinery, is very great indeed. The working of this service with old and decrepit and badly designed and uneconomical plant, with which it was equipped, has been a great strain. That statement is endorsed by the fact that the Government do not want to take the risk of being saddled with the responsibility of any further bad propositions like the "Western Australia." Members can only come to the one conclusion that this department has not been administered in the best interests of the State, that it was not conceived in the interests of the people of Western Australia, and the sooner we can close it up instead of extending it, the better off will the country be. The "Eucla" is a small vessel of something under 1,000 tons. She has

never even paid her running expenses, let alone a profit on the cost of her purchase. The repairs, the services, supplies, commissions, insurance, claims, and a proportion of No. 3 survey, and all other expenses for this vessel for the one year are set down at £11,500. It would be interesting to know how much it is anticipated the "Eucla" could earn as a set-off against this huge expenditure which equals the sum total of the price paid for her purchase.

Mr. Willmott: She has earned the undying hatred of anyone who ever had anything to do with her.

Hon. FRANK WILSON: I know she cost the State something like £12,000, and I hear that she was under offer for sale for something like half the money at the time we stepped in and relieved the then owners of a bad bargain. The "Una" is a small craft, which the Minister tells us has now been transferred to the Fisheries Department at a price of £3,000. Evidently it is to the "Una" we are to look for supplying fresh fish to the metropolitan market. But she also was one of those disastrous departmental vessels until this year, and she was purchased for something like £2,000. The previous owners purchased the vessel only a short time before for £1,200. As she gets older the more her value appears to increase in the eyes of the Government.

Mr. Willmott: Like wine, she improves with age.

Hon. FRANK WILSON: That apparently is the system on which we are going to bolster up these defective services. I want to know what we are going to do with the nominal profit on the "Una" as the result of this wonderful transaction between the two branches of the one department. Who is going to collect the thousand pounds? It is an absurd transaction, bound to result in wrong figures being placed before the Committee. Unless this thousand pounds is lodged in a special fund apart from the general monetary transactions of the departments I cannot see how we are going to do otherwise than reduce the capital cost of the other steamers by this nominal profit on a book entry. So

we here have an error in regard to this transaction. Mention was made of this German vessel, "N 2." The Minister said people were perfectly satisfied with this steamer. But the same remark was made in regard to the "Western Australia" until we had all sorts of yarns from the Northern ports about the treatment of the passengers, the lack of food supplies, the shortage of water, the general inconvenience which passengers had to put up with and the pilfering that went on, the disgraceful scenes at the bar of the steamer, the lack of discipline, and the fact that passengers were known to stream ashore with water-bags over their shoulders in order to get a moderate supply of potable water for their personal consumption. All this was significant of the truth of the reports by those who travelled by the vessel. I use this statement as an answer to the Minister; we cannot accept all he may say in this Chamber in regard to this German vessel, "N 2." I admit without having inspected this new acquisition to this very virile and active department, though I saw her at Brisbane, that she is a fine vessel, and I understand she has accommodation and facilities for economical running superior to those of the "Western Australia," from the lack of which we have suffered so much. It is natural that the Acting Manager of the department wishes to win out. I commend Mr. Stevens for his desire to retrieve the reputation of the Government which has been so badly damaged through the earlier administration of the department. Notwithstanding that he is a young man, he has found time to acquire the knowledge and acumen necessary for the control of steamships in competition with the privately owned and run concerns.

Mr. Willmott: Or the cocksureness.

The Minister for Mines: He is not half so cocksure as the member for Nelson.

4 o'clock, a.m.

Hon. FRANK WILSON: The two propositions are very different. The one is a Government department run on red tape lines to a very large extent;

the other represents steamers controlled and managed by men who have devoted the whole of their lives to this class of industrial enterprise. No matter how capable Mr. Stevens might be—and undoubtedly he is capable—we cannot expect him to manage these two huge departments, each of which constitutes the work of a man just as capable as he, if we are to get satisfactory results. He can neither do credit to himself nor work with profit to the State. His report to Ministers in Cabinet in connection with the service and the language he employed to describe the vessels go to show he is afflicted with a nervous anxiety as to the result upon his own reputation and my sympathies go out to the manager in the very difficult position which he finds himself. Notwithstanding that I must of necessity draw attention to the extravagance of his language in describing this decrepit, obsolete, out-of-date plant which he has to manage, I can understand his anxiety to protect his own reputation, or build it up so far as steamship management was concerned. He was justified to some extent in applying these drastic terms to a department which has been created by gentlemen who had not the necessary experience themselves. The failure of the Government to make a satisfactory showing on the Estimates of this department, especially in the present year, shows that we have an incapable Government. They are not wilfully incapable, perhaps, but they lack experience. They rushed in and bought plant which is described in these eloquent terms by Mr. Stevens. I do not propose this morning to refer to the reasons that led up to the report, which I have referred to, from Mr. Stevens, or to enter into a debate as to the advisableness or otherwise of adding to this fleet of steamers, which is already too great. We will have an opportunity, probably, of discussing all these transactions on the Loan Estimates. It was on the advice of Mr. Stevens exclusively, according to the report, that the Government acted. I shall have something to say as to the action of the Government who after all their experience during the past four

years, followed explicitly the advice of an officer of this description, no matter how capable or how honest he may be, or how honestly he is endeavouring, according to his judgment to advance the interests of the State, and more especially of the department which he is called upon to control. If hon. members will go through the previous debates in regard to this service, and take the trouble to follow up the speeches which have been made in this Chamber since the unfortunate inception of the service, they will notice that the Government have been forewarned and advised times out of number as to the huge pitfall they were digging for themselves and for the country. Members, too, will notice that we have pointed out that the object that they advanced for plunging the country into the expense of such a department, involving £100,000 per annum, could not be achieved with the class of equipment which has been so vividly described by the manager and so well described by members on this side of the House from time to time. The Government wilfully closed their eyes to the true position of affairs and to the fact that they were overloading the management and had made a bad selection in the first instance; and further, having got rid of that bad selection after extolling it to the skies, they appointed an officer who, although he has undoubted ability and application, is asked to run a concern which no man could successfully run at a profit because they overloaded him with two departments, either one of which would take the full capacity of anyone who was endeavouring to look after the interests of the State. I hope the Committee will spare a little time and get a full grasp of the department, and will agree with me that the time has arrived when we should take some drastic step against the continuation of a department which has become a nightmare to the officers who administer it, has proved such a sad disaster, according to the Minister's own showing, and is so much against the best interests of the country.

Mr. ALLEN: I move—

That progress be reported.

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

Ayes	..	..	..	12
Noes	..	..	..	18

Majority against .. 6

AYES.

Mr. Allen	Mr. Robinson
Mr. Connolly	Mr. Smith
Mr. George	Mr. Willmott
Mr. Griffiths	Mr. F. Wilson
Mr. Hardwick	Mr. Gliehrst
Mr. Lefroy	(Teller).
Mr. Mitchell	

NOES.

Mr. Angwin	Mr. O'Lozhlen
Mr. Chesson	Mr. Scaddan
Mr. Collier	Mr. B. J. Stubbs
Mr. Foley	Mr. Taylor
Mr. Jas. Gardiner	Mr. Thomas
Mr. Green	Mr. Underwood
Mr. Harrison	Mr. A. A. Wilson
Mr. Hickmott	Mr. Bolton
Mr. McDowall	(Teller).
Mr. Mullany	

Motion thus negatived.

Hon. J. D. CONNOLLY: I wish to enter my emphatic protest against the appointment of Mr. Stevens to manage the State Steamship Service. That gentleman is secretary to the Fremantle Harbour Trust, and in that capacity has proved an excellent officer. I have nothing whatever to say against Mr. Stevens personally. First we find the Government appointing the Engineer-in-Chief and the Chief Harbour Master members of the Fremantle Harbour Trust, and then appointing the secretary of the Fremantle Harbour Trust manager of the State Steamship Service. Thus, in the event of questions of navigation or harbour accommodation arising, these gentlemen will be reporting to themselves.

The Minister for Works: On a point of order, is there anything on these Estimates dealing with the Fremantle Harbour Trust?

The CHAIRMAN: The hon. member will be in order so long as he confines himself to criticism of the appointment of the secretary of the Fremantle Harbour

Trust to the managership of the State Steamship Service. The hon. member would not be in order in discussing the harbour trust.

Hon. J. D. CONNOLLY: I wish to show the absurdity of the appointment, because it is utterly impossible for Mr. Stevens to carry out the duties of both positions. The second appointment means the overloading of a willing officer. I do not question Mr. Stevens's ability to manage the State steamships, but he cannot fill both positions. During this session a question has been asked regarding a contract of a very doubtful character entered into by the State Steamship Service with James Bell & Co. and McArdle & Co. for the carriage of sleepers to the Eastern States.

The Minister for Mines: On a point of order, that contract was not entered into by this department.

The CHAIRMAN: The Minister is making a statement, and not raising a point of order.

The Minister for Mines: Is the hon. member in order in dealing with the contract for the carriage of sleepers in connection with the State Steamship Service Vote?

The CHAIRMAN: I was waiting to see how the hon. member intended to connect his remarks with the subject under discussion. If he can do so, he will be in order; if not, he will be out of order.

Hon. J. D. CONNOLLY: My contention is that the contract was made by this department.

The Minister for Mines: No. It was made by the Works Department.

The CHAIRMAN: I am afraid I cannot allow the hon. member to ramble on without finding out what vote the contract comes under. It does not appear to come under this vote.

Hon. J. D. CONNOLLY: In another place Mr. Jenkins spoke on this subject as follows on the 10th December, 1913, in moving for the papers referring to the matter:—

I have tabled this motion following upon the answers I received to certain questions asked in this Chamber a few days ago. Those answers appear

on the Minutes of the Proceedings of the 4th December. It appears, so far as I can gather, that quite recently a contract or an agreement, involving a huge sum of money, between £50,000 and £60,000 has been let by the State Government for the conveyance of powellised sleepers, and tenders were not publicly advertised or called for, but the method followed seems to have been simply that some officer of the department went around to a few shipping firms and other people and asked them to quote prices. One would have thought, in regard to a contract of this magnitude—

The Minister for Works: Is the hon. member in order in reading that speech?

The CHAIRMAN: The hon. member is explaining to the House his justification for discussing the contract under this item.

The Minister for Works: He is reading a speech which was made in another place.

The CHAIRMAN: I am waiting for the hon. member to justify his reference to that speech. So far there has been no justification. The hon. member rose to justify his long discussion by referring to a speech made by Mr. Jenkins, but so far he has failed to connect it with the discussion. Therefore, I must ask him not to discuss that contract further.

Hon. J. D. CONNOLLY: I am entitled to assume it was made by the State Steamship Service.

The CHAIRMAN: I assume that the hon. member's discussion is not relevant, and I must ask him not to refer to the matter further.

Hon. J. D. CONNOLLY: Do you rule that the shipping contract made by the Government is in connection with the Steamship Service of the State?

The CHAIRMAN: I am ruling that the hon. member is not in order in discussing a speech outside the scope of this debate. The hon. member is only entitled to continue on lines which are relevant. I have stated that the hon. member's remarks are not relevant.

Hon. J. D. CONNOLLY: I want to say there was a shipping contract let

and it was of such a nature that £6,000 had to be paid afterwards to cancel it. Did the State Steamship Department report on that, and, if not, why not?

The CHAIRMAN: The hon. member will continue the discussion on the matter before the Committee.

Hon. J. D. CONNOLLY: Am I entitled to state what the contract was?

The CHAIRMAN: The hon. member is pursuing a course which is utterly ridiculous. He asked me to allow him to discuss a speech which is connected with this item. He only assumes that it is. The hon. member can assume a thousand and one things, but he must not do so.

Hon. J. D. CONNOLLY: I will take another opportunity of referring to the absurd lines on which this contract was let. I think, however, it is a remarkable thing that if we have a department dealing with the State Steamship Service some other department let this contract. We have heard of the manner, in which the steamers have been run in the past. The instance I have referred to only adds one more to the many in connection with the mismanagement of the service. This department was created without any authority from Parliament.

The Minister for Mines: The hon. member surely is not in order.

Hon. J. D. CONNOLLY: The chairman will tell me when I am out of order. The Minister for Mines need not trouble himself about that matter. There are items here for the survey of ships, £11,000 in one instance and £11,500 in another. That is all the result of the action of the Government buying the "Western Australia," the "Eucla," and the "Una." I move—

That the vote be reduced by £50,000.

