

people alike. The last people to complain should be the farmers. The farming industry has had more done for it than any other industry in the State. If we gave them everything they would not return any thanks. At present the farmers are not dealing fairly by the State.

Mr. Harrison: Do you think they are not dealing fairly by the State, or that they are not energetic?

Hon. W. C. ANGWIN: I do not think they are doing the fair thing by the State. No doubt it is the duty of the State to assist the farming community as far as possible, just as it is its duty in respect to other sections of the people, but the farmers have no right to demand special consideration which is not given to others.

Vote put and passed.

Votes — Other Hydraulic Undertakings Chargeable to Revenue, £31,421; Sale of Government Property Trust Account, £185,569 —agreed to.

This completed the General Estimates of Revenue and Expenditure for the year.

[The Speaker resumed the Chair.]

Resolutions as passed in Committee of Supply, granting supplies amounting to £3,407,064 from the Consolidated Revenue, and a sum not exceeding £185,569 from the Sale of Government Property Trust Account, were formally reported.

On motion by the Colonial Treasurer, report from Committee of Supply adopted.

Committee of Ways and Means.

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

The COLONIAL TREASURER (Hon. J. Gardiner—Irwin) [11.5]: I move—

That towards making good the supply to His Majesty a sum not exceeding £3,407,064 be granted out of the Consolidated Revenue Fund of Western Australia, and a sum not exceeding £185,569 from the Sale of Government Property Trust Account.

Question put and passed.

[The Speaker resumed the Chair.]

Resolution reported and the report adopted.

House adjourned at 11.6 p.m.

Legislative Assembly,

Friday, 29th November, 1918.

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

[For "Questions on Notice" and "Papers Presented" see "Votes and Proceedings."]

BILLS—FIRST READINGS.

- 1, Postponement of Debts Act Continuation.
- 2, Roads Act Continuation.
- 3, Industries Assistance Act Continuation.
- 4, Sale of Liquor Regulation Act Continuation.
- 5, Licensing Act Amendment Continuation.
- 6, Dividend Duties Act Amendment.
- 7, Treasury Bonds Deficiency.
- 8, Income Tax.
- 9, Government Tramways Act Amendment.

ANNUAL ESTIMATES, 1917-18.

In Committee of Supply.

Mr. Stubbs in the Chair; Hon. W. J. George, Minister, in charge.

State Trading Concerns—

Vote—Shipment of cattle from the North-West, £12,870—agreed to.

The MINISTER FOR WORKS presented the Estimates of Revenue and Expenditure on account of the State Trading Concerns for the year ending 30th June, 1918.

Vote—State Brick Works, £6,470:

The MINISTER FOR WORKS (Hon. W. J. George—Murray-Wellington) [4.47]: During the past 12 months the trade in connection with the brick works has been particularly dull. This has been caused largely through the restriction of Government operations which has naturally affected the financial working of this and other trading concerns. The financial statement of the brick works has been laid on the Table of the House. It has been duly audited and found to be correct. The loss during the 12 months was £2,702. The works were closed down in June last because we had then on hand nearly 1½ million bricks, and they filled all the space we had whereon to stack them. We sold those bricks and the yard having been cleared at the end of August, we started operations again. The plant is supposed to be capable of producing 180,000 bricks weekly. We started on a reduced quantity, and we were not able to get up to the higher figures owing to the scarcity of skilled labour. The manager reports that so far as the trade that is being done now is concerned, the outlook is brighter than it has been for some time. When the works were started it was anticipated that the Government would require at least half the output of the works. The war, however, brought on a curtailment of the work, and consequently during the past 12 months or two years, the works have been principally kept going on private orders. Since the commencement of operation the works have turned out 9,000,000 bricks. The total loss to date has been £5,250. This includes £4,198 interest due and paid to the Treasury on moneys borrowed. I want to emphasise that fact. The total interest and depreciation to the 30th June last amounts to—depreciation £2,678, interest £4,198, a total of £6,877. If we deduct from this

the loss of £5,250, hon. members will see that the brick works have contributed £1,626 towards their interest and depreciation bill, after meeting all cash expenditure. Owing to the war and other conditions, skilled labour has been very much curtailed. A great number of men went to the war and in re-starting the works the manager was faced with the fact that he had to employ very largely labour that was not skilled, and which had to be educated to do the work. This of course in itself is an expensive operation, and the result is not first class. The manager states that he has now overcome the difficulty, and he expects that the prospects—production and sale—will be very much better than they have been for some considerable time. I want to express publicly my obligation to Mr. J. T. Davies, the Secretary of the General Workers' Union, who, whenever the difficulty in regard to the shortage of labour was brought under his notice, immediately set to work to assist us. I am very grateful to him for that assistance. So far as wages are concerned, we have paid more than the award, recognising the ability of some men. We left it to the manager to decide who was worth more than the award rate of wage, and in return we expect to get the very best results. The cost of requisites has increased considerably, and that being so it is necessary to reconsider the price of bricks. Our price to-day at the works is 6s. per thousand more than it was a year ago.

Mr. O'Loghlen: That is profiteering.

The MINISTER FOR WORKS: No, but I want to draw hon. members' attention to this point: Whether the works are running or not, we are faced with the payment of interest on the capital outlay. We are also faced with the necessity for having to make provision for depreciation. Therefore, although there may appear to be a loss on the trading, if hon. members will put depreciation and interest together, they will see there is a margin left which shows that it is better to keep the works going. In other words, by keeping them going, although we are losing money, we are not losing as much as we should do if we stopped the works. One of the reasons which has militated against keeping up a complete staff there is the fact that there is very little accommodation for married men, and with the desire to give the industry a fair chance we decided to erect some cottages for the married men. Those cottages, I understand, are nearly completed now and we shall be able to let them at a rental of 7s. 6d. or 10s. a week. We do not expect to make a profit out of them, but we feel sure that we can attract and keep married men there in that way. By referring to the Estimates hon. members will see that we shall require £6,470 for the year, while the estimated receipts will be only £2,750. Hon. members may form the impression that we are going to leeward very badly. The difference will come about in this way. It is practically certain that we shall collect that amount of money, and if we have sales we shall collect actually more than that amount, but if we do not have the sales the difference will be represented by the bricks on hand, so that there will not be any loss this year at all. I do not know that I need say any more except to commend the Estimates to hon. members.

Vote put and passed.

Vote—State Ferries, £5,763—agreed to.

Vote—State Hotels, £30,414:

Mr. PICKERING (Sussex) [4:55]: Is it the intention of the Minister to provide additional accommodation at the Cave House, Yallingup. I am prepared to admit that a great deal of money

has already been spent there, but at certain seasons of the year there is a lack of accommodation, especially in the dining room.

The Minister for Works: When were you down there last?

Mr. PICKERING: A month or two ago. The Colonial Secretary was down there a little while back, and a deputation waited on him and he realised that the accommodation under certain conditions was inadequate. I would suggest that temporary accommodation should be provided. For instance, additions of a camping nature might be provided, so that when the rush was over they could be removed.

Hon. R. H. UNDERWOOD (Honorary Minister) [5:57]: It is the intention of the Government to appoint a manager to run the State hotels. I am of opinion that is the correct thing to do. We have a number of hotels, and we want a good manager, and if we get one he can earn his money easily. The matter which has been referred to by the member for Sussex will be attended to. We intend to run these hotels as good up-to-date establishments, and not so much with the idea of making a profit, though of course we want a little profit if we can get it.

The MINISTER FOR WORKS (Hon. W. J. George—Murray-Wellington) [4:58]: The member for Sussex cannot have been to Yallingup lately because, if I remember correctly, we are spending something like £1,600 there. I know there is a stove being made in Perth which is costing £120, and that is going to the Cave House next week.

Hon. J. MITCHELL (Northam) [4:59]: I am glad to hear it is intended to appoint a general manager for the hotels. So far as the Cave House is concerned, that is a very well run establishment, but it is true that additional accommodation is required there.

Hon. W. C. Angwin: If we have the money available, would it not be better to carry out necessary works than to add to those conveniences?

Hon. J. MITCHELL: When we have already spent a considerable sum of money, as at Yallingup, it is better to complete the job. It is not right to ask the officers at Yallingup, when the house is full, to work with the few conveniences provided there. I hope that a hot water service will be put in. The place constitutes a very attractive resort, and people who go to the Eastern States for their holidays ought to be encouraged to go to Yallingup instead. If we provided better conveniences there, the popularity of the place would increase.

The Minister for Works: We are making provision for a large number of extra seats in the dining room.

Mr. PICKERING: I thank the Minister for the assurance he has given me, and I hope that a better railway service will be provided to take the people down there.

Mr. LAMBERT: I am pleased to hear that this departure in connection with our State hotels has been decided upon. I hope the control of the liquor in the dining cars on our railways will be placed under the new manager.

Vote put and passed.

Vote—State Implement and Engineering Works, £79,179:

The MINISTER FOR WORKS (Hon. W. J. George—Murray-Wellington) [5:5]: I have to report that during last year the implement works, on the engineering side, has shown a marked improvement. A good deal of this has been brought about by Commonwealth requirements for the Naval Base, shipping repairs, and a quantity

of work in connection with the freezers at Wyndham. The sales for engineering last year amounted to £41,232, as against £42,000 in the previous year. There has been a falling off of £800 in connection with agricultural implements, but in regard to spare parts we sold last year £9,000 worth, as against £6,800 in the previous year, which shows that the quantity of machinery sold by the department is having an influence in this State. The total sales for 1917-18 amounted to £88,000, being an increase over the previous year. Hon. members will know from remarks I have made on previous occasions that I was convinced the place was over-capitalised. I desired to face the situation, and consequently I got the Engineer-in-Chief to value the buildings, while Mr. Shaw valued the plant. As a result of those valuations, it became evident that it was necessary to reduce the capital account by £121,000. That does not represent the total loss on the venture, as there is also £18,791 for depreciation. As the Works Department could not find the money, we had to get it from the Treasury, and so that £18,000 requires to be added to the £121,000, making a total of practically £140,000. The fixed capital upon which we are now working is £58,741. The amount written off has been placed to a suspense account, and any profits made at the works will be taken as against the amount written off, and will not be absorbed by Consolidated Revenue. The valuations were made, not under war conditions, but under normal conditions. Had they been made under war conditions, the works would have been shown in a better position. Another thing to be taken into account is that the works can easily employ 650 men. In June last only 233 men were employed. When trade comes along to the extent that 650 men can be employed, there ought to be a very fair profit made, and the amount written off should be reduced considerably each year. Notwithstanding this, a net profit of £6,988 was made for the year, which, as set against the interest bill of £8,836, and the sinking fund £209, leaves us a net deficiency of £2,057 on the year's trading. By the reorganisation of the clerical staff we have saved £500 per annum, and the introduction of certain machinery at Marquis-street, Perth, has saved another £204 per annum. During the year we have manufactured a number of road-making machines and sold 12, which are doing good work. We are selling them at £25 less than the price at which similar machines can be imported from America. So, too, in regard to poison carts, we are selling them at practically cost price, the Government taking the view that it is of more importance than a farmer beset by rabbits should get his poison cart than that we should make a profit at the implement works.

Mr. O'Loughlin: But that does not apply to the road making machine.

The MINISTER FOR WORKS: Perhaps not to the same extent. We are selling the poison carts at £20 each, whereas the imported article cost £26. We have already sold over 200 of these carts. The only other matter I need refer to is in connection with the Westralian Farmers, Ltd. We have not received from that firm as many orders as we expected. We are reviewing the question with Mr. Stirling Taylor, the manager. I was to have seen him this morning, but had to go to the Premier's office, and so we shall have to consider the matter next week. The commission paid that firm last year amounted to £2,247. I shall be prepared to answer any questions asked of me.

Hon. W. C. ANGWIN (North-East Fremantle) [5-10]: I am pleased to know that the Minister has written down this capital account and placed the amount to a suspense account. The balance sheet shows a gross profit of £14,409 on the manufacturing account. But while there has been a net deficiency of £2,056 on the year's working, there has been paid in commission £2,247, depreciation represents £1,498, interest £3,988, and sinking fund £209, or a total of £10,733. Then we have allowed for bad and doubtful debts £2,500. I maintain that we are paying too high a commission. I defy the Minister to prove that it cost over £1,800 to sell the machines when the sales were nearly double the amount, notwithstanding the agents in the country and the depots which he previously referred to. The State Implement Works are in an entirely different position from that of any private company, in that the money is found by the Government, and the orders are bound to come to the Government.

The Minister for Works: But they do not; that is the trouble.

Hon. W. C. ANGWIN: Then the Government ought not to advance the money. If the Government have an article to sell and the settler will not take the Government article, the settler should not take the Government cash and buy somebody-else's article. No private person with a machine to sell would advance money to a settler to go off and buy somebody else's machine. Almost all the customers that come to the Government works come there under compulsion, and not as the result of inducements offered by any agent. I would not mind that so much if the agents were fair. When an agent takes on the sole agency for works of this description, he should not sell any other person's machine. If rumours be correct, our agents do that.

Mr. Pickering: You cannot prove it.

The Minister for Works: It can be proved.

Hon. W. C. ANGWIN: If the hon. member wants it proved, it will be proved. I say these agents do it.

Mr. Pickering: How can you prove that?

Hon. W. C. ANGWIN: When asked why they did it, they said it was because the settler wanted another make of machine.

Mr. Foley: Is that the firm that has the monopoly?

Hon. W. C. ANGWIN: Yes. I maintain that the practice is wrong. No private manufacturer would agree to it. As agents for the State Implement Works the Westralian Framers, Ltd., have a good thing. They have been paid in commission £2,247 this year, which has been rather a bad year.

Mr. Nairn: What is the rate of commission?

Hon. W. C. ANGWIN: It is 7½ per cent. And they have no losses, for as soon as they get an order approved they are paid their commission. The machine may be returned to the Government, but the commission is paid. This is not so in the case of other large manufacturers. The depots at Geraldton, Kellerberrin, and Narrogin were brought into existence so that machinery could be sent down and assembled there, and in that way save a considerable amount in railage, but the system did not last very long. If any company desires to keep the sole agency of the implements manufactured by the State, that company must deal with these implements only, and no others.

Mr. Pickering: That is quite right.

Hon. W. C. ANGWIN: The firm of whom we are speaking are paid a special sum to point out that these implements are the best in the market, and that there are none better in the State. They have no right to permit their agents to dabble in other classes of machinery. That is not fair either to the State or the Implements Works, and should cease as early as possible. Neither do I think it necessary that the State Implement Works should advertise to the extraordinary extent that is shown by the advertisement which I hold in my hand. These works have already been sufficiently advertised. A sum of nearly £400 was spent last year by these works in advertising.

The Minister for Works: If it were my private business I would spend £4,000 in advertising.

Hon. W. C. ANGWIN: That is not necessary in the case of the State Implement Works, because they are working under conditions different from those of a private firm. I do not mind advertising at the Royal Show by means of exhibits.

Mr. Pickering: The State works are competing with others.

Hon. W. C. ANGWIN: Do other firms selling machinery advertise their goods in this way?

Mr. Pickering: Yes.

Hon. W. C. ANGWIN: I venture to say that no other agricultural machinery firm would put in an advertisement of so extensive a nature as this one. It is not necessary that our State Implement Works should be advertised in this way. I guarantee that there is no school child who does not know of the existence of these works.

Mr. Nairn: In what paper is the advertisement in?

Hon. W. C. ANGWIN: I do not think it is necessary to give the name of the paper, it is the size of the advertisement that matters. If the works had some special machinery coming out, it might be necessary to advertise it in the first instance. It is entirely unnecessary to tell the people of the State that these Government works are turning out harvesters, or to advertise the fact that they can get a poison cart from these works for £5 less than they can get one from the Eastern States.