Mr. GEORGE: Members who paid careful attention to the speech delivered by the leader of the Opposition will see that there are very strong reasons why the Committee should give close consideration to this vote. When we see the way in which the vote has been cut up into these various items, we realise that it would be wrong to pass it without entering a protest. There is an item

for depreciation, £3,838. It is a mere farce to fix the depreciation at this amount. The depreciation on the "Western Australia" alone must run to £30,000 or £40,000. For Ministers to insult the intelligence of the Committee by putting in a depreciation of £3,838 is too bad, and it is equally unreasonable to estimate in a foot-note a revenue of £115,000 without proffering any justification for the estimate. I have no desire to say anything against Mr. Stevens.

Hon. R. H. Underwood (Honorary Minister): You would not say a word straight out, but you would make any number of innuendoes.

Mr. GEORGE: I am not making any innuendoes.

Hon. R. H. Underwood (Honorary Minister): You are making nasty, dirty innuendoes.

The CHAIRMAN: The hon. member must withdraw that remark.

Hon. R. H. Underwood (Honorary Minister): I withdraw.

Mr. GEORGE: Neither the leader of the Opposition nor myself wish to say anything derogatory of Mr. Stevens. I have known him for some 22 or 23 years.

Hon. R. H. Underwood (Honorary Minister): Why try to decry him?

Mr. GEORGE: I am not. I knew him as confidential clerk to the late Mr. C. Y. O'Connor, and he was a very good officer.

The Minister for Works: And a very decent chap; yet you are always crying him down.

Mr. GEORGE: Nothing of the sort. We may be able to express an opinion.

The Minister for Works: I would not mind if it were an honest one.

Mr. GEORGE: We may question whether the reports the officer sent in should carry great weight. That is not necessarily decrying him. The same thing is occurring in regard to the State Steamship Service as occurred in regard to the State Implement Works. The man in charge is being over-loaded.

Hon. R. H. Underwood (Honorary Minister): He is honest, that is the difference.

Mr. Willmott: That is a dirty innuendo.

Hon. R. H. Underwood (Honorary Minister): And I stand to it, too.

Mr. GEORGE: Does the hon. member reflect on my honesty?

Hon. R. H. Underwood (Honorary Minister): No.

Mr. GEORGE: The same trouble is occurring here as occurred in regard to the State Implement Works. Apart from the individuality of the manager of those works he was over-loaded, and in the same way Mr. Stevens is over-loaded in regard to the State steamers and the Harbour Trust. He has done very good work in regard to the Harbour Trust, but I say he cannot do justice to the two services.

The Minister for Works: He has done good work in both places.

Mr. GEORGE: But you do not give him the chance he should have to prove himself fully in connection with the Harbour Trust. Although the State Steamship business has been improved out of all knowledge by Mr. Stevens, it would be preferable to place the management in the hands of a man trained throughout his life to that particular kind of work. There is plenty of scope for Mr. Stevens in the work of the Harbour Trust.

The Minister for Works: It is always best to get a man you know.

Mr. GEORGE: Yes. It is a pity that in connection with one large undertaking which has occupied attention lately the Government did not employ someone they knew before entering into negotiations. They got to know the gentleman afterwards to the cost of the country. Mr. Stevens has given what he thought was good advice in connection with the purchase of ships, and he deals with ships in these estimates.

Hon. R. H. Underwood (Honorary Minister): The purchase of ships is not provided for in these Estimates.

Mr. GEORGE: The State ships are dealt with in these Estimates.

Hon. R. H. Underwood (Honorary Minister): There is no purchase of ships provided for in these Estimates.

The CHAIRMAN: Order!

Hon. R. H. Underwood (Honorary Minister): There is no purchase of ships provided for in these Estimates.

The CHAIRMAN: Order! The Honorary Minister must keep order.

Mr. GEORGE: There is no reference to the purchase of any ship in these Estimates but I have a right to refer to the file to show Mr. Stevens' opinion in regard to these ships. It would have been far better if the purchase of further ships could have been separated from the very damning reports on the existing boats but even with regard to the purchase of ships—

Hon. R. H. Underwood (Honorary Minister): Which ships? There is no purchase of ships provided for in these Estimates.

The CHAIRMAN: The Honorary Minister must keep order. If he thinks the hon. member is out of order he can rise to a point of order and I will decide it.

Mr. GEORGE: Provision is made for salaries and we assume that the manager's salary is provided for. In discussing the manager's salary, we are entitled to question whether his experience has been sufficient to enable him to give such strong advice upon which the Government have acted in regard to additions to be made to their fleet.

Hon. R. H. Underwood (Honorary Minister): There are no additions to the fleet under these Estimates.

Mr. GEORGE: No one wishes to decry the ability of Mr. Stevens but we might question his experience, as to whether this advice should have been given by him and acted upon by the Government.

Mr. Bolton: That is the way they removed the previous manager, said they were only questioning his experience and not his ability, but he was pushed out.

Mr. GEORGE: I have no desire to see Mr. Stevens shifted.

Mr. Bolton: Want of experience does that.

Mr. GEORGE: No, it does not. We might question the advisableness of having one gentleman with two gigantic tasks on his shoulders. I wish to give him and the State a fair show.

The Minister for Works: Your party never gave anyone a fair show.

Mr. GEORGE: That remark requires no answer. Both the Minister for Works and the Honorary Minister are irritable through having sat here during the last 14 hours, all through their misapplied firmness to attempt to push the Estimates through a tired House and to try to burke discussion.

Mr. Bolton: You will admit that the gag could have been moved.

Mr. GEORGE: The Government, with their dwindling majority, are a little too cautious to attempt that.

The CHAIRMAN: The hon. member must revert to the question under discussion. His remarks are by no means relevant.

Mr. GEORGE: With such interruptions could anyone pursue his speech?

The CHAIRMAN: The hon. member can ignore the interruptions.

Mr. GEORGE: There is probably no chance of carrying the reduction but it is necessary to enter a firm protest against the methods adopted by the Government relative to the State Steamship Service. The Government would be wise if they separated the two positions and did not overweight and over-drive a willing man. They are not giving him an opportunity to do justice to one service or the other and they are doing the greatest injustice to the man himself.

Amendment put and negatived.

Vote put and passed.

Vote—*State Sawmills, £169,950*:

Hon. FRANK WILSON: The revenue of this Department for the first three months of the present financial year which have now gone by amounted to £47,000, and the expenditure to £71,000, a difference of £34,000, which, according to the Treasury figures, this trading concern has gone to the bad during that period. We shall I suppose, be met by the old argument that we are accumulating stocks at the sawmills, and that

in consequence we have to find capital to cover this stock. On a previous occasion I pointed out the danger which lay in these accumulated stocks. An answer of this description might perhaps hold good for 12 months in exceptional cases, such as the time of war through which we are now passing, but this cash deficit cannot go on year after year without causing dissatisfaction not only in this Chamber but amongst the general community. If we go on year after year showing a cash deficit of many thousands of pounds we shall ultimately run into a huge loss. I had occasion to stress this point with regard to the implement works. The Minister would not listen to me last year when I pointed out the huge discrepancy between the revenue and expenditure of the concern. I was told that I had not taken the book debts and the stock in hand into account. To-night we have had the admission that there has been a loss on the concern of £40,000. I pointed out the same thing in regard to the sawmills, but I maintain that the consideration which this serious position of affairs is entitled to receive has not been given to it by the Government. Here we have a sample of the system which permeates the different departments and all our industrial enterprises, which is going to bring the State to ruination, if it is not quickly put a stop to. I commend this to my hon. friend who represents the farmers and settlers. He should not be so ready to pass the Estimates when Ministers place them before him, Estimates which show a total disregard for approved financial methods and the absence of a proper regard for the finances of the country. The State Sawmills form one of these huge white elephants, badly administered, horribly mis-managed, intensely over-capitalised, which is going to bring discredit upon the Government of the State. The whole system is over-capitalised. We know that the State sawmills have cost 50 per cent. more than they should have done for their output. I would stake all I possess that for fifty per cent. less money we would

have achieved the same result as these State Mills have achieved.

The Minister for Works: If all we are told is correct everything you have been connected with has not been a success.

Hon. FRANK WILSON: That is an unfair and cowardly suggestion to make. The Minister knows very well that my mills were all successful.

The CHAIRMAN: Order! The hon. member must withdraw the word "cowardly."

Hon. FRANK WILSON: I do not see why I should withdraw it. Everything I have touched has been a success. It is a cowardly attack to make upon me.

The Minister for Works: Go on; I do not mind.

The CHAIRMAN: Order! The hon. member has himself used most scathing remarks.

Hon. FRANK WILSON: And I am entitled to make them.

The CHAIRMAN: But the hon. member has not been called to order for having done so.

Hon. FRANK WILSON: I have.

The CHAIRMAN: When the hon. member makes assertions in the tone he does, a tone which is calculated to cause other members to retaliate, I think he must withdraw.

Hon. FRANK WILSON: What about the Minister's interjection?

The CHAIRMAN: If the Minister has made an interjection which is offensive to the hon. member I will ask him to withdraw it.

Hon. FRANK WILSON: It was offensive to me.

The CHAIRMAN: I heard no remark from the Minister which I considered to be offensive.

Hon. FRANK WILSON: It was most offensive.

The CHAIRMAN: If the remark was offensive I am sure that the Minister will withdraw it, but the hon. member must withdraw the word "cowardly."

The Minister for Works: I will withdraw it, if the hon. member thinks it is offensive.

Hon. FRANK WILSON: The Minister

is allowed to make these interjections, times out of number against my reputation, and I resent them strongly. I am going to resent this sort of thing every time.

The CHAIRMAN: The only course for the hon. member to adopt in this case—

Hon. FRANK WILSON: Oh yes, fire me out, as you did before. I am not going to put up with these insults from Ministers.

Mr. George: They will only give you all the more.

Hon. FRANK WILSON: I will give them something to remember.

The CHAIRMAN: The Minister for Works has withdrawn the remark.

Hon. FRANK WILSON: He has not done anything of the kind.

The MINISTER FOR WORKS: I can only say that the hon. member's words in regard to the management of the Works drew from me the remark that if all the statements we heard were true, then some of the sawmills the hon. member has been in charge of have not been entirely successful.

Hon. FRANK WILSON: That is a lie and ought to be withdrawn.

The Minister for Works: I will withdraw the remark if the hon. member thinks it is offensive.

Hon. FRANK WILSON: The Minister ought to be made to apologise too.

The CHAIRMAN: The hon. member will, I hope, withdraw his remark now.

Hon. FRANK WILSON: In the circumstances I will withdraw the remark, but I want the Minister to remember not to repeat the offence.

The CHAIRMAN: Order! Let there be no more about the matter.

Hon. FRANK WILSON: It should be definitely settled that I should not be insulted in this way every time I get up.

5 o'clock, a.m.

The CHAIRMAN: Order! Will the hon. member take his seat? The hon. member has no cause to say that he is not protected from insults.

Hon. FRANK WILSON: I get them every day.

The CHAIRMAN: Order! The hon. member receives generous treatment. I want to inform the hon. member that, if he thinks that by this conduct he can browbeat the Chairman, he is absolutely mistaken.

Hon. FRANK WILSON: Well, do not threaten me, Sir.

The CHAIRMAN: The hon. member has had most tolerant treatment. Both members having withdrawn, let there be no more about it.