The Minister for Works: A great many people at the Royal Show did not know about these carts.

Hon. W. C. ANGWIN: I do not object to exhibits at the Royal Show, but a large advertisement like this is a waste of money. I do not know what success has been met with in the Perth show room, or what the cost has been. I do not see any necessity for rooms of this description in connection with the State Implement Works. I think these buildings were acquired for another purpose than this, and I am of opinion that they could be used with more beneficial results in another way. Implement works that I was connected with 30 years ago were turning out quite as many implements as we turn out here, but they had no show room connected with the works, and farmers had to go to the works to see the implements as they were being manufactured. The establishment of this show room must add to the cost of the running of the works, and the expenditure on it should cease. I am pleased to see that an improvement has been made in respect to this undertaking, and I have no doubt that when things become better these and other Government trading concerns in existence will not be long in wiping off the suspense account against them. The changes which have been made have proved beneficial, and the men have carried out their work faithfully and well. There is a good manager

in charge of the works who is interested in them, and I hope that eventually they will be of the utmost benefit to the State.

Mr. FOLEY (Leonora) [5-25]: I am sorry the member for North-East Fremantle (Hon. W. C. Angwin) did not make a more authentic statement than to say that the agents for the State Implements Works were trading in other machinery. It is a pity he did not give us definite instances. If anyone has a monopoly of the sale of State implements in Western Australia, I think he should sell those and no others.

Hon. W. C. Angwin: The Minister interjected that this could be proved.

Mr. FOLEY: I did not hear the interjection. If this can be proved then the persons concerned should no longer be the agents for these State implements.

Mr. Broun: They have a right to do this under their agreement.

Mr. FOLEY: We are getting more information by way of interjection than we did from the member for North-East Fremantle. I am of opinion that there are many persons, who are agents for the firm which has this monopoly, who would not do all in their power to push the State Implements. In many portions of the State there are men who criticised very adversely the inauguration of these works. There are also those who use agricultural implements throughout the State, and are making use of Government money to buy those implements from other firms than the Government works, although the class of machinery is the same. If a farmer is in need of an implement and goes to the Government for assistance to enable him either to put in or take off his crop, or do any work for which machinery is required, rather than that he should be given money with which to buy a similar implement from a private firm the assistance given by the Government should take the form of the machinery required being supplied to him from the State Implement Works.

Hon. W. C. Angwin: The other machinery that he buys is made outside the State.

Mr. FOLEY: Yes, if the farmers require assistance let the Government give it in the form of machinery, instead of in the form of money, which only goes to private firms. If such a system were adopted we could get some benefit from the State Implement Works.

Mr. Maley: The State Implement Works do not make every kind of machinery that is required by the farmer.

Mr. FOLEY: They make many kinds of machinery that is needed by the farmer. There are many individuals acting as agents for the firm, which has a monopoly in the sale of these implements, who are not anxious that the State implements should be sold at all. If that is the case the State cannot be getting a fair return for the money it pays by way of commission on the sale of those Government implements. We have it on the word of the member for Beverley that under the agreement made with the Western Farmers, Ltd., this firm has the sole right to sell State implements. We also have a definite statement here that this firm was not allowed to do this. I contend that no firm should enjoy a monopoly of this sort. If there is any man in the State who is willing to put on the market, and push for all he is worth, State implements, irrespective of whether he is a member of the Western Farmers, Ltd., or not, he should be afforded that opportunity, and the State should be enabled to get the best results possible from its undertaking. To get the

best results the Government must employ the best men, and if possible agents who have some interest in the State made machinery, and who believe that this machinery is better for the State than other classes of machinery which are manufactured outside the State.

Mr. PICKERING (Sussex) [5-28]: I congratulate the Minister on having written down the capital cost of the State Implement Works. This affords the only solution of the present difficulty.

Mr. Nairn: In what way will that help the works?

Mr. PICKERING: When a concern is over-capitalised it is not possible for it to work at a profit, because of the interest charges upon the capital invested. If we write down the capital we shall be able to pay the amount held in suspense out of future profits. The member for North-East Fremantle said there was a large number of bad and doubtful accounts in connection with this undertaking. Does the hon. member wish it to be inferred that all these bad and doubtful accounts have arisen since the agency was taken over by the Westralian Farmers, Ltd.?

Hon. W. C. Angwin: I did not say anything of the kind.

Mr. PICKERING: The inference to be drawn from his remarks was that the bad debts had been accumulating since the Westralian Farmers, Ltd., had taken over the agency.

Hon. W. C. Angwin: Nothing of the kind.

Mr. PICKERING: The member for North-East Fremantle virtually said that, or so I interpreted his remarks.

The Minister for Works: You are actually discussing a matter which I am discussing with the company.

Mr. PICKERING: The subject was introduced by the member for North-East Fremantle.

Hon. W. C. Angwin: I did not know that the position was as stated by the Minister for Works.

The Minister for Works: I tried to mention it, but hon. members would not listen.

Mr. PICKERING: I am not aware of any agency other than that of the State Implement Works which is held by the Westralian Farmers, and I believe that any orders placed by the Westralian Farmers with machinery firms other than the State Implement Works would be due to the fact that the Westralian Farmers were acting for clients who did not desire implements manufactured by the State.

Hon. W. C. Angwin: My information was correct; make no mistake about that.

Mr. PICKERING: The Westralian Farmers would not do anything but try to boost the State Implement Works. As to the remarks of the member for Leonora (Mr. Foley), I am of opinion that it is essential that the agents representing the State Implement Works should be reliable agents, and agents to whom the State might look with confidence to do their work honestly. The rate of commission paid the Westralian Farmers was fully discussed on last year's Estimates; and I was then convinced that the commission was reasonable, in the circumstances. The member for North-East Fremantle, I know, has always been opposed to the Westralian Farmers.

Hon. W. C. Angwin: I have not.

Mr. PICKERING: So far as I know anything of business, one of the main principles is to have one's goods brought prominently before possible users through the medium of advertising. Certainly the advertisements of the State Implement

Works should appear in every prominent paper, especially in the "Primary Producer," which has a large circulation amongst people requiring the implements which the State manufactures and has for sale. I agree with the Minister for Works that a large sum of money is required for bringing prominently before the farming public the implements which the State has to dispose of. Otherwise competitors will bring their implements to the attention of farmers, with detriment to the State Implement Works.

Mr. JOHNSTON (Williams-Narrogin) [5-34]: I should not have spoken had it not been for the remarks of the member for Leonora (Mr. Foley). This is an occasion, however, when we may congratulate the Minister for Works particularly on the business acumen displayed by him in securing the Westralian Farmers, and their 92 co-operative companies throughout Western Australia, to act as agents for the State Implement Works. We know that very substantial advantages have accrued from the local manufacture of implements. Certainly, no State enterprise started by the late Labour Government has proved more successful than the manufacture of implements.

Hon. W. C. Angwin: What?

Mr. JOHNSTON: I may except shipping, but the success of the State Steamship Service was due to causes arising out of the war. The great benefit of the State Implement Works is the influence it has exercised on prices. Particularly does this apply to duplicate parts. When the change of Government came about, hopes were expressed throughout the country that we should get the benefit of good, shrewd business acumen; and I venture to say the Minister for Works has displayed that quality in this particular matter. He saw a big co-operative movement in progress throughout the country. He had been associated all his life with works of the nature of the State Implement Works. Probably that was why he saw the opportunity for getting implements manufactured by the State in use by all the farmers throughout the State. To that end he appointed the Westralian Farmers agents for the State Implement Works. The result is that to-day, wherever one goes in the agricultural districts, there is a co-operative company with an established staff pushing State manufactured implements.

Mr. O'Loughlin: No one seeks to abolish that.

Mr. JOHNSTON: Not that the pushing is necessary, in view of the high value of the machinery turned out by the State Implement Works.

Mr. O'Loughlin: In that case, no agents are needed.

Mr. JOHNSTON: Next as regards advertising the State Implement Works in the Press. It appears to me that this Committee has been treated to all these complaints as to the advertisement not having been a good one, or not having been fully warranted, simply because it happened to appear in a newspaper associated with the Farmers' and Settlers' Association.

Hon. P. Collier: You are quite wrong. It is not so at all.

Mr. JOHNSTON: I understood it was so. If it is not so, all I can say is that the hon. member did good service in drawing the Committee's attention to the opportunity which undoubtedly exists for placing the State Implement Works prominently before the farmers of Western Australia per medium of the "Primary Producer." I compliment the Minister on the excellent showing which the State Implement Works have made.

Mr. O'Loughlen: Put on your praise with a trowel, not with a shovel.

Mr. JOHNSTON: The exhibit of machinery made by the State Implement Works at the recent show was just about the most interesting exhibit shown. There was nothing to beat it. When I think of the advantages accruing to this country from the manufacture of that machinery here—

Mr. O'Loughlen: God bless the Labour Government.

Mr. JOHNSTON: Quite apart from its being made here promptly, and quite apart from the fact that the money for the machines is kept in the country, the Minister for Works, though he may be open to a little criticism—

Hon. W. C. Angwin: What about the Government who started the works?

Mr. JOHNSTON: I am giving them every credit.

Hon. W. C. Angwin: The undertaking was started in opposition to the hostility of the Minister for Works.

Mr. JOHNSTON: I give the Minister credit for having recognised, since he was placed in a position of Ministerial responsibility, his duty to the people of this country by keeping those works going, even though the Chambers of Commerce used their influence with the Government to get the works closed down. I am glad the Minister had the backbone to stand up against the Chambers of Commerce.

Mr. O'Loughlen: How is it that on one occasion the Minister said he wanted to sell the works?

The Minister for Works: So I do now.

Mr. JOHNSTON: I am glad that I supported a provision in the legislation dealing with the sale of State business enterprises which will prevent any of them from being sold without the approval of Parliament.

Mr. NAIRN (Swan) [5.40]: I should like a little more information regarding the writing down of which the Minister has spoken. The member for Sussex (Mr. Pickering) congratulated the Minister on getting over the financial difficulties of this enterprise by writing off the deficiency. I wish to know in what way that writing off has solved the problem. If there is such a solution, I think the Treasurer of this State should know of it.

Hon. P. Collier: Hear, hear!

Mr. NAIRN: From what I can gather, the writing down process is something like sweeping the dust into a corner of the room. The dust is obscured from the eye for the time being; but it is there, nevertheless. This writing down I am inclined to regard as more or less a dangerous precedent. An amount of something like £120,000, I understand, has been wiped off. That prevents us from obtaining a fair knowledge of the value to the State of the Implement Works. Let me ask the Minister, who recommended the writing down?

The Minister for Works: I did.

Mr. NAIRN: To whom?

The Minister for Works: To Cabinet, of course.

Mr. NAIRN: It was said here a little while ago that the writing down was recommended to the Minister. I asked the Minister to give the Committee definite information on the subject.

Hon. P. Collier: Is not the hon. member aware that the Farmers and Settlers' Association conference carried a motion recommending the writing down?

Mr. NAIRN: I am not aware of it. If the conference did make such a recommendation, that does not in any way get over the liability of the people of Western Australia in respect of the undertaking. If one Minister can to-day write off £120,000, some other Minister, some other day, in order to get a clean start, may write off a quarter of a million.

Hon. W. C. Angwin: You know that at the start a lot of money was wasted at the works.

Mr. NAIRN: I know that. I am not casting blame on any particular Minister or on any particular Government. I fully recognise that incidentally to any new enterprise there is considerable risk of loss in one direction and another. Undoubtedly this enterprise has suffered, though probably through no fault of any Government. But when we are told in this Chamber that the difficulty has been solved by a writing off process, I reply that that is only clouding the issue. If that money written off is still in the works, the people of this State are still liable for it. Certainly, this writing-off principle is not a good one.

Mr. O'Loughlen: How would a private business get on under those circumstances?

Mr. NAIRN: The private business would be in the insolvency court. That is the only difference. However, a private business would not be allowed to adopt such a course. I do not think such writing off by a private business would be legal. As regards advertising, while the member for North-East Fremantle (Hon. W. C. Angwin) was speaking, I asked him the name of the paper from which he was reading. I had no ulterior object in asking that question. I merely wished to know the name of the paper, because that information affects the value and the cost of the advertisement. Some newspapers charge 10s. per inch for an advertisement which others will accept for 1s. 3d.

Hon. W. C. Angwin: If you want to know, I was reading from the "Sunday Times."

Mr. NAIRN: An advertisement like that is unnecessarily large, and whoever gave it must have done so during an outburst of generosity. I have nothing more to say except to ask the House to seriously consider whether we are not approving of a policy which may lead us into a regrettable position.

Hon. W. C. Angwin: Do not forget that nearly £78,000 was put down as lost previously.

Mr. BROUN (Beverley) [5.47]: The statement made by the member for Leonora and which was also referred to by the member for North-East Fremantle with regard to the sales by the Westralian Farmers, Ltd., of machinery other than that made at the implement works cast a reflection on that company. In the agreement which the company have there is a clause which particularly deals with the sales of other machinery. The Westralian Farmers, Ltd., stock practically only spare

parts of the Government made machinery; they do not stock the implements themselves, but the sub-agents do the whole of the selling and stock machines from the implement works, with the result that there are a certain number of agents who have been dealing in places where it was not possible to get agents to take on only the one line of machinery. They have had to stock other machines as well, and they would not take the agency unless they were allowed to sell other machines. Therefore, a clause was put into the agreement by the Government to cover that, and machines are now being sold by the sub-agents other than the Government machines. The agents who have sold them are perfectly justified in doing so, and they have kept strictly to the agreement.

Mr. O'Loughlin: Have you any idea what commission the private firms pay?

Mr. BROUN: That is not worrying me at all. There are only five sub-agents who are selling machinery other than that made by the Government, and they have a right under the agreement to do so. The particular clause in the agreement reads—

Sub-agencies: nothing herein contained shall prejudice the right of the agent to sell any other agricultural machinery, implements, spare parts and accessories that may be demanded by customers; provided always that every endeavour will be made by the agent to avoid the sale of other such machinery, implements, spare parts and accessories than that which can be supplied by the principal.

So that they have a perfect right to sell other machinery if they so desire. A farmer is not going to buy any kind of machinery. There are certain brands he will buy, and he will purchase no other. I may purchase a cultivator or a drill made at the implement works and either of which is good, but I may not be satisfied with the harvester made there. Why should not a sub-agent have the right to sell other machines if a farmer comes along and asks for others?

Hon. J. MITCHELL (Northam) [5.52]: If the agents get 7½ per cent. on the sale of machinery and take no risk in connection with the payment in the selling of machinery, and for other makes of machinery get a higher commission, and take the risk, we are standing a good chance of making bad debts. The risk is a consideration.

The Minister for Works: What commission do they pay with the risk?

Hon. W. C. Angwin: Fifteen per cent.

Hon. J. MITCHELL: I think it varies. It would be all right if the agent only sold the State machinery, but if he sells two or three brands of machinery, we will make bad debts. So far as the machinery itself is concerned, the people are much more satisfied with it now than they were. In the earlier stages of manufacture the machinery was not as good as it is now. All the same I do not believe in State trading. We are told to-day that the capital has been written down £120,000. That represents roughly 7½ per cent. on the total turnover of the works, and a considerable handicap to begin with. I agree with the member

for Swan who said that if the Ministry have the power to write down the capital cost of the works from time to time, it will be rather dangerous. I urge the Minister to look into the question of the sale of the machinery by the agents in the country.