Hon. FRANK WILSON: I was discussing the result of the operations of the State Sawmills, and the question whether they had been economically managed since their inception, whether the scheme had been properly carried out by the Government—which I am justly entitled to criticise as I think fit—and as to whether at the present moment we are getting proper results from this enterprise, which I stated was likely to prove even a worse white elephant than the State Implement Works. The State Sawmills were established to crush the unholy cormorant combine known as Millars. The present Minister for Lands has stated publicly that his intention was to crush all opposition out of existence. Proof can be brought of that, if it is required. I have always protested in the strongest terms against such maladministration of public affairs. If we are going to descend to the petty, personal spitefulness of attempting to crush out of existence individuals or companies or concerns which have helped considerably to develop this State, I maintain we shall be committing a crime against the very people whom we have taken an oath to protect, by our oath of allegiance to the King. With regard to the State Sawmills powellising plant at Big Brook, which I have visited, £30,000 has been spent on this plant for only one sawmill. Many thousands of pounds have been lost there. Piles to be powellised for the electric power station at East Perth were cut at Dwellingup, railed about 150 miles to Big Brook to be powellised, and then

returned to East Perth for utilisation in the foundations of that tremendous power station which will cost the country nearly half a million of money when it is finished. These are the piles referred to in the dispute between the Works Department and the Railway Department. Piles were powellised by the Works Department at a cost of £4 odd each, as against a cost of 28s. per pile powellised by the Railway Department at their Bunbury Works; and those Bunbury works, I venture to say, did not cost one-fourth of the money sunk in the Big Brook powellising works. The sawmills policy was madness in itself. From its very inception it could not succeed. That has been pointed out in this Chamber on many occasions, but of course Ministers always looked upon it as a mere political dodge. They cannot give credit for honesty of purpose. When I say there has been wasteful and extravagant expenditure on the sawmills, I maintain that the Ministers who are responsible ought to listen carefully, and ought to make some inquiry as to the correctness of my statements. But no, Ministers prefer to throw doubt on one's ability to size up the position. They like to throw a slur on one's reputation as regards the business enterprises in which one has been engaged. Even to-night it has been cast in my teeth that I have had a varied experience. It is true that I have had experience in industrial enterprises which Ministers perhaps have not had. I have had 45 years' active experience in commercial enterprises, and very few people have travelled so much and lived in so many different places as I have, with so many opportunities of gaining intimate knowledge of the management and financial administration of various occupations and callings. Not one enterprise I have touched during my career in Australia has proved a failure. On the other hand, as with State affairs, I have repeatedly had to drag out of a difficult financial *impasse* enterprises with which I have been connected—not an *impasse* of my own creation, but resulting from others not being equal to the position.

Therefore, I have some claim to criticise the State Sawmills. I have spent eight or ten years in the timber industry. I had the control of sawmills here about 24 years ago. My friend the member for Murray-Wellington, I may mention, has had control of the Jarrahdale sawmills. I may say, further, that notwithstanding all the financial difficulties of the sawmill undertaking which I managed I brought it out successfully, making in my last three years £45,000 net profit. We cannot get a man at £600 a year to properly manage the huge concern which exists to-day. It might be possible to get a millwright for the money to erect mills and supervise and control them and keep them in good order, but we cannot get a man of all-round experience, one who will make the industry that success which the State undoubtedly ought to make of it, with the many advantages it possesses for obtaining trade. Is there anyone who could have secured the orders that the Government secured the other day? Yet hon. members opposite claim that they have made a success of this department. Last year, we had the deplorable spectacle of a balance sheet being produced which showed a profit of £2,000 without depreciation having been written off. That was only a portion of the profit that they took from the hewers whom they engaged to hew sleepers for South Africa and elsewhere. They actually took the profits from their supporters, the men they look upon to put them into their Ministerial positions in order to show a profit of £2,000 on paper only. Now members opposite ask us at this hour of the morning to calmly accept Estimates without a word of discussion, without showing the true position of this marvellous enterprise. These Estimates are only a farce. We cannot possibly derive any authentic information from Ministers, information which will enable us to come to a conclusion as to whether the Estimates can be realised and as to whether they truly describe the position of this big enterprise. I look at the figures of the three months of the present financial year and

I ask myself whether I am dreaming when I read the Estimates which the Government have put before the Chamber. The Estimates show that we are to have an expenditure of £169,950 and that we are to have an estimated revenue of £188,000. There is a difference of £18,000. These figures are simply flung at us without proper consideration, as is evidenced by the fact that here we have this huge undertaking on the basis of an £18,000 surplus at the end of the year.

Mr. Green: We had a surplus on revenue account last month.

Hon. FRANK WILSON: What did the hon. member call it? A surplus of £9,000 and the State collected £90,000 in land rents! It just shows what the hon. member knows about it. There is no provision here for interest, depreciation, or sinking fund. We can only see "etc." in the Incidentals, so that actually on the face of these figures the Government try to make them balance or else there is a loss showing. In regard to the figures for the first three months of the present financial year, the revenue in that period was £47,000 and the expenditure £71,000. There we have at once a difference of £24,000. How far are we going before the financial year closes? What does the £24,000 consist of? Are we still accumulating stock in these works? Out of the State enterprises, some nine of them that we have the figures of show a £53,000 difference between the expenditure and the revenue, in other words, there is £53,000 less revenue than the expenditure. Yet Ministers will have us believe that we are going to have a successful issue from the State Sawmills in this financial year.

Mr. Green: Do you not think that the figures you are quoting from have been cooked?

Hon. FRANK WILSON: These are Treasury figures; how can they be cooked? The Government should look into this department before it is too late, and stop the cutting of fruit cases on a plant which has cost the thick end of £100,000, because I understand that is

the work some of these benches are employed upon. You cannot keep a quarter-of-a-million plant employed on fruit cases. The best thing the Government can do is to close down if they have not the work. Here we have losses going on in every department. Look at what could be done in the way of expediting agricultural railways to give the producers the chance of existing, and to assist the progress of the State if this money were only well expended instead of being thrown away in the manner in which it is. The idea of keeping men employed at any cost ought to have been exploded long since. It is criminal for the Minister to take money out of the pockets of the taxpayers to pay men when there is no work for them to do.

Hon. R. H. Underwood (Honorary Minister): I suppose you would let them starve?

Hon. FRANK WILSON: I would put the money into proper channels of employment. We have tried to achieve results with cheap management by men never trained to administer large undertakings of this description. Private concerns are paying men who have made a life-long study of work of this description many times the salaries the State offers. It is all in keeping with the democratic spirit: managers must not be able to earn a higher remuneration than the labourer.

Hon. R. H. Underwood (Honorary Minister): He is a rotter, the labourer, a poor old thing.

Hon. FRANK WILSON: The hon. member would be a poor old thing as a labourer. The Minister thinks he is going to get a good administrator for a concern of this description for only slightly more remuneration than would be paid to a labourer. It is a fallacy, just as big a fallacy as it is to think that we can get good Ministers without special training.

Mr. Green: Schwab of America came out of the workshop.

Hon. FRANK WILSON: But he had office training also. I like to see a man rise from the lower rungs, but he must not miss the middle rungs. These State

Sawmills have been drifting into a parlous position. I believe that 12 months ago we appointed a commercial agent. It would be interesting to know from the Minister what that agent is doing and what he costs the department. I have not heard of any huge contracts coming to the sawmills as a result of the activities of the gentleman appointed to this position, although I know him to be a pretty shrewd man.

The Minister for Works: He did very well last year.

Hon. FRANK WILSON: Will the Minister give us some information on the point? It would be interesting, too, if the Minister would give us some information as to the output of hewn timber as compared with that of sawn timber, the cost of each and the selling price. This would give us some idea of where the profits have come from.

The Minister for Works: From sawn timber this year.

Hon. FRANK WILSON: It was from hewn timber last year. I would like to know what is being done in regard to stores. There are general and trading stores. At one of these timber stations objection was raised to a private individual who wanted to establish a store on his own land, and strong measures were taken to prevent him from doing so. I remember when members now on the Government side were loud in their denunciation of any private person who attempted to establish stores and throw obstacles in the way of others who wished to enter into competition with them. Yet we have hon. members exercising the very deplorable powers which they, when on the Opposition benches, were always very fond of attributing to owners of private sawmills as crimes. What profit are the Government getting from their stores? On big stations like Big Brook and Manjimup there would be a considerable profit from the general store if there was no competition, and it would be necessary to charge only very little more than town prices.

Mr. Green: That would be part of the business.

Hon. FRANK WILSON: But members have not been backward in attacking others for the same thing. I have heard all sorts of complaints as to how the Truck Act was disregarded.

The Minister for Works: I have not heard them.

Hon. FRANK WILSON: It appears to me that, in the eyes of the Government, there is a law for the individual and another for themselves as administrators of the different public departments of this State. If the Government will insist upon going in for these enterprises, pledging the revenue of the country and drawing taxation from the pockets of the people to cover their losses, let us see that they administer them and treat their employees and others connected with the industry on the same fair and equitable lines they urged private employers to mete out to their employees in years gone by. This is some of the information the Minister might well vouchsafe to the Chamber, and he might also very well—considering that the balance sheet of this department has already been completed, although not audited finally—give us some information in advance as to the approximate position of the year's trading. A note on the 18th October stated that the audit was nearly completed. That is ten days ago, and it would be gratifying if, after a proper audit and stocktaking, the sawmills came out with a credit balance. I would like to hear that the wearying statement of loss repeated in regard to so many other State enterprises did not apply to this, after making due allowance for depreciation and all other charges, but that there was a profit.

The MINISTER FOR WORKS: Seeing we have heard so much from the hon. member in regard to sawmills, it is hardly necessary for me to give him any information. At the time the sawmills were started there was not the same opposition to the establishment of mills as there is now.

Hon. Frank Wilson: There was.

The MINISTER FOR WORKS: It was at that time considered that the Gov-

ernment would be doing a very good thing in the interests of the State if they could establish mills to deal with the karri timber and open up that district.

Hon. Frank Wilson: No, I opposed it from the inception.

The MINISTER FOR WORKS: If the Opposition were genuine in their statement that their attitude towards these enterprises is in the best interests of the country, we might ask their advice in regard to some of them.

Hon. Frank Wilson: You would not take it.

The MINISTER FOR WORKS: After the exhibition we have had during the night, we can only conclude that members opposite are not altogether genuine in their desire to see the sawmills run in the best interests of the State.

Hon. Frank Wilson: I ask the Minister to withdraw that statement; it is a reflection on myself and everyone else.

The MINISTER FOR WORKS: I withdraw it.

Hon. Frank Wilson: The Minister might apologise. He is adding insult to injury.

The CHAIRMAN: Order! What is all this about?

Hon. Frank Wilson: An insinuation by the Minister reflecting on my honour and the honour of members on this side of the House.

The MINISTER FOR WORKS: I have already withdrawn it. I regret that at times I am drawn into saying things which I have no desire to say. But when the hon. member uses such language it tends to draw out statements which one, after having made them, regrets. Still, the hon. member ought not to complain. He started to disparage the officers who were in charge of the State sawmills. Those officers have done very good work.

Mr. Willmott: Those who were in charge at the start?

The MINISTER FOR WORKS: Those in charge at present. The hon. member also said he would guarantee to construct these mills for 50 per cent. of their cost.

Hon. Frank Wilson: They have cost 50 per cent. more than I could have erected mills of equal capacity.

The MINISTER FOR WORKS: The hon. member says that the sawmills have not paid, that they have been of no benefit to any persons, and that we are almost committing a crime if we give to men, who would otherwise be out of employment, an opportunity of earning their livelihood by cutting timber, unless we have definite orders for the particular timber which was being cut. In the opinion of the hon. member it would probably be wiser that we should feed men instead of giving them work to do.

Mr. George: It is not good to keep timber in stock.

The MINISTER FOR WORKS: I admit that. We have at the present time on order undelivered, approximately, 51,000 loads of timber.

Hon. Frank Wilson: What is your output per month?

The MINISTER FOR WORKS: It has been decreased considerably of late. In regard to orders which we have to supply we have only in stock 15,576 loads at the present time towards the 51,000 loads I have referred to.

Mr. George: You have then 36,000 loads still to cut?

The MINISTER FOR WORKS: It amounts to about 35,000 loads. It is true we have a large stock on hand. We have stocks of scantlings and also of sleepers. The sleepers we have in stock are of good sizes, and no doubt when the market revives a little they will find a ready sale. We have been asked how we value our stocks. We value them from £1 to £3 5s. per load. The stocks have been valued at a low figure, and there is not the slightest doubt, so far as the information at my command tells me, that our stocks would realise the full amount and more than they have been estimated to realise.

Mr. George: You cannot get good timber for £1 a load.

The MINISTER FOR WORKS: I admit that. We had a lot of scantlings which we had to cut at the time when we were getting sleepers ready. I am giving their value. I regret that the

balance sheet has not been audited in time to be presented before the Committee. I have been looking forward for the last week or 10 days for the balance sheet. Only yesterday I asked expressly if I could have it and made further inquiries about it to-day. For the year's working we have shown a gross profit of about £23,364 and some few shillings.