Mr. MUNSIE (Hannans) [5.55]: I am against the policy of giving any firm a monopoly of the agency in connection with the State Implement Works machinery. If the Government are making a new agreement I hope they will not continue to give the Westralian Farmers Ltd. a monopoly of the sale of the implements.

The Minister for Works: The agreement was completed over 12 months ago.

Mr. MUNSIE: Evidently then it is not yet in operation.

The Minister for Works: It has been in operation for 12 months.

Mr. MUNSIE: Then the Westralian Farmers Ltd. have a monopoly of the sale of State made machinery. The agreement contains the clause which was read by the member for Beverley, and if that is the case it is nothing short of a scandal. What position is the country agent in? He has a monopoly of the sale of State made implements, and he is also commissioned to sell other implements on which he gets up to 25 per cent., although he has to take the risk. He gets 7½ per cent. on the sale of State implements, and takes no risk. If a farmer who happens to be in a good financial position comes along, the agent will probably sell to him the implement on which he will get 25 per cent., but if a farmer whose financial position is doubtful is after machinery, the agent will sell him that on which he is getting 7½ per cent. without risk. In my opinion that is wrong. I cannot see how the Minister justifies it. Under the existing system we get the doubtful customers, while safe customers go to the private manufacturers. It is inviting the failure of the State Implement Works. In protesting against that sort of thing, I am endeavouring to protect the State Implement Works.

The Minister for Works: That is a matter of opinion.

Mr. MALEY (Grenough) [6.1]: The member for Hannans declared that this clause in the agreement, constituting the monopoly of the Westralian Farmers, was a scandal and a disgrace. I do not think the hon. member realises the position.

Mr. Munsie: I referred to both clauses being in.

Mr. MALEY: It is only during the last three or four years that the machines from the State Implement Works have commanded a sale.

Hon. W. C. Angwin: In the first year twice as many were sold as have been sold this year.

Mr. MALEY: But until quite recently only the new settlers have purchased those machines. They are beginning to reach the older settlers now. I myself have used one or two State implements, and I have found them to be all that could be desired. When, however, I require duplicate parts of other makes of machines, I go to the nearest branch of the

Farmers and Settlers' Co-operative Society, in order that they may get the commission. In many of the smaller towns it will be found that no firm will take on the sole agency of any particular make of machinery, for where the volume of business is relatively small, it is necessary to carry the agencies of half-a-dozen manufacturers.

Mr. Munsie: But why prevent a firm from including among other agencies that of the State Implement Works?

Mr. MALEY: The agreement does not prevent that.

Mr. Munsie: It does.

Mr. MALEY: If a firm took the sole agency for the State Implement Works, that firm would be deprived of the trade in all other machines. I do not think the position is properly understood.

Mr. HARRISON (Avon) [6.5]: The Minister has told us that the capital has been written down so as to put the works on a reasonable footing. Without this it would not have been possible to give the Committee a clear statement of what the works were now doing, and of the prospects for the coming season. Certain machinery down there is obsolete, certain of the accounts are bad and doubtful, and a lot of the capital had to be written down to give the enterprise a chance to make good.

Mr. Nairn: It was written down at the expense of the public.

Mr. HARRISON: Well, the works were established at the expense of the public, but we do not want that expense to the public to be continuous. We want to see the works further developed or, alternatively, scrapped or sold. Another thing, the manager or the Minister considered it would be a good proposition to give the sole agency. The manager of a business does not give the sole agency unless he considers it is a good proposition. The reason why the Minister gave the sole agency was, probably, that the trader with whom he was treating had the greatest facilities for meeting present customers and finding potential customers. If there be such a firm in existence, it was good business to give them the sole agency. It has been stated that the agent for the State machines should sell only those machines. That is generally understood. If a person has the sole agency it is for him to reciprocate by giving the best of his energy, indeed the whole of his energy, to that agency. It is very seldom that a manufacturer debar an agent from selling other lines which he does not manufacture.

Hon. W. C. Angwin: You would not expect him to.

Mr. HARRISON: There may be instances where the concession has been given, but in nearly every case where there is competition in the same line the sole agent would not be given the agency of another firm. It would not be right to expect a man to represent several makers of similar machines. In regard to duplicate parts, a larger percentage of commission is always given, on account of the dead stock. Fortunately for the sole agent in this case, he is close to the fac-

tory and so can get his supplies as required. I congratulate the Minister on having introduced the manufacture of road-making machines. The machines turned out by the State Implement Works are doing their work in a most satisfactory manner. The purchase of such a machine will mean a great saving to the local authority. I trust that every roads board in the State will secure one.

The MINISTER FOR WORKS (Hon. W. J. George—Murray-Wellington—in reply) [6.12]: I will not go into the question of whether or not more machines were sold years ago than are being sold to-day, for I am not in a position to know that. But I do know that the arrangement made with the Westralian Farmers was fully debated here last year. The full terms were disclosed, the agreement was on the Table, and one of the points criticised was that if they did get their sales up to a certain figure, I was prepared to pay them an extra half per cent. commission. I explained on that occasion that if they could get the extra commission, I should be money in hand by paying the increase.

Mr. Willcock: Did they do that extra business?

The MINISTER FOR WORKS: Unfortunately, no. It has been stated that the Westralian Farmers Ltd. have been selling machines other than those manufactured at the State Implement Works. That cannot be denied. But a point that can be denied is that of whether they have the right to do so. The matter is under discussion between the Westralian Farmers Ltd. and myself. I have taken legal advice on the question, and therefore it will be readily understood that I do not feel inclined to expose at this stage exactly what the Government have in mind.

Sitting suspended from 6.15 to 7.30 p.m.

The MINISTER FOR WORKS: The member for North-East Fremantle stated that in his opinion where any department has been advancing money to assist any particular industry, the farming industry or any other, and this money has been spent in the purchase of machinery, if that particular kind of machinery is made by the State Implement Works it should be purchased from them. I quite agree that this should be so. I am not aware as to whether this operates to any extent at the present time or not, but I will have inquiries made with a view to seeing that it does operate to the fullest extent. The hon. member also expressed an opinion regarding the advertising of the State Implement Works. In all these matters it is a question of individual experience. For my part, both in connection with the firms of which I have been manager, and my own business, I have always believed in advertisements, and that advertising in newspapers is one of the finest things a man can have as an adjunct to his business. It is not usual to manufacture things and then expect people to find out by some subtle way what one has manufactured. One has to bring oneself under the notice of the people who are in need of that which one is manufacturing, and the man who brings this most forcibly

under the notice of those who require the goods he is turning out will enjoy the best business if the articles he is making are good. I remember well that at one time the late Lord Forrest, when Premier of this State, referred in the House to the very celebrated manufactory in the State known as the Black Swan foundry. I thought it was bad taste on his part and told him so at the time, but it turned out to be the best thing that ever happened to me, because it enabled me to bring the Black Swan foundry into every speech that I made thereafter. If I only had a sovereign for every time that I mentioned the foundry in my speeches I would have a respectable bank balance.

The CHAIRMAN: We are not discussing the Black Swan foundry.

The MINISTER FOR WORKS: I am only showing what has been done by engineering works in the matter of advertising. Although I am not of opinion that the State Implement Works should be a Government concern, whilst it is a Government concern it is open to me to do what I can to make it a success, and I am trying to do so. To this end I am advertising the works wherever I think there is a possibility of our getting business. I believe it is a good thing to do this. Even if every individual in Western Australia knows about the State Implement Works and what they can produce, there is no reason why we should not go on ramming this into their heads, and letting them know they are in need of some article which at present they have not become possessed of. The member for North-East Fremantle also referred to the sum of £400 which had been spent in advertising the works. In reply to that I would say that if the business were mine I would gladly spend £4,000, because I think benefit would accrue from it. If I have any complaint at all about our advertisements, it is that they are of a too gentlemanly character. If I had my way they would be couched in broader language, and I think we would do more business as a result. The hon. member also objected to the Perth show room. In my opinion that was a good idea. From what I can learn it has been a success in our dealing with the farmers, first of all in regard to their accounts and the settlement of them there instead of the farmers being obliged to go to the works at North Fremantle, and secondly, and most important, the farmer can go to the show room and get any spare part he wants for any class of machinery in a few moments and take it away. The original idea was to have such offices at the works. For my part I believe that the manager of a business concern of this magnitude has enough to do to look after the works, if he wishes to do that properly. To take a man at a salary of £850 a year, such as the manager of these works gets, to discourse with these gentlemen from the farming districts would be a waste of time, when it is possible for the visitors to get all the information they require from a man at a salary of £200 or £250 a year. The member for Swan made some reference to the writing off of this large amount of money. He asked who was responsible for it. No one recommended it to

me, but it appealed to me as a necessary thing to do from a business point of view. Here we had a concern which was over-capitalised. The money had been provided and had been spent and lost, and therefore it was not there. If the works are to be given a fair chance of success they should not be loaded up with a loss of about £140,000, for which we are not going to get even a scrap of paper in return. I thought the matter over, and put my proposal before Cabinet as the correct business way of dealing with the question. I did not say that the amount should be wiped off as a deficit, as if the Works had gone bankrupt, but I said "Let these works operate on a capital which will give the men who are carrying them on some encouragement in their handling of the business." That is what we did. Here is one of the clauses in the recommendation dealing with the subject—

Any profits made by the State Implement Works as from the 1st July, 1917, to be credited in reduction of the Suspense Account until the same is wiped out.

If, for instance, we made a profit of £10,000 in a year, instead of that sum going into the ordinary Consolidated Revenue of this State it goes into reducing the suspense capital account by that amount. The clause continues—

Accrued interest is then to be charged at the rate fixed by the Colonial Treasurer on the suspense account balances as from date of debit to date cleared, and any further profits made by the implement works to be continued to be credited to this account until the interest and principal are paid in full; provided that in the case of further losses any profits shall not be credited to the Suspense Account unless such profits have extinguished losses subsequent to 30th June, 1917.

I am sure this is a fair business proposition. I brought the capital down to what the concern was worth at the time we were dealing with it. It is not for us to trouble ourselves now as to how these losses were brought about, and we said therefore, "The works are there and if we make a profit, and we believe we shall, we will gradually extinguish the debt and forget it." That is the whole position in regard to the writing down of capital. In the case of an ordinary company, it would have been necessary to reconstruct in such circumstances. That is often done in the mining world. We have simply carried out this practice, and really taken greater precautions than is usually the case in reconstructing a company. I quite agree with the hon. member when he says it would be a dangerous precedent for any Minister in dealing with a concern of this sort to write off capital at his own sweet will. For my part I have not yet met with one Minister who, even if he thought he possessed the power to do this, would be so foolish as to write such things off without letting every Minister know about it, and have it carried through Cabinet. The object of having a number of Ministers is that a number of different minds may be brought to bear upon the subject. It would be unfair for one Minister to make a pitfall for his colleagues by writing

off such things without first consulting them. Some remarks were made in regard to the commission that is provided for in the agreement made with the Westralian Farmers, Ltd. I explained last year that we were paying these people $7\frac{1}{2}$ per cent. commission on all sales of implements and spare parts. Members will recollect that I came in for some amount of criticism, because I said the only way to make these works, or any other works of the kind, pay was to increase their output. In order that the output might be increased, I think to £65,000 a year, I was prepared to pay this company an extra half per cent. I was quite satisfied that if they could have increased the output to the extent that I expected I would have been able to show a very substantial profit this year as against that which members now see shown on the balance sheet. These things are matters of experience and judgment, and in my judgment this was the correct course to pursue, and I was satisfied with it. With regard to the question as to whether these people were selling machinery from other manufacturers while possessing the sole agency for the State implements, I do not want hon. members to misunderstand me. I should be the last person to try and curtail the rights and privileges of members in dealing with questions in this Chamber. I take this obligation upon myself, however, and say that if a responsible Minister dealing with trading concerns informs members that the matter which they are attempting to discuss is, at the time, one for discussion between the two parties to an agreement, and that in my opinion it would not be a wise thing to discuss it here, I think some little attention should be paid to that. The fact of the matter is that there is a difference of opinion as to the interpretation of a clause, and the matter has been under discussion for some considerable time. It would probably have been settled to-day, but that various things happened which prevented the arranged meeting from taking place. I ask hon. members to allow me to let this matter lie. From a business point of view it is a wise thing, in the interests of the State, that I should not disclose my hand and make public my views as to matters in dispute which will require some considerable handling to put them on a proper basis. Let me explain that there are no negotiations in progress for a new agreement. The agreement made last year was for a term of two years, of which one year has expired. The only difficulty is the interpretation of a clause of that agreement. Of that clause the Westralian Farmers take one view, and I take another, and the Crown Law Department yet another. I do not think it would be wise for me to make known here particulars which, I am sure, if made public will prejudice the negotiations which are taking place. I think I have now covered all criticisms, and I ask the Committee to pass the Estimates.

Vote put and passed.

Vote—State Quarries, £5,516—agreed to.

Vote—State Steamship Service, £277,693:

Hon. W. C. ANGWIN (North-East Fremantle) [7.47]: What is the total amount

of net profit returned to the Government by the motor ship "Kangaroo"?

Hon. R. H. UNDERWOOD (Honorary Minister—Pilbara) [7.48]: The "Kangaroo" has repaid more than her cost. When she left here recently, the Colonial Treasurer received a cheque for £76,000 on account of freight. She is going to Suez, where she picks up a freight of £36,000 on account of oil from Alexandria to Belfast.

Vote put and passed.

Vote—State Sawmills, £219,489:

The MINISTER FOR WORKS (Hon. V. J. George—Murray-Wellington) [7.49]: The balance sheet of the State Sawmills was laid on the Table some time ago. Hon. member will derive a measure of gratification from the knowledge that, despite all the difficulties attending this undertaking in consequence of the war, the State Sawmills have not only been able to meet their full charges for interest and depreciation, but have also shown a profit, small though it be. In taking stock care has been exercised that the prices placed upon the timber should be only cost, and no in any way excessive. In the case of any timber cut for some period of time, suitable allowance has been made for depreciation. So far as I am able to judge, everything has been done to present to the House and to the country a clear and honest statement regarding the State Sawmills. In order that hon. members may gather an idea of the magnitude of the undertaking, let me say that the fixed capital of the State Sawmill amounts to £230,000, and the floating capital to £65,000, making a total of £295,000 invested in the undertaking. The revenue for last year was £253,000, and the total revenue since the sawmills were started amounts to £1,137,624. Hon. members will recognise that the business is fairly large. The wages paid last year totalled £60,794, making a total of £97,000 paid on account of wages since the inception of the undertaking. Head office salaries including that of the mill superintendent and all other mill salaries, amount to only £5,873, which I believe compares favourably with the salaries paid in any other sawmill undertaking in this State, as regards lowness of percentage comparatively to revenue. The salaries equal only 2.32 per cent. of the revenue. The gross profit on trading account last year was £28,300, and the total gross profits since the start of the undertaking to the end of June this year are £117,857. The State Sawmills had a barque known as the "Carrabin," which formerly belonged to the German nation. The sawmills used that ship to some good profit, making out of her last year £10,881. The Germans let her get as far as the South Coast of Ireland and then, not liking, I suppose, the use of their ship by the British, sent a torpedo boat into her or through her and blew her up fortunately without loss of life. So there is one ship the Germans will not get back. The total interest charged to profit and loss account last year was £14,766; but the total interest which has been charged against the