Hon. Frank Wilson: What is the net profit?

The MINISTER FOR WORKS: Last year we had a net profit of £2,493 6s. 8d. This year, with the £2,493, will leave us with a net profit of £9,290.

Hon. Frank Wilson: After writing off depreciation?

The MINISTER FOR WORKS: We have written off depreciation to the amount of £10,067. We have also paid interest on loan capital of close on another £10,000. So far as last year was concerned, therefore, I do not think hon. members will have any cause for complaint.

Hon. Frank Wilson: What about the interest on Treasury advances; are they charged up?

The MINISTER FOR WORKS: In regard to Treasury advances, the hon. member is fully aware that we cut stocks this year for the express purpose of giving people employment. We have good stocks on hand. The net revenue will more than pay the interest on the capital.

Hon. Frank Wilson: Then you have not charged the interest on the capital, and your profits have gone up the spout?

The MINISTER FOR WORKS: The keeping of these men in employment has meant benefit to the State, otherwise these men would have been a loss to the State.

Hon. Frank Wilson: You cannot run an industrial department as a philanthropic institution.

The MINISTER FOR WORKS: We must not forget that, unfortunately, through the friends of the hon. member—

Hon. Frank Wilson: You have no right to say that.

The MINISTER FOR WORKS: I meant his political friends.

Hon. Frank Wilson: Who were they?

The MINISTER FOR WORKS: Owing to the action of some of the political friends of the hon. member we lost a large proportion of the order, which, it was anticipated when the mills were erected, we would have to execute.

Hon. Frank Wilson: Prove that.

The MINISTER FOR WORKS: I can prove it very easily. It is well known that the late Prime Minister cancelled the order for the sleepers from Western Australia for the Trans-Australian railway. The hon. member protested against it himself at the time.

Hon. Frank Wilson: I do not think I did. Can you prove that assertion in *Hansard*?

The MINISTER FOR WORKS: The order was cancelled. The saw mills were constructed for the purpose, in the first instance, of executing this order. It has been proved since that the order could have been fulfilled in the time allotted in the contract.

Hon. J. Mitchell: Never.

The MINISTER FOR WORKS: The hon. member knows the reasons why the order was not up to time. The Federal authorities were very anxious to cancel the contract, because their interest in Western Australia was so small that they did not care a hang whether the State made a loss or not.

Mr. George: They were not satisfied with the powellising business.

The MINISTER FOR WORKS: In this matter we have had the experience of the Port Hedland to Marble Bar railway for some years past. The jarrah sleepers which were put there unpowellised have been ravaged by the white ants, while the powellised jarrah sleepers have not been touched. The powellised sleepers were put into the worst white ant country, which shows that the powellising process has proved effective, so far as the Port Hedland to Marble Bar railway is concerned.

Mr. George: Effective for those who have to receive the royalty.

The MINISTER FOR WORKS: All this information can be found in the report of the Commissioner for Railways.

The hon. member will, I think, be fully satisfied when he has the balance sheet. I have given him an outline of the position so far as the results disclose it. We have £118,000 worth of timber in stock. The value of that timber has been written down very low. I think the hon. member will agree, when I tell him we price sleepers at from £3 to £3 5s. per load less 5 per cent., that there is a possibility of the sleepers realising the value placed on them. The hon. member states that there have been complaints regarding stores. Up to date no complaints have reached me. If on inquiry I find that anything wrong is done, I shall take steps to rectify the matter.

Hon. Frank Wilson: What profit was made on stores?

The MINISTER FOR WORKS: I have not the exact figures available. The member for Murray-Wellington asked questions concerning the representative in England.

Hon. Frank Wilson: It was I who asked the question.

The MINISTER FOR WORKS: The representative was on a salary last year of £700 plus travelling expenses and a commission.

Hon. Frank Wilson: What commission?

The MINISTER FOR WORKS: One per cent., I think.

Hon. Frank Wilson: What was the total amount you paid him?

The MINISTER FOR WORKS: The total amount which this gentleman earned by way of salary and commission and travelling expenses was approximately £3,000. I cannot give the exact amount just now. He has been successful in securing several large orders.

Hon. Frank Wilson: Of what value were they?

The MINISTER FOR WORKS: One order alone was for 500,000 sleepers for the Great Western Railway. He has also succeeded in getting several orders for karri scantlings.

Mr. Willmott: Were the sleepers for the Great Western Railway karri sleepers?

The MINISTER FOR WORKS: No; jarrah sleepers. The representative has also succeeded in securing some orders in South Africa, and he has been endeavouring to induce, and will probably succeed at an early date in inducing, the French railways to take our sleepers. Only a few weeks ago he had an engineer and a railway manager over from France to view the sleepers in the Great Western lines.

Hon. Frank Wilson: You cannot get powellised karri into those countries.

The MINISTER FOR WORKS: Powellised karri is not known yet.

Hon. Frank Wilson: I am aware of that.

The MINISTER FOR WORKS: It is not yet known as it will be in a short time. There is no doubt that the O'Malley Royal Commission, which was appointed for the purpose of condemning karri, and on which representatives of this State did their utmost to condemn karri, has had some effect; but I feel certain that the damage will pass away. There is no doubt that powellised karri will again come to the front.

Hon. Frank Wilson: It has never been to the front yet. Your predecessor said two years ago that it was the timber of the future.

The MINISTER FOR WORKS: It will come to the front. Every possible attempt has been made to decry powellised karri, and certain persons who profess to have the interests of this State at heart, but who are in opposition to the present Government, will do anything to damage the State if only they can hurt the Government of the State.

Hon. Frank Wilson: Does that refer to me?

The MINISTER FOR WORKS: No.

Hon. Frank Wilson: I do not think your statement is correct. In fact, I am sure it is not correct.

The MINISTER FOR WORKS: The member for Nelson drew my attention to the fact that on last year's balance sheet a small profit was made out of hewn sleepers. I have made inquiries on the point, and have learned that the small

amount of £169 was made out of hewn sleepers. To-day the timber trade is not too bright. Hon. members have referred to the fact that we are keeping the State mills going for the purpose of cutting fruit cases. They cannot object to that, because Millars are doing the same.

Hon. Frank Wilson: You cannot do it.

The MINISTER FOR WORKS: Of course, the mills are not only on fruit cases, as the hon. member knows. In the absence of the white deal fruit cases this year, the fruit growers are anxious we should put in extra plant.

Mr. Willmott: You were not behind-hand, either, in hopping in with the combine to raise the price. I am a buyer.

The MINISTER FOR WORKS: We have been asked to increase our plant for the production of fruit cases because cases of other timber are not available this year. It will be an advantage if we can induce our fruit growers to use cases of our local timber in preference to the imported article. Perhaps we shall not be able to do as well with our sawmills during the present year as we did last year. We have lost the Commonwealth contract, but we are doing our best to keep our men going. We are endeavouring to get orders, and I think we shall have our share with the others engaged in the industry. With care and economy we shall be able to pull through on the right side this year, as we have done in the past two years. We all hope to see not only the State Sawmills, but every other sawmill in Western Australia, prove a success. The Government have no intention of attempting to wipe out any other mill in the State.

Hon. Frank Wilson: Your colleague said so.

The MINISTER FOR WORKS: I feel sure that immediately things return to normal, this State's timber industry will have as much as it can possibly do to turn out the quantity of sleepers required by the railways of the world. The State Sawmills have been fairly successful during the past year, and my one

hope is that next year we shall be able to do even better.

6 o'clock a.m.

Mr. WILLMOTT: I move—

That progress be reported.

Motion put and a division called for.

Hon. FRANK WILSON: I would like to call your attention, Mr. Chairman, to the fact that the member for Bunbury (Mr. Thomas) is not properly clad, and should not be allowed in the Chamber.

Mr. Willmott: And he is not properly awake either.

Mr. Thomas: A member of the Opposition ran away with my coat.

The CHAIRMAN: There is a precedent for an hon. member entering the Chamber not properly clad. On one occasion an ex-member for Greenough appeared attired in his pyjamas. If that hon. member was allowed to appear in the Chamber in his pyjamas the member for Bunbury can appear without his coat. Is the leader of the Opposition raising the point seriously?

Hon. FRANK WILSON: Yes, I am. I object to the manner in which the hon. member is clad. It is unseemly.

The CHAIRMAN: The hon. member should not appear in the Chamber without his coat.

Division resulted as follows:—

Ayes	..	..	..	12
Noes	..	..	..	16

Majority against .. 4

AYES.

Mr. Allen	Mr. Mitchell
Mr. Connolly	Mr. Robinson
Mr. George	Mr. Smith
Mr. Griffiths	Mr. Willmott
Mr. Hardwick	Mr. F. Wilson
Mr. Lefroy	Mr. Gilchrist

(Teller).

NOES.

Mr. Angwin	Mr. Mullany
Mr. Chesson	Mr. O'Loughlin
Mr. Collier	Mr. Scaddan
Mr. Foley	Mr. B. J. Stubbs
Mr. Jas. Gardiner	Mr. Thomas
Mr. Green	Mr. Underwood
Mr. Hickmott	Mr. A. A. Wilson
Mr. McDowall	Mr. Bolton

(Teller).

Motion thus negatived.

Mr. WILLMOTT: I regret that we have had no balance sheet.

The Premier: You would not understand it if you saw it.

Mr. WILLMOTT: That is an insult and I ask for the protection of the Chair. The Premier, of all members, should set a better example. I regret that the Minister for Works has not been able to present a balance sheet to us.

Mr. George: We never get them.

Mr. WILLMOTT: I understood the Minister for Works to say that there had been a profit of £9,000. I would like to ask what has become of the loss in connection with the powellising. We were told it was to be repaid to the State. The Minister has said nothing about that. I very much doubt if it ever was paid. The statement was made in my presence that the State sawmills would knock out the combine in 12 months.

The Premier: That was a private conversation.

Mr. WILLMOTT: It was made in the train and there were about 40 people standing on the platform outside. Millars have been a great benefit to the State and the Government should be ashamed of themselves if they ever attempt to knock them out.

The Premier: Did the Government say it?

Mr. George: A responsible Minister said it.

Mr. Green: Why make a speech out of tittle tattle?

Mr. WILLMOTT: There was a huge waste of public money in the erection of No. 1 mill. The wrong man was appointed.

The Premier: We found it out, too.

Mr. WILLMOTT: I pointed out what was taking place there.

The Premier: To whom?

Mr. WILLMOTT: To the proper people.

The Premier: There was no protest from you.

Mr. WILLMOTT: That is absolutely inaccurate, and I am inclined to think the Premier knows it is inaccurate.

Mr. O'Loughlen: That you protested against a waste of public money at No. 1 mill?

Mr. WILLMOTT: Yes.

Mr. O'Loughlen: To whom did you make the protest?

Mr. WILLMOTT: Go and find out. It may upset some of the statements made recently by the Minister. The position of the mill would be a joke if it were not so serious. There are nothing but upgrades for hauling logs.

Mr. A. A. Wilson: Who was the engineer?

Mr. WILLMOTT: He is not there now, and a good thing for the State. He was removed. There is a grave danger of poisoning the water there through the medium of the powellising plant. Not long ago we lost a number of sheep down there. Whether they were poisoned by the powellising mixture I am not prepared to say. However, there is a grave danger of the creeks being so poisoned.

The Minister for Works: The Medical Department say not.

Mr. WILLMOTT: Perhaps the Government Analyst will say there is no arsenic in the water. Regarding the powellising, the leader of the Opposition mentioned that we trucked piles from Dwellingup, powellised them, and sent them back again. I say that piles as good as those sent down were wantonly destroyed on the site of the mill. Regarding No. 2 mill and the railway, which cost about £56,000, that railway was debited to the mill at £35,000. Considering that the State paid £56,000 for it, the railway should be run by the Railway Department and not by the State sawmills.

The Premier: It is not a railway, only a siding.

Mr. WILLMOTT: Seventeen miles is pretty long for a siding, and £56,000 is a pretty big price for a siding. Certainly the weather was shocking when it was being built, but had not the officers squabbled among themselves, the State

would have got the line a little cheaper. This railway should be run by the Railway Department, and the settlers along the line should have the use of it. At present they are only allowed to use the line by courtesy of the mill manager.

Mr. O'Loughlen: Has he refused them?

Mr. WILLMOTT: The privilege has been refused in the past. I hope the system will be altered.