State Sawmills from their inception amounts to £56,000. The depreciation on machinery and plant and buildings provided last year was £11,721; and the total of depreciation allowed from the start to now is £46,361. Thus, between interest and depreciation, the sawmills have provided £102,000, and yet have shown a profit. Interest has been charged in full on the working capital, and as regards floating capital the sawmills are treated in the same way as a bank would treat a customer; that is to say, the sawmills are debited on their daily balance. I informed the Committee last session that the trading concerns would be placed on absolutely the same footing as a private business, and I can claim to have carried out that undertaking. One of the State mills was closed down during the whole of last year, and the others for nine months. We had plenty of orders, but could not get ships to lift our timber. Now we have restarted a mill, and when the shipping comes along we have sufficient orders to keep all our mills running full time. During the year we have taken out portion of the power plant, and installed, in lieu thereof, an electric generating plant for the workshops, case mill, and planing machine, with the result that our costs have been materially decreased. Owing to the impossibility of export, we have not done much powellising. Turning now to the past year's trading account, the total revenue was £253,000, and the total expenditure £223,000. During the year we reduced our timber stocks by sales to the extent of £80,940. Our stocks of materials and so forth have rather increased. We have done a very good trade with the Eastern States during the last 12 months—to the extent of, roughly, £100,000. A great deal of the timber we exported went into wheat sheds in the Eastern States, and considerable quantities went into the Broken Hill mines. The State Sawmills have a resident agent in the Eastern States. The agent was over here a few days ago, and in conversation with him I gathered that our timber business with the Eastern States is going to be large. There is one thing which, as soon as shipping tonnage is available, will make the profits of the sawmills larger. We have large stocks of timber about the mills, cut for the United Kingdom, India, Mesopotamia, South Africa, and other overseas markets. The interest charged on these stocks alone, but including hewn sleepers, amounts to £4,000. The timber has been taken into stock at cost prices, so that when we can ship it we shall clearly have an added profit for the year. I consider the State has reason to be very well satisfied with the business manager of the State Sawmills, Mr. Humphries, and the mill superintendent, Mr. Properjohn—two men who understand their business thoroughly, and who are indefatigable in their work and stick to it. They are men that any timber company would be proud to have acting for it. There are some items on which hon. members may want information, and if so I should be pleased to furnish it. How-

ever, there are two items to which I may make reference now. The manager's salary is set down at £600, which was his salary last year. He is working under an agreement, and that amount of £600, if it were an ordinary estimate, I should have to ask the Committee to deal with. But the agreement between the Minister and the manager leaves a discretion with the Minister—not with Parliament—to arrange the managers' salary. The other item is that of accountant, which has slipped in at £360. I do not wish to say the officer is not worth that salary. I am not going to discuss that aspect of the matter at all. But the amount was placed on the Estimates while it existed only as a proposition; it has not been considered and approved by me. However, I shall deal with both questions in a proper way when the session is over. I am glad of the manner in which hon. members have received the vote, and shall be glad if they will pass it.

Hon. W. C. ANGWIN (North-East Fremantle) [8.29]: It must be pleasing to hon. members to learn that yet another State enterprise has turned out successful. Years ago Parliament was told that, given time, the trading concerns would prove successes. It must be highly pleasing to the present Government that the foresight of the Labour Administration is helping them in their finance. These trading concerns are to return the Government so large an amount as £164,000 this year. Therefore the Government ought to feel thankful to the Labour Administration for their foresight in bringing these trading concerns into existence. I observe that a wise body in the City of Perth—I believe that body is known as the Perth Chamber of Commerce—has come to realise that the State trading concerns are going to be successful. That body has realised that many of those concerns are already successful, and returning to the Government profits which used to flow into private pockets. I was very pleased to read the remarks of the Minister to-day, and I think he should be brought to book because he did not go to those gentlemen and say to them "Here is my balance sheet."

The Minister for Works: I have apologised for not doing that.

Hon. W. C. ANGWIN: It shows that those people are afraid of the trading concerns. We are getting proof now that the statements made by the Labour Administration in the past in regard to these trading concerns were correct. We told hon. members then that there was scarcely any trading concern that paid its way in the first or second year of its operations, but here we have one which has paid from the very start. By the statement which was placed on the Table of the House by the Minister we find that this concern has been in existence for about 4½ years. The actual work in connection with the sawmills began at the end of 1913. During the year 1914-15 we find that £10,067 was put down for depreciation; in the following year the amount was £11,231; in 1916-17 it was £12,242, and in 1917-18 £11,720, making a total of £45,260. The total actual cost is

£230,800. That has now been reduced by £45,260. As the Minister has just stated, the concern has, in addition, paid dividends by way of interest. The saw mills have paid £56,066 in dividends during the past four years in the shape of interest. That shows that this trading concern is a paying proposition. I notice also that in connection with the Powellising agreement, instead of the State revenue being drawn upon, the saw mills have paid £4,204 above the amount under the terms of the agreement. In addition, the Commonwealth Government cancelled an order for sleepers. The saw mills had nothing to do with that. The contract was entered into with the Commonwealth Government for the supply of those sleepers before the saw mills were erected, but owing to the cancellation, shipping contracts which had been entered into, had to be broken and that action cost this State £6,000. That also was charged to the saw mills. Then after paying all this the saw mills were able to pay £17,003 to a reserve fund as profits carried over. The Minister should be congratulated on having had handed over to him such a profitable undertaking. There was £10,000 worth of jarrah cut for one particular firm to be delivered to the postal department in London. I suppose that is there yet. That was prevented from being sent away by the outbreak of war and on account of the absence of shipping. Many sleepers also had to lie there because there was no shipping. I notice now that the Press are not so eager to criticise our trading concerns.

Mr. Nairn: They are devoting their energies to the National Government.

Hon. W. C. ANGWIN: I believe they have become convinced that they were wrong in their criticism a few years ago and that after all there was business acumen amongst the members of the Labour Government. They did not like to admit that. It was very strange also that a section of the Press, though not the "West Australian," when dealing with the trading concerns on the Estimates introduced by the Treasurer, wilfully cut out the amount of the profit last year paid into Consolidated Revenue, and the anticipated profit of this year. That is playing it low down. We are all pleased to see that these concerns have turned out so well. The Minister referred to the barque which was lost. A good deal of the credit or all of it, for securing that barque on such favourable terms is due to one of my colleagues, Mr. Wilson, the member for Collie. He fixed up all the arrangements in Melbourne, and we should be pleased when we realise that in connection with that vessel we cleared £10,881 up to the time the Germans torpedoed her. The ship and the cargo were insured and the only loss we sustained was that we were not able to make any further profit because the Germans torpedoed their own ship. I hope that in the future when hon. members are talking about the State trading concerns they will tell their constituents what the exact facts are, and that instead of driving the State into bankruptcy, they are keeping the State out of it. Vote put and passed.

Vote—Wyndham Freezing, Canning, and Meat Export Works, £100,000—agreed to.

This completed the Estimates of revenue and expenditure on account of the State Trading Concerns.

[The Speaker resumed the Chair.]

BILL—DISCHARGED SOLDIERS SETTLEMENT.

In Committee.

Resumed from 22nd October; Mr. Stubbs in the Chair, the Premier in charge of the Bill. Clauses 7, 8—agreed to.

Clause 9—Qualification Certificate:

Hon. J. MITCHELL: Can the Premier tell me whether these qualification certificates apply to town lands.

The PREMIER: I will make a note of it and let the hon. member know.

Clause put and passed.

Clause 10—Special provision for settlement of discharged soldiers:

Hon. J. MITCHELL: Subclause 4 provides that the payment of the rent of a pastoral lease granted to a discharged soldier, may for the first five years of the term be deferred, the annual rent for the remainder of the term being proportionately increased. This merely defers the payment of the rent. It does not relieve the soldier of any payment at all. Would it not be possible to grant to the pastoral lessee a consideration equal to the value of the consideration granted to the soldier on conditional purchase land?

The PREMIER: Pastoral lessees are not in the same position as conditional purchase holdings. The rent for a pastoral lease is very low, and it was thought that by allowing it to stand over for the first five years we should be giving the soldiers a concession not granted to other lessees, and so enable them to get on to their feet before being obliged to pay rent.