The Minister for Works: Does he refuse to take settlers' goods?

Mr. WILLMOTT: On certain occasions, yes. I say at the same time the railway should have carried those sleepers that were lying alongside the road. The sleepers had to be carted eight miles into Jarnadup. It is unfair to those settlers. The Minister says he has 50,000 loads of timber stacked, at a value of £118,000. I would like to know what steps are being taken to preserve that timber. Millar's are going to a good deal of trouble in painting all their timber likely to be stacked for some time, painting not only the ends but all over the outside of the stack. Unprotected sleepers will be in a pretty bad condition after a few months' exposure. I agree with the Minister that it is a very good thing for the State at present that we have a chance of getting fruit cases made there, because we have no whitewood cases available. But why was the price raised? If it paid to sell those cases last year at a certain price, when whitewood cases were available, why was advantage taken of the fact that there are no whitewood cases available this year to raise the price of the cases to the fruitgrower? This was not right. We should do all we can to induce our fruit growers to use the local hardwood cases, in order to save to the State the large sum of money sent away every year for the purchase of whitewood cases.

The Minister for Works: But you would not have us sell them at a loss?

Mr. WILLMOTT: Certainly not, but if other companies can afford to sell them at a lower price, and they would not sell them at a loss, the Government could afford to sell them at the same price. I got a quote from the combine

and a week afterwards I found that they had raised their price. I held them to their quote. I then got a quote from the State sawmills and found their price had gone up too. It is strange to find the State sawmills and the combine putting their heads together with a view to taking down the fruit growers to the tune of 1s. or 2s. a dozen cases.

Mr. A. A. Wilson: You must remember the price of chaff went up.

Mr. WILLMOTT: It had gone down before the price of cases went up.

Mr. O'Loughlen: Is the price too high now?

Mr. WILLMOTT: Yes, if they have to compete next year with the whitewood cases. I want to see this industry progress, but the Government are damming it by raising the price at the very time they had a chance to get the trade and keep it.

The Minister for Works: Last year we had a loss on fruit cases of £310.

Mr. WILLMOTT: I can quite understand that, because the machine with which they were being made and the shed where they were being cut were so crude that the manager admitted it was a hopeless task to try and make it pay. Consequently another thousand or so was spent to bring the plant up to date. It was most unwise to raise the price because the Government had that market at their feet.

The Minister for Works: What are they charging now, 7s. a dozen?

Mr. WILLMOTT: We can buy whitewood in ordinary times down to 6s. 6d. and 6s. 3d. Why should we buy hardwood?

The Premier: I will make you a wager that you can get hardwood cheaper than softwood.

Mr. WILLMOTT: In regard to this year, the Premier is right.

The Premier: Also there is a difference in railway freights.

Mr. WILLMOTT: The difference is not great because once the fruit is in the cases they are carried at the same rate irrespective of whether they are of hardwood or softwood. The man who uses

softwood cases has to pay for more weight than he despatches. The cases are not the weight they are supposed to be, and there is a flat rate for them. Some time ago there was not a flat rate and the man who used the softwood case had a big advantage over the one who used the local case.

The Premier: You want us to reduce the price of the hardwood case.

Mr. WILLMOTT: If it can be reduced it will be a good thing for the State sawmills.

The Premier: Why should not we put up the price the same as private enterprise?

Mr. WILLMOTT: Private enterprise did not put up the price until the State sawmills had done so. It is because softwood cases are not obtainable that the price has been put up.

The Premier: Softwoods are obtainable.

Mr. WILLMOTT: I have been trying for four months to get them and have been unsuccessful.

The Premier: You ought to be patriotic enough to use the hardwoods.

Mr. WILLMOTT: I do wherever possible, but I have found there are certain fruits for which hardwood cases are not suitable unless one goes to the trouble of lining them. One cannot be expected to patronise the local case if he is likely to suffer the loss of hundreds of pounds through discolouration of the fruit in consequence of an exudation of the sap. I trust the Minister will give this matter careful consideration, and will capture this trade while he has a chance, so that the people will become accustomed to using the hardwood cases.

The Minister for Works: The hardwood is better for the fruit.

Mr. WILLMOTT: It is, if well made and sold at a reasonable price, but where the hardwood cases have to be carted a considerable distance from the sidings, the extra weight has to be taken into consideration. That is where the softwood cases come in. Last year some of the hardwood cases had to be pulled to pieces and renailed after they had been packed.

The cases I have seen this year are of infinitely better quality.

Mr. GEORGE: Are they using karri or jarrah?

Mr. WILLMOTT: Karri, and there is every hope that if they are properly cut, steamed and planed, and put up as they have been recently, but at a cheaper price, they will come into general use and will be distinctive packages for the fruit produced in this State. But the people who use these cases should be able to get good ones at a reasonable price.

Mr. GEORGE: When the Minister was speaking about the sawmills he said there was stock worth about £118,000 and that the price varied from £1 to £3 5s. per load. If the prices of the stocks in hand are as stated by the Minister they cannot be cutting any very good bush down there, or the costs are very heavy indeed. I would like to know what timber it is.

The Premier: Certain timbers have increased in value this season as a result of stacking.

Mr. GEORGE: Floor boards should increase in value, but should not cost £3 5s. a load or anything like that. Whatever the timber is it is of sufficient value to cause one considerable alarm unless it is very carefully looked after. If the timber is not closely stacked so as to keep the air out, and the ends painted or fixed up with whitewash, when it goes up to be sold there will be a tremendous loss in connection with it.

Mr. A. A. Wilson: Is it karri or jarrah you are speaking of?

Mr. GEORGE: I am speaking of both. If the scantlings are not packed up closely they will become like corkscrews, and on this bulk of timber there may easily be a loss of £10,000. The Minister should deal with this matter straight away.

Mr. A. A. Wilson: I understand they are giving attention to this matter already.

Mr. GEORGE: With regard to the few thousand pounds profit which has been made, I do not think the House can consider on the expenditure on these sawmills that it is anything like the amount which should be realised. If the sawmills are

going to produce a profit of £2,000 on an outlay on a quarter of a million, then I say the game is not worth the candle. The Government are not in the timber trade on the same lines as they are in the meat trade or the implement works industry. They are there to develop the timber resources and make a profit at the same time. If not, they have no business in the industry at all.

The Minister for Works: We have done well this year to make a profit at all.

Mr. GEORGE: The profit they have made is better than a loss, certainly, but it is not such as we have a right to expect or should receive in the future.

Mr. A. A. Wilson: The mills have been the means of employing a number of men.

Mr. GEORGE: If the men had not been employed there they would have been employed elsewhere, if there were any orders for timber about. The business of the Government is to carry on these mills successfully and not on purpose to provide employment.

Mr. A. A. Wilson: They are making a profit at the same time.

Mr. GEORGE: It would have been better for the Government to have provided these people with rations but not by way of charity. I would remind hon. members that for a period of nine months the Jarrahdale Timber Company absolutely kept their hands and provided for the whole of the men within their cutting areas. Of course, the men repaid what was spent on them in the course of time. If it is a question of charity such as we had in Perth, the feeding and bedding of men, I should prefer to do what the Jarrahdale Sawmills did and provide the men with rations. I advise the Minister to have a keen eye kept on the stock. Such a valuable stock as is at present there could easily deteriorate, if it receives only a little attention, to the extent of £10,000.

Hon. J. MITCHELL: What is this paltry profit which has been spoken of, after all? The money of the State could be put to very much more profitable use than in the establishment of these concerns which are instrumental in the peo-

ple of the State being denied transport facilities, harbour facilities, and the like.

The Minister for Works: You protest about things on which there is a loss, and also about things on which there is a profit.

Hon. J. MITCHELL: This profit is only the scantlings. The Minister values the timber at from £1 to £3 5s. a load. It may not realise anything like that. Karri scantlings deteriorate very rapidly. When there is a demand for scantlings there will be a large amount of stock placed on the market from the various mills, and the Minister will have to sell at very much lower prices than he anticipates. I do not think the Minister will obtain £1 per load for some of the karri scantling. One thing leads to another. The timber hewers were involved in trouble because of the State mills. The timber hewers cut sleepers for the State Saw Mills, with the result that less is paid for sleepers and fewer of them are cut. The Government have been warned by the member for Nelson and others who know the subject that unless steps are taken to protect the sleepers there will be a heavy loss in the coming summer. The serious thing about the hewing question is that the Government decided that sleepers for private companies should not be hewn on Crown lands. The Premier said that the cutting of 500,000 sleepers would deplete our jarrah forests.

The Premier: I never said anything of the kind.

Hon. J. MITCHELL: When the Federal Government asked for 500,000 jarrah sleepers, the Premier made that statement. I know that a great deal of timber on Crown lands is already matured and that it ought to be marketed, and that unless it is marketed a great deal of it will be wasted and a great many men in the West will be out of employment. I know it is not the fault of the Government that timber cannot be shipped to-day. If, however, the Government had not interfered in the past, better prices would have been obtainable in South Africa.

Mr. A. A. Wilson: Better prices have been obtained in South Africa.

Hon. J. MITCHELL: No. Next, I want to know what has been paid to the powellising company, and the number of super feet powellised. I desire to be informed whether sufficient timber has ever been powellised in any one year to absorb the guaranteed amount of £3,250 payable annually. Indeed, all this information should appear on the Estimates. Royalty paid should be shown separately, not lumped, as apparently it is, with general expenses. The matter has been well hidden to date, but I want the information. Above all, do not let us deceive ourselves with the notion that we have made a profit out of timber before we hold the actual cash. Not all the timber in stock will be converted into cash. If I were a betting man, I would wager the Minister that we shall make a considerable loss on the sawmills this year, and not a profit.

Mr. ROBINSON: I wish to protest against the action of the Government, assisted by the vote of the member for Irwin—because without his vote at midnight the Government—

The Minister for Works: I rise to a point of order. Is the hon. member in order in discussing the member for Irwin on this vote?

The CHAIRMAN: The hon. member is not in order.

Mr. ROBINSON: I referred to that matter because I, in common with other members, desire some information concerning the State Sawmills.

The Minister for Works: The information has been given since you left the Chamber.

Mr. ROBINSON: Then I protest against Ministers supplying information in the small hours of the morning, or at other inconsiderate time. I accuse the Government of bludgeoning through these Estimates in defiance of the ordinary rights of members. It is writ large in the newspapers to-day, and will be writ large in the newspapers to-morrow.

The Minister for Mines: Is the hon. member to be permitted to rant in this fashion?

Mr. George: I object to the word "rant."

The CHAIRMAN: The member for Murray-Wellington has no right to object to a word which was not applied to him. The member for Canning is not in order.

Mr. ROBINSON: What does temporary clerical assistance in this vote mean?

The MINISTER FOR WORKS: All the clerical assistants, with the exception of two men who are engaged in the saw-mill trade, are temporary officers, and they have to be paid from this vote. When the trade falls off we get rid of the clerks, and when there is an expansion we put them on again.

Mr. ROBINSON: That explanation is satisfactory as far as it goes, in that it shows that the staff moves with the trade. The bulk of the expenditure is in connection with the overseas agencies and the purchase of live stock. What is the expenditure in connection with the overseas agencies? I understood that the work of selling was practically suspended, owing to the absence of freights, and that we were unable to send our timbers to other countries.

Hon. J. D. CONNOLLY: I want some information from the Minister in regard to this division. What amount is provided here for the powellising agreement? Unfortunately, the country is saddled with a very expensive agreement and probably a worthless one. I take it the payment is made out of this vote. I find from the answers supplied by the Minister formerly that we have been paying what is equal to £8,000 a year; at any rate £16,000 has been paid in connection with the powellising agreement in two years. The minimum amount to be paid is £4,000 a year, whether the timbers are powellised or not. Are these payments likely to continue or is there enough timber to be powellised to reach the minimum of the payments we must make? I would draw the Minister's attention to the opinion of the Federal Attorney General that this is no patent at all, in other words, that we are not bound to pay anything at all so far as the patent

is concerned. The validity of it is doubtful, and the process itself is doubtful. That has been proved by the Commonwealth Government ordering jarrah sleepers instead of powellised karri sleepers. I certainly think it would not cost many hundreds of pounds to test the validity of that patent, in connection with which the Federal Attorney General declares that no rights are held. If we are committed to pay £4,000 for many years, it would pay us handsomely to spend, say, £1,000 in contesting the validity of the patent. The agreement was entered into in good faith, and because of that, I am not saying anything. With regard to the £6,000 paid for the cancellation of the contract for the carriage of powellised sleepers—

7 o'clock a.m.

The Minister for Works: Thanks to your friend.

Hon. J. D. CONNOLLY: I see on reference to *Hansard* that I was not correct in attributing the contract to the State Steamship Service. The quotations were received and the matter was fixed up by the manager of the State Sawmills, Mr. Humphries. I have that on the word of the late Minister for Works. I would like an explanation from the Minister in regard to the way that contract was fixed up. In the first place it was fixed up by private dealing. Afterwards it was found that it was not wanted, and £6,000 was paid for the cancellation. Notwithstanding this, it is shown on the papers that the Under Secretary for Works had treated this tender of McArdle as a hoax, a dummy tender. That was the opinion of the Under Secretary for Works.

The Minister for Works: No man in your party would do that.

Hon. J. D. CONNOLLY: It was the Under Secretary who said this. What happened when the quotations were received was this: the tenders closed on the Friday. McArdle tendered at 24s. and by the Monday McArdle & Co. were

changed into P. McArdle, and his guarantors were James Bell & Co., who had quoted 24s. 9d. A discussion on the subject took place in the Legislative Council on 10th December, 1913.

The Minister for Works: There is no £6,000 on these Estimates for that.

Hon. J. D. CONNOLLY: I am asking for an explanation as to how the Government came to be let in for this £6,000. McArdle, I understand, was a clerk in Lynn & Co.'s office. The other tender was from James Bell & Co., so I presume the £6,000 was divided between Bell & Co. and McArdle. But the strange part of it is that the quotation put in on the Friday was allowed to be put in order on the Monday by the provision of sureties.

Mr. George: Is this another case of compensation?

Hon. J. D. CONNOLLY: Yes. By the Monday the name of the tenderer was changed from McArdle & Co. to P. McArdle.

The Minister for Works: On a point of order, there is nothing in these Estimates dealing with the matter the hon. member is discussing. Not a penny is here provided for the payment of compensation.

Hon. J. D. CONNOLLY: I am not contending that this £6,000 is on the Estimates. I am criticising the general manager, through whom this tender was fixed up and whose salary is here provided. I only ask from what fund this £6,000 was paid?

The CHAIRMAN: In regard to the point of order raised by the Minister, the matter under discussion is State Sawmills. In that vote salaries, contingencies, wages, working expenses, etc., are provided for. If the item now under discussion does not appear on the Estimates the Minister's view is correct but, at the same time, if the hon. member is indulging in a general criticism of the administration of the department, such criticism would permit him to refer to something which has occurred.

Hon. J. D. CONNOLLY: That is exactly the point. This is an instance of the mismanagement of the department.

The Minister for Works: It was good management.

Hon. J. D. CONNOLLY: It was doubtful management. Instead of the general manager of the department calling for tenders for 60,000 tons of shipping, the Government received tenders in this way. The inter-State shipping companies quoted 26s. 9d., Bell & Co., 24s. 9d. and someone else 24s. 3d., then the tenders were closed.

The Minister for Works: No, they were not.

Hon. J. D. CONNOLLY: I am quoting the words of the under secretary. The tenders were closed on the Friday and on the following Saturday or Monday a tender by McArdle, quite an unknown person in shipping circles, was put in for 24s. without any deposit and the other tenderers, Bell & Co., become guarantors for him.

Mr. George: It looks like a put up job.

Hon. J. D. CONNOLLY: The tenderer of 24s. 9d. was beaten by the tenderer of 24s. 3d. but the latter became guarantor for the tenderer of 24s. and a start was made to carry out the contract. This contract was an unfortunate one from the beginning and it was unfortunate that the State had to pay Bell & Co. and McArdle £6,000 to cancel it.

The Minister for Works: Your statement is not correct, but I was not responsible for it.

Hon. J. D. CONNOLLY: This shows the manner in which this department is conducted.

The MINISTER FOR WORKS: I am surprised at the hon. member trying to attach to an officer of the department the responsibility for the contemptible action he suggests. Mr. Viles came to me about this matter on the Friday night and not on the Monday as the hon. member stated. Very rarely are public tenders called for shipping, in fact, to call for tenders is almost unknown. The usual course of approaching the shipping companies and obtaining a quotation was followed, and if our contract with the Federal Government had not been turned down by Joe Cook

and his push, this State would have been saved £6,000.

The CHAIRMAN : The hon. member must not refer to members of another Australian Parliament in those terms.

The MINISTER FOR WORKS : Then I will say Mr. Joseph Cook and some of his push not in Parliament. I have not seen the papers for two years but, speaking from memory, when Viles came to me, I believe we had a price of 26s. 9d. Bell & Co., put in a price and Viles named a price a shade lower for some other person. Then the man whom the member for Perth wants to get at, a member of another place whose name he has mentioned only once and then in such a way—

Mr. George : Who is that ?

The MINISTER FOR WORKS : Mr. Lynn.

Mr. George : What did he do ?

The MINISTER FOR WORKS : He did nothing wrong, but the hon. member insinuated that he put in a dummy tender.

Hon. J. D. Connolly : I said the under secretary stated it was a dummy.

The MINISTER FOR WORKS : McArdle put in a tender on the Friday of 3d. a load less than Viles and probably Viles was of opinion that McArdle was working for Lynn, and that Lynn, being a member of Parliament, could not accept the contract.

Hon. J. D. Connolly : Is not it a fact that that tender was not put in till Monday ?

The MINISTER FOR WORKS : No, it was put in on the Friday.

Hon. J. Mitchell : Was there a deposit with it ?

The MINISTER FOR WORKS : No.

Hon. J. D. Connolly : It might have been dated with Friday's date, but it was received on the Monday.

The MINISTER FOR WORKS : Viles came to me on the Friday night. The then Minister for Works had left Perth and was not returning until the Monday. Viles came to see me because I represented the district in which he resided.

Mr. George : A man tendering for work should not have approached you.

The MINISTER FOR WORKS : It was a quote without any deposit, and he was attempting to get at Lynn because he was a member of Parliament. The speech quoted by the member for Perth was indirectly intended to be against the Government for the purpose of getting at Lynn. It was openly stated in Fremantle by some persons that they would get Bob Lynn out of Parliament over the matter.

Mr. George : How did Lynn come into it ?

The MINISTER FOR WORKS : McArdle had an office in the same building and it was thought that McArdle was putting in a dummy quote for Lynn.

Mr. George : I understood McArdle was a clerk for Lynn.

The MINISTER FOR WORKS : It was thought that Lynn and Bell had put in the lowest quote in the name of McArdle. I do not know whether that was so, but the member for Perth has not had the courage to say that the action of Mr. Lynn was unworthy of a member of Parliament. Though Mr. Lynn and I are opposed in politics, I am satisfied if this sleeper contract had been carried out, Mr. Lynn's action would have saved the State over £6,000.

Mr. George : What did Lynn have to do with it ?

The MINISTER FOR WORKS : After McArdle took the contract he had to put up a deposit and then Bell & Co. and Lynn came to the Works department about it and stood as backers for McArdle and made arrangements to carry out the contract. They went in for chartering ships for this purpose. When the Federal Government—the Government which was always unfair to Western Australia, particularly the late Government—cancelled that contract, they had previously made arrangements for shipping. They did so too with the shipping combine. In addition to that they were asked by the State Government if they would take over the shipping and they declined. We entered into that contract in all good faith, believing that we had honest men to deal with in the Federal Par-

liament. We found, however, that we were mistaken.

Hon. J. D. Connolly: What do they want a shipping contract for when the other contract is cancelled?

The MINISTER FOR WORKS: They made arrangements for the shipping before they cancelled our contract. When it was found that the sleepers were cancelled, Messrs. Bell & Co., who had made arrangements for the shipping, claimed against the Government for £10,000 and eventually the State offered £6,000. Unfortunately, that is the year in which the £6,000 had to come out of the profits on the Sawmills. It is not on the Estimates. It was paid last year. These are the Estimates for this year. Under the balance sheet, which will be presented in a day or two, this £6,000 would be shown. If it had not been for the dastardly action of the Government, instead of the State Sawmills showing only the profit which has been shown, they would have shown an extra profit of £6,000. Two years have gone by since this occurred and I never anticipated that a discussion on the question would have been brought up on these Estimates. If Mr. Viles, who was next to the lowest tenderer, had not interviewed me as member for the district for the purpose of seeing that fair play had been done, I could not have answered the question which has been raised at all. I believe that the action taken by the department at the time was in the best interests of the State. If the action proposed by the Hon. R. J. Lynn had been carried into effect it would have meant a saving to the State of £6,000. I regret the action taken in another place against a man who is trying to do his best for Western Australia.

Vote put and passed.

Mr. GEORGE: I move—

That progress be reported.

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

Ayes	..	..	..	12
Noes	..	..	..	18
				—

Majority against	..	6
		—

AYRS.	
Mr. Allen	Mr. Robinson
Mr. Connolly	Mr. Smith
Mr. George	Mr. Willmott
Mr. Griffiths	Mr. F. Wilson
Mr. Hardwick	Mr. Gilchrist
Mr. Lefroy	(Teller).
Mr. Mitchell	

NOES.	
Mr. Angwin	Mr. O'Loughlin
Mr. Chesson	Mr. Scaddan
Mr. Collier	Mr. B. J. Stubbs
Mr. Foley	Mr. Taylor
Mr. Jas. Gardiner	Mr. Thomas
Mr. Green	Mr. Underwood
Mr. Harrison	Mr. A. A. Wilson
Mr. Hickmott	Mr. Bolton
Mr. McDowall	(Teller).
Mr. Mullany	

Motion thus negatived.

[Mr. McDowall resumed the Chair.]

Department of Water Supply, Sewerage, and Drainage (Hon. P. Collier, Minister).

Vote—Working and Maintenance, £239,247:

Hon. J. MITCHELL: I should like to know from the Minister if he is doing anything in the agricultural districts in relation to the conservation of water. I believe that the whole of the water Supply Department is centred in one office and under one under secretary. Some years ago we spent a considerable sum of money in the agricultural districts, but this was necessary to enable the farmers to carry on their operations. The Minister has made a boast that his Government spent more money on this matter than we did. The late Minister for Works spent a tremendous amount of money, but got very little result from it because he spent the money in boring. Later on the work was handed over to Mr. Trethowan, the under secretary. I notice there is an engineer for the agricultural areas. Is his time devoted altogether to the question of water conservation?

Hon. R. H. Underwood (Honorary Minister): Absolutely.

Hon. J. MITCHELL: I think the Honorary Minister must be joking, because no money is being spent in that direction just now. There is, I observe,

an increase of £16,000 estimated on last year's expenditure. Until lately, water supply was merely an adjunct to the Works Department. Now there are numbers of accountants, clerks, inspectors, men in the field—these of course are needed—and a huge staff of draftsmen in the Water Supply Department. Does the work justify all this? The department's revenue, of course, is fairly considerable; but, generally speaking, it is easy to collect. The user has to pay, or his water is cut off. Altogether, the expenditure seems out of proportion to the work done. Water conservation is certainly one of our first duties, and it should be spread as widely as possible. The department ought to operate on the goldfields, putting down dams during the winter. I do not know whether such work was done last winter, but, if it was not, the Minister ought to be censured, because he lost the opportunity of a heavy winter. The work of the department should extend to both goldfields and pastoral areas. Drainage is very necessary in the South-West. Until 1911 we were actively engaged in snagging rivers, cutting channels, and generally carrying out in the South-West a system of drainage which would have prepared the way for irrigation and intense cultivation. I know that work has been stopped to a considerable extent. Does the Minister propose to do anything in that direction? The drainage work which has been done lately is too costly, and the man getting the advantage of it has to pay more than he ought to pay. The Harvey irrigation scheme is going to cost a considerable amount of money. It is required, but I fear it will be found to cost a good deal more than it is worth.

The Minister for Mines: How much have we spent on it?

Hon. J. MITCHELL: Over £70,000 for a small area.

The Minister for Mines: You are guessing.

Hon. J. MITCHELL: The figures were mentioned here recently. Then there is the Bunbury scheme, which has been in the air for a long time. Of course, a good deal of land was bought by the

Government from the Venn estate; and I think the Government should proceed with the Bunbury scheme as soon as funds permit. Surveys have been made, and the preliminary work has been done; so that there should not be much more delay. The South-West should produce all the fruit and vegetables and milk and butter this country can consume. I do not think Western Australia lends itself to large schemes at present. The Bunbury scheme, of course, has the advantage of a town water supply as well as irrigation to help to pay the cost. I trust the Minister will let us know what is being done in regard to agricultural water supply, because that is a matter of importance. Will the Minister consider the advisability of providing water at a cheap rate where the cost of supplying it from the mains is small?

Hon. FRANK WILSON: This is one of the results of the activity of the late Minister for Works now the Minister for Lands. He immediately rushed in as he usually does and centralised everything. I am much afraid he has made a mess of things. The result of the amalgamation of the water supplies of the State is not likely to work to the advantage of the different interests. Even if we take into consideration the goldfields scheme which was inaugurated so many years ago when the population of this State was only a little over half what it is to-day, one must admit that that scheme owing to this amalgamation is costing the State more to run than it did four or five years ago. We had, by the judicious readjustment of the charges, and by the exercise of strict economy, reduce the big loss to the State which the general taxpayer had to bear for many years, and which amounted to £90,000 per annum about £25,000, and we hoped by further economy to get that loss still further reduced until the undertaking was practically paying its way. The people of the State have been long suffering indeed in connection with this scheme. They had a big heart when the scheme was first initiated and I have never ceased to express my admiration of the

bravery of the then Government under Sir John Forrest which inaugurated the scheme. The people took up the burden realising the enormous loss that the State generally would have to bear. But they willingly took up the burden in order that the gold mining industry might have a chance. Ever since the amalgamation effected by the present Minister for Lands one cannot help noticing that the costs are again gradually increasing until they will rapidly get back to their former huge dimensions. One cannot help viewing this result with some concern and inquiring, as to whether the steps that were taken have resulted in any benefit to the people generally. From a financial standpoint, and also from that of departmental administration, I am not satisfied with the result of this huge department. On a previous occasion I pointed out how the costs were going up, and how the Metropolitan Water Supply was the only branch of the department to show a profit this year. Last year it showed a small deficiency, and I then pointed out the injustice of asking the people generally to bear any proportion of the loss which the citizens of the metropolitan area should themselves carry. This year the Metropolitan Water Supply Department shows a profit of £15,800, which in other words represents a special taxation on the citizens of the metropolitan area, and will go towards decreasing the deficit on the year's operations. That is not right. When I pointed out this position two or three years ago, the Premier said that, although at present it was on the Estimates, he would take care that any deficiency was made good by those who ought to pay; but it has not been done. Whatever the result, whether a loss or a profit, the general revenue of the State is receiving the advantage or bearing the loss. If this is the result of the amalgamation of the departments, it is not a proper adjustment, and it ought to be remedied. I am forced to the conclusion that the unseemly disputes in evidence in the control of this department, more especially within the last 12 months, and the friction

which obviously exists, are calculated to increase the losses made by the department. The suspension of one of the responsible engineers by the Under Secretary, the appeal of that gentleman, and his reinstatement, all over some trivial matter in dispute between them, must convince hon. members that the officers of the department are not working in that harmony which should obtain. There is a considerable loss outlined on the Estimates on water supplies other than the goldfields and metropolitan water supplies, a loss of something like £18,000, and a loss of £52,000 on the goldfields scheme; and in contradistinction, there is a profit of £15,000 on the metropolitan scheme. So the outlook is not too bright. The Estimates do not appear to carry conviction that the department has been worked economically. The figures show that it is proposed at this time to increase the expenditure by £16,546. We would look naturally for a decrease in the expenditure. I cannot see any warrant for an increased expenditure. It seems to me that in view of the slackening off of expenditure on capital account, with the decrease in the work of connecting the houses to our sewerage system of Perth and Fremantle, the rigid economy announced by the Premier in his Budget Speech should have had some expression in these Estimates. There is a proportionate reduction chargeable to loan. That one item last year amounted to £23,649, representing the administrative charges which were legitimately charged up against loan funds. This year that £23,649 has to be reduced by £10,944, or a total reduction in that portion of £11,012. That is not satisfactory. It is a proof of my contention that we are going to expend not more than half the loan moneys this department expended last year and we are increasing the total vote by £16,000, so that there is extravagant expenditure somewhere. The total estimate should have been reduced by this amount to correspond with the lessening amount of work to be done. We surely do not need the same staff to control an expenditure of half the

amount of loan money as was engaged during the last 12 months. I would like the Minister to indicate where my contention is wrong. It must be obvious to the most casual observer that when we have to decrease the capital expenditure we have no right to increase the vote by £16,546. Ever since the departments were amalgamated there has been increased expenditure, increased cost in administration and increased cost in the work done for the citizens in connection with sewerage equipment which they are by law forced to carry out. The department give no option. A notice is served and, if people do not immediately set to work and have the connections made, officers walk into the houses and make such connections as they deem necessary and charge up the cost without any check and without even submitting any details to account for the total expenditure. Every hon. member must agree that the charges made by the department for connecting different properties in the metropolitan area with the sewerage system have been scandalous in the extreme, and I say that advisedly because I myself have suffered. I had men in my house when I lived in Perth for 3½ months getting the premises connected with the sewerage system, and I know I paid £218 for a job that ought to have been done easily for £130 at the very outside.

8 o'clock, a.m.

Mr. B. J. Stubbs: Why not have had it done by a private firm?

Hon. FRANK WILSON: Because I took the word of the department that the job could be done for the figure. I asked for an approximate idea of the cost and was told about £100. I stipulated certain extra work which I was told would cost another £20 odd, but what was my surprise when, owing to the day labour tactics and the ca' canny stroke of the men employed on the work, I had to pay £218. They were as long on the job as it would have taken to build the whole property.

Hon. R. H. Underwood (Honorary Minister): Why did not you do it yourself?

Hon. FRANK WILSON: Because I had faith in the department until I proved that the department was a deception, but it was too late to do it myself. The work had then been done and I had to pay the bill.

Mr. Willmott: You depended on a broken reed.

Hon. FRANK WILSON: Certainly. The department took 3½ months to do a job which should have been done easily in four weeks and for £100 less than was charged. Members have received numerous intimations from people who could ill-afford to meet the heavy charges imposed, complaining that they had been charged anything from 50 to 100 per cent. more for the work than it should have cost. I was inundated with complaints from all and sundry. The member for West Perth has also mentioned the matter. Yet the department are going on in their own sweet way without any interference or control by the Minister. There is no redress when they appeal to the Minister and the vote is increasing, instead of decreasing with the diminution of work. I appeal to the Minister to take a leaf out of the book of his colleague who has courageously set his face against the wicked waste going on at the Implement Works, and has expressed his determination to do his utmost to straighten out the affairs of that unfortunate industrial concern. I appeal to the Minister to put his foot on this department and see that the friction that exists is stamped out and see that economy, which his chief has been preaching in this Chamber, is practised. It is idle for us to consider Estimates of this description when there is not the slightest evidence of an attempt at economy and when it is proved by the very figures placed before us that, on the contrary, increased administrative expenditure is the order of the day, notwithstanding that there must of necessity be a considerable decrease in the capital expenditure of the department. The Government cannot watch these departments too closely, but I am afraid the

usual happy-go-lucky style of allowing officers to build up huge departmental staffs, in order, to some extent, to glorify their own existence, and make their own positions secure, is proved in this instance, to be the case. It will require a strong Minister to undo the undoubted evil which our present Minister for Lands has once more allowed to become a menace to the administration of this department. He is to blame: his malign hand seems to be in every unwise undertaking, but the Cabinet as a whole are responsible for his acts. It is of no use Ministers sitting back and trying to get out of their responsibilities; they approve of his acts. So long as I am able to stand in my place in this House I am going to protest against what I consider is a woeful waste and against the maladministration of this great Department by the Minister who lately controlled it.

Hon. J. D. CONNOLLY: I congratulate the leader of the Opposition on the vigour with which he has attacked the Estimates, and entirely agree that they need vigorous criticism of this sort. One reason why I do not criticise this department to any great extent is that I have the same feeling in regard to the Minister now controlling it as the leader of the Opposition has. I believe that under the administration of the Minister for Mines the department will be better conducted than it was formerly. With that hon. gentleman I am prepared to take a risk.

Hon. R. H. Underwood (Honorary Minister): You are a pretty bad judge.

Hon. J. D. CONNOLLY: I trust not. It is time the Department had better treatment at the hands of its Ministers than it had in the past.

Hon. R. H. Underwood (Honorary Minister): You ought to give a man who is away a chance.

Hon. Frank Wilson: The Government had better bring him back and keep him in his place.

Hon. J. D. CONNOLLY: I do protest against the treatment of the metropolitan area in the matter of sewerage and water supply. This area has been hungry for many years for an efficient hill supply of

water. We have spent money on works which could well have been allowed to stand over in favour of an improvement of the water scheme for the metropolitan area. A little time ago a deputation from the Perth City Council, including metropolitan members of Parliament, waited upon the Premier to request that the water supply and sewerage of the metropolitan department should be placed under a board. We claimed that the present system was tantamount to taxation without representation. In no State of the Commonwealth, or indeed of the British Empire, is the water supply and sewerage department controlled other than by an elected body. The ratepayers have to find the money, the interest and sinking fund, and to pay all the charges, and are entitled to elect representatives to the board. The Premier refused that modest request, at all events so far as the water supply question was concerned. He was not, however, so definite in the matter of the Sewerage Department. He made the candid admission that the metropolitan water and sewerage department was showing a considerable profit. This profit, as the leader of the Opposition has shown, is from £15,000 to £16,000 for this year. The Premier also admitted a profit of £12,000 for the previous year, over and above sinking fund. He further stated that this money was to be spent on the upkeep of and assistance to other water supplies. It would be just as unfair to do this as it would be to use the rates collected within the municipality of Perth upon the municipality of Coolgardie. Either the rates should be reduced for the services rendered, or the accumulated profits should be utilised in extending the present metropolitan water supply system. I ask the Minister to look into the matter with a view to altering the existing legislation to provide for the establishment of such a board as I have mentioned, at least in connection with the sewerage.

Vote put and passed.

Hon. Frank Wilson: The Minister was on his feet when you put the question, Mr. Chairman.

The CHAIRMAN : The vote has been put and passed. By the permission of the Committee, the Minister may make an explanation.

Leave given.

The MINISTER FOR MINES : It is rather unusual for a Minister to intervene in this manner after the passing of the Estimates.

Hon. Frank Wilson : No, it is not.

The MINISTER FOR MINES : In the circumstances it is, seeing that the Estimates have been passed by the Committee. I do not know that it would serve any useful purpose if I were to proceed over the ground covered by several speakers, but I wish to remark that the leader of the Opposition has, in my opinion, failed to make himself as well informed with regard to this department as he usually is when he rises to comment upon a department on the Estimates.

Hon. Frank Wilson : Will you point out where I failed ?

The MINISTER FOR MINES : I think I shall be able to give one or two instances, and if I can show that the hon. member was wrong in one case I shall consider myself entitled to ask the Committee to accept my statement that he was wrong in others as well. First of all, I wish to assure the leader of the Opposition that no friction or unseemly disputes obtain in this department.

Hon. Frank Wilson : That was the case, though.

The MINISTER FOR MINES : The department is a very large one, employing a numerous staff of officers and workmen, covering the whole of the State as it does ; and the fact that there was a difference of opinion between two officers on a purely official and departmental matter, relative to the interpretation of their respective duties, does not warrant the assumption that there is general friction or that unseemly disputes occur.

Hon. Frank Wilson : We know it to be the case. The chief engineer was suspended by the under secretary.

The MINISTER FOR MINES : That is so, but the existence of friction between two officers does not warrant the asser-

tion that there is widespread friction or dispute in the department.

Hon. Frank Wilson : Who ever heard of the suspension of an officer without reference to the Minister ?

The MINISTER FOR MINES : Not without reference to the Minister at all. The Minister was acquainted with all that took place in the matter.

Hon. Frank Wilson : The officer was first suspended, and then the suspension was reported to the Minister.

The MINISTER FOR MINES : The hon. member declared that the Goldfields Water Supply has been showing an increasing loss of recent years, and that the cost of working is higher now than it was a few years ago.

Hon. Frank Wilson : Yes, since you got it.

The MINISTER FOR MINES : The leader of the Opposition further intimated that it had been the desire of his Government—and he said the purpose would have been accomplished—to reduce, with a view to ultimately extinguishing, the loss incurred on the scheme. The hon. member is rather unfortunate in his endeavour to show that there has been extravagance in this branch of the department. If we take the first four years of the hon. member's Government, 1905-6 to 1908-9, we find that the total loss on the Goldfields Water Supply was £334,579. Taking the first four years of the present Government, 1911-12 to 1914-15, the loss totalled £148,307.

Hon. Frank Wilson : Do you say that is a fair comparison ?

The MINISTER FOR MINES : Yes.

Hon. Frank Wilson : No. What are you giving us ? The price was raised after that. We got the loss down to £26,000, and you have got it up to £53,000.

The MINISTER FOR MINES : The losses during our first four years totalled £148,000, as against £334,000 for the first four years of the hon. member's Administration. For 1905-6 the hon. member's loss was £79,000 ; for 1906-7 £83,000 ; for 1907-8 £90,000 ; and for 1908-9 £81,000.

Hon. Frank Wilson: Prices were raised then.

The MINISTER FOR MINES: In 1909-10 the hon. member's loss was £42,000, and in 1910-11 £25,000.

Hon. Frank Wilson: Now you have got it.

The MINISTER FOR MINES: That is to say, in only one year of the whole six over which the hon. member's Administration extended has the loss been less than in any one of the last four years.

Hon. Frank Wilson: It was less in two years, and the prices were increased just then.

The MINISTER FOR MINES: The years which I am now comparing were prosperous years on the goldfields—much more prosperous than recent years.

Hon. Frank Wilson: When were the prices raised?

The MINISTER FOR MINES: I could not say offhand.

Hon. Frank Wilson: You ought to know.

The MINISTER FOR MINES: About 1907 or 1908.

Hon. Frank Wilson: In 1910. You have had the same higher prices, and your loss has gone up each year.

The MINISTER FOR MINES: Not at all. The hon. member knows it was anticipated and foreseen that the loss on the Goldfields Water Supply would be an increasing one; that is, of course, unless we kept on year by year increasing the price of water.

Hon. Frank Wilson: No.

The MINISTER FOR MINES: Yes, because the sole consumption of the water—the consumption on the goldfields—was decreasing and is decreasing year by year, and, in addition, the cost of maintenance—

Hon. Frank Wilson: Do not your figures prove my contention?

The MINISTER FOR MINES: I have given the hon. member the figures. Our loss for four years has been £148,000 as against the hon. member's loss for four years of £334,000. I think that establishes the whole case. I might allow the whole of the hon. member's criticism to go by the board.

Mr. Green: All the rest falls to the ground.

The MINISTER FOR MINES: There is only one other item I need refer to, and that is Metropolitan Water Supply. The revenue has not benefited to the extent stated by the leader of the Opposition, £15,000.

Hon. Frank Wilson: Yes, on your own figures.

The MINISTER FOR MINES: No. That is accrued revenue, or earned revenue, which is distinct from the revenue collected. As a matter of fact, the three years' operation of this branch shows the metropolitan scheme to be indebted to the Treasury to the extent of £2,900, instead of the Treasury having benefited from the scheme to the amount stated by the hon. member.

Hon. J. D. Connolly: Last year there was a net surplus of over £12,000.

The MINISTER FOR MINES: A surplus accrued.

Hon. Frank Wilson (in explanation): I must put the Minister right. I dealt with the estimated revenue and expenditure according to the figures; not with an actual deficit accrued; and I said so distinctly. The Minister's estimate of what the current year will produce is a loss of £15,800.

The MINISTER FOR MINES: That is so. Nevertheless I want to point out to the leader of the Opposition that the actual net result of the three years' operations has been that the metropolitan scheme owes the Treasury £2,900, instead of the Treasury benefiting to the extent of the sum of money mentioned by the hon. member.

Hon. Frank Wilson: But, you are purposely twisting the figures.

The MINISTER FOR MINES: The point has been made that the Consolidated Revenue is benefiting to the extent indicated by the hon. member.

Hon. Frank Wilson: The Minister is wilfully misrepresenting my statement—I am sorry to have to say so. I did not say that the Metropolitan water scheme had actually lost £15,800. I said that the estimates, if the figures were realised, would show that loss. I also told the House that last year

there had been a loss of £2,000, but in either case the principle is bad, whether it is a loss or a profit.

The MINISTER FOR MINES: I am prepared to admit there is a good deal in the contention of the hon. member that the metropolitan scheme should be self supporting, or if there is a loss, the general taxpayer should not be called upon to make it up, or if there is a profit it should not go into revenue. I was pointing out that the revenue had not benefited from this undertaking; on the contrary the undertaking owes the treasury £2,900 on the three years operations.

Mr. Harrison rose to speak.

The CHAIRMAN: The vote has already been agreed to; therefore the hon. member cannot speak. The Minister had the permission of the Committee to make a statement.

Vote—Sale of Government Property Sales Fund Receipts, Loan, £81,661:

Hon. FRANK WILSON: There is a good deal to discuss under this vote. The vote of the Works department has been transferred holus bolus to this Property Trust Account. These are items which from time immemorial have been essentially chargeable to Consolidated Revenue, and I need only remind my friends opposite that they have in season and out of season attacked previous administrations, and more especially the last administration when they dared to suggest that works of this description should be provided for from this Trust Account Vote. The reason must be obvious. They recognised that the bulk of the money was the result of sales of property which had originally been acquired by the expenditure of loan money. The argument was always forced home with extreme bitterness by hon. members opposite that we were spending loan moneys on works which ought to have been carried out from revenue. How have the mighty fallen! If it were not for this Property Trust Account the whole of the public works of the State would have to be dispensed with and items like the maintenance of the wharves at Fremantle, which should be a charge against

the revenue of the Harbour Trust are now, forsooth, to be charged up to loan moneys, in other words, against the realisation by sale of certain properties which were originally constructed out of loan.

The Premier: We are not spending as much on the Fremantle harbour as we are getting from the sale of properties.

Hon. FRANK WILSON: I am pointing out the inconsistency of the hon member opposite. What does it matter whether we spend loan money on maintenance work when we are spending loan money to pay the wages in connection with the administration of the various departments? Hon. members' principles have gone by the board.

The Minister for Works: We must do a lot of things in these times.

Hon. FRANK WILSON: Hon. members allow their principles to go by the board when the necessities arise such as have risen owing to the reckless administration of the affairs of the State. I have nothing but condemnation and pity for the individual who claims he is sticking to his principles when he is actually throwing them overboard so that he might carry on his State enterprises. It is a sacred principle that loan money should be utilised for public schools, roads and bridges. More especially should it not be utilised for maintenance and repairs of public works. Another departure from the principle: Under roads and bridges we have here an item of expenditure set down because we have no money to spend from the Public Works vote.

The Minister for Works: What is the amount?

Hon. FRANK WILSON: About £6,000. A foot-note tells us that under this heading the Minister may grant money to local authorities under such conditions as he may determine. Hon. members will remember the terrible battle we had when I suggested this course.

The Minister for Works: But you wanted to deal with many thousands of pounds.

Hon. FRANK WILSON: I included all the different roads the department intended to do something with. I limited the total and said the Minister would decide in his discretion how to assist the different roads boards, and that it would be based largely on the assistance the boards were prepared to provide themselves. I was attacked for a day and a night on this subject, and out of courtesy I withdrew the Estimates and had them reprinted. The principle those members fought for tooth and nail on that occasion is here abandoned. Now they are spending loan money on roads and bridges, and the Minister is going to dole money out to local authorities under such conditions as he may determine. Mark the difference in the attitude of our friends in power as against the attitude they took up while in Opposition. A little lower down we have the item, Maintenance, Fremantle Quays, strengthening and renewals, replacing the piles attacked by the teredo. Now the expenditure is transferred to loan. There is another item of £4,000 to strengthen the jetty away down at Flinders Bay.

The Minister for Works: Is not that in your district?

Hon. FRANK WILSON: No, and if it were I would say what is the use of spending the money there when you refused to construct the railway promised by the Government ever since they have been in office.

The Minister for Works: I am in favour of that railway myself.

Hon. FRANK WILSON: It would be the best line the Government could spend a few thousands on; yet they propose to spend £4,000 in strengthening a jetty which will be of no use when the line is built. I ask the Minister to reconsider his attitude on this question, and to put the railway connections through and settle the land, after which he can put the jetty in order.

The Minister for Works: If it is not put in order now it will be lost altogether.

Hon. FRANK WILSON: Let me conclude, at the suggestion of my friend, by pointing out that under this Property

Trust Account we have also considerable expenditure in connection with water supply, sewerage, and drainage. It is obvious that the money here is only intended to be loaned out on works.

The CHAIRMAN: That is another vote.

The MINISTER FOR WORKS: I desire to say but a very few words. At present we are not living under normal conditions. When the financial position and the abnormal conditions are taken into consideration I think it will be admitted we have done well in trying to carry out all these works under Government Property Trust Account.

Vote put and passed.

Vote—*Sale of Government Property—Trust Account, £55,200:*

Hon. FRANK WILSON: Will the Minister inform us of the total amount expended, the total amount repaid, and the balance outstanding on work in connection with the water supply, sewerage, and drainage?

The PREMIER: This vote is really a revote of the amount which it is estimated will be refunded from advances previously made under the terms of the Metropolitan Water Supply, Sewerage, and Drainage Act, for house connections, and the information asked for by the leader of the Opposition should be available on the Loan Estimates.

Vote put and passed.

This concluded the Estimates of Revenue and Expenditure for the year.

Resolutions as passed in Committee of Supply, granting supplies amounting to £3,889,736 from Consolidated Revenue and a further sum of £144,218 from the Sale of Government Property Trust Account, were formally reported.

On motion by the PREMIER, report from Committee of Supply adopted.

Committee of Ways and Means.

The House having resolved into Committee of Ways and Means,

The PREMIER (Hon. J. Scaddan) Brown Hill-Ivanhoe [8.52]: I move—

That towards making good the sup granted to His Majesty a sum

exceeding £3,889,736 be granted out of the Consolidated Revenue Fund of Western Australia, and a further sum not exceeding £144,218 from the Sale of Government Property Trust Account. Question put and passed.

Resolution reported and the report adopted.

BILLS (2) RETURNED FROM THE COUNCIL.

1, General Loan and Inscribed Stock Act Amendment (Without amendment).

2, Vermin Boards Act Amendment (With amendments.)

House adjourned at 8.55 a.m. (Thursday).

Legislative Council.

Thursday, 28th October, 1915.

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The PRESIDENT took the Chair at 3 p.m., and read prayers.

PAPERS PRESENTED.

By the Colonial Secretary: 1, Midland Junction abattoirs and sale yards, audited accounts to 30th June, 1915. 2, Regulation under the Coal Mines Regulation Act.

CHARTER OF S.S. "WESTERN AUSTRALIA."

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [3.5]: I have to inform members that the State steamship "Western Australia" has been chartered by the British Government at a fee of £18,000 a year, the British Government taking all risks and bearing all expenses. The ship is to be used for the purpose of a hospital during the duration of the war.

BILL—HEALTH ACT AMENDMENT.

Third Reading.

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [3.5]: I move—

That the Bill be now read a third time.

Hon. W. PATRICK (Central) [3.6]: I do not intend to delay the Bill in its passage through the third reading, but desire to draw the attention of hon. members to the fact that one of the arguments which I used against the urgency of the Bill, especially, was that there was nothing to show in the official statistics that the health of this community was getting worse, but that on the other hand it was getting better. I quoted statistics showing that the disease with which this Bill deals is practically insignificant, compared with the population of the State, and that it certainly was not increasing. I backed up that statement by saying that the general death rate of Western Australia had fallen some 50 per cent. during the last 10 or 11 years, and that the infantile death rate had fallen to half of what it was 10 years ago. The debate has been of a very illuminating character, but to my astonishment, on the main argument which I used in reference to syphilis, it was stated by one of the chief members of the House, the member who by his position is most qualified to speak on the subject, that the statistics which I quoted were perfectly worthless. I must say that was a surprise to me. If, when we take up the statistics of Australia in reference