Hon. J. Mitchell: This might apply to an exceedingly large area.

The PREMIER: It might apply also to people in a position to pay. We have already on pastoral leases returned soldiers who have been assisted by some of their old friends and employers. Some of those soldiers are men able to go out in their spare time and earn good money on neighbouring stations. None of those men have held that the conditions are in any way burdensome.

Mr. JOHNSTON: One cannot help comparing the small measure of consideration proposed to be given to pastoral lessees with the very much greater consideration that it is proposed to give to conditional purchase holders. It is proposed for these lessees, when the title of the land is absolutely alienated, to waive half the purchase money. Within my own knowledge some returned soldiers have already gone on to pastoral leases with the assistance of the £500 granted by the repatriation committee. Although these men can never get the freehold of their land, all that we say to them is, "We will

give you the lease rent-free for the first five years, and will ask you to make up that amount during the remainder of your lease." The Government might at least make absolute the five years rent-free consideration. I have discussed this matter with the member for Gaseoyne (Mr. Angelo), who represents a pastoral constituency, and he is entirely with me in the amendment I propose to move. I move an amendment—

That in line 3 of Subclause 4 the words "deferred, the annual rent for the remainder of the term being proportionately increased" be struck out.

If this be carried I will move to insert "waive" in place of "deferred." Afterwards it will be permissible for the Government to provide any safeguards which they might consider necessary. We ought to make some real concession to returned soldiers going on to pastoral leases.

Mr. DRAPER: I should like to ask the Minister what is the effect of the whole clause, according to the advice of the Crown Law Department. What is meant by "set apart any area of Crown Land"? Does it mean any area of Crown Land, whether already leased or not?

The CHAIRMAN: I am afraid I cannot accept the amendment in view of the Standing Order which provides that no private member can move an amendment which will increase the burden of taxation on the people. The striking out of the words as proposed would have this effect. It is intended to lighten the burden of the persons who take advantage of the measure, but at the same time it imposes further taxation upon the State.

Point of Order.

Hon. T. Walker: On a point of order. How can the amendment have any such effect when there is no taxation in respect of the land at present? It is intended to utilise land that is bringing in no revenue, with a chance of getting some revenue from it by and by. Clearly, Sir, the reasoning is inaccurate. The purpose of the Bill is not only to benefit the soldiers, but the State also. We have many square miles of country requiring settlement. The waste places are bringing in nothing. If we allowed people to go there for the next 20 years rent free it would be for the future benefit of the State. It is settlement that we require, and settlement that brings in money to the State. The object of this is to facilitate settlement and increase the revenue. It takes no revenue away from anyone, because we are not getting it now.

Hon. J. Mitchell: It does refer to the leases already in existence.

Hon. T. Walker: Not essentially that. It means that we may settle people in those new areas, and therefore increase the general wealth of the community. That is the very opposite to putting extra burdens upon the people. I think your ruling, Sir, is on some principle which I cannot devise, and I would, therefore, advise that you review it and withdraw it.

Hon. F. E. S. Willmott (Honorary Minister): I would like to know from the member

for Williams-Narrogin exactly what he means by his proposed amendment. Does he mean that those who already hold pastoral leases are to have the same privileges as he says those men, who may take up pastoral leases from then onwards, may have?

Mr. Johnston: Yes, if they are returned soldiers.

Hon. F. E. S. Willmott (Honorary Minister): Has the hon. member considered what the effect of this will be? Many of these pastoral lessees are very wealthy.

Hon. W. C. Angwin: We are discussing a point of order.

Hon. F. E. S. Willmott (Honorary Minister): This may get over the point of order.

The Chairman: We are discussing the point of order at present.

Hon. F. E. S. Willmott (Honorary Minister): I might get a reply from the hon. member which would wipe out the point of order.

Mr. Johnston: I want the first five years rent free to apply to every man who has been to the war, no matter when he took up his pastoral lease. Many pastoralists have gone to the war and many have stayed behind. I want the man who has gone to get the five years rent free as a reward for having gone.

Hon. F. E. S. Willmott (Honorary Minister): This will not give you what you want.

The Premier: The idea of the Honorary Minister is to get from the member for Williams-Narrogin exactly what he means by his proposed amendment, so that I might consider whether I could accept it or not.

Hon. W. C. Angwin: The Chairman has ruled that it is not in order.

The Chairman: Not for a private member. I have ruled that a private member cannot in Committee move to add anything to a Bill which will increase the burden on the general taxpayers of the State, although it is quite competent for the Premier to do so.

Hon. W. C. Angwin: If an income tax measure were introduced and a tax of 6d. in the pound imposed by the Government, we would have every right to reduce that tax to 5d. although we could not increase it to 7d. This amendment does not provide for increased taxation, but fixes the rents that shall be paid.

Hon. J. Mitchell: We are dealing with the price we shall get for the land, and in doing that we are justified in either increasing or decreasing the rents. The Committee is asked to say whether the land shall be sold to a returned soldier under certain conditions or not. We differ on the point, and say the conditions are not generous enough, but we could make them less generous if we so desired. We have a perfect right to make any alteration in any proposal the Government may submit to us.

The Chairman: It does not appear to be clear that the amendment of the member for Williams-Narrogin will place an increased burden on the general taxpayers of the State, and to save any further discussion I will, therefore, accept the amendment.

Committee resumed.

Mr. JOHNSTON: The Honorary Minister has pointed out that the amendment by itself would not give relief for five years to the soldiers who had been at the war, and had their pastoral leases before they went. I, therefore, propose, if the amendment is accepted, to insert other words in lieu of those struck out, namely—

Waive, and payment of rent of an existing pastoral lease may similarly be waived for returned discharged soldiers.

Hon. W. C. Angwin: They have the pick of the land.

Hon. T. WALKER: That is hardly clear. The hon. member cannot make it retrospective. He might say "All who take up land under this Act shall enjoy that privilege."

Mr. FOLEY: The point of order could not stand if that amendment were moved.

Mr. Johnston: I will leave it as it is then.

Hon. F. E. S. WILLMOTT (Honorary Minister): The member for North-East Fremantle has rightly pointed out that these men have the pick of the pastoral leases. I do not think they want it. It is not that we say they are not entitled to it, but they do not need it, and would not thank us for giving it to them. It would be a great mistake for the Committee to carry this.

Hon. T. Walker: The hon. member has withdrawn the amendment.

The CHAIRMAN: I did not hear the hon. member do that.

Mr. Munsie: He has withdrawn his intention of including other words.

Hon. J. MITCHELL: Whilst I think we should make the same grant to a pastoral lessee as we do to all C.P. lessees I do not think the Committee can agree to an unlimited area of land being held without rent for the first five years. It may be that a million acres would be selected in these pastoral areas. I do think however, that it might apply to 100,000 acres, which would be the equivalent to the consideration we are showing under C.P. conditions. The Premier might recommit the clause so that it might be considered with the C.P. clauses.

The CHAIRMAN: The amendment before the Chair is to strike out certain words from the clause. We shall get hopelessly mixed if we do not confine ourselves to the question before the Chair.

The PREMIER: I have no objection to the words being struck out, but we shall have to give careful consideration to any other words that may be inserted.

Mr. Johnston: The word "waive."

The PREMIER: We must also consider what the result of striking out the words would be. I agree that we should be liberal towards the returned soldier. It might be possible that a discharged soldier would want to take up a million acres, and on this he would want the first five years free of rent.

Hon. W. C. Angwin: Every one of them could do so.

Mr. Johnston: Put a residential proviso in.

The PREMIER: These pastoral leases can be juggled with, and we have to be careful how we handle them. It might be better to

postpone consideration of this clause so as to have it worded in such a way as to convey the sense of the Committee. In deferring the run for the first five years I thought we were making a fairly liberal concession. I should like to see a returned soldier, who might have 100,000 acres, granted relief for the first five years. But we have to be very careful that such a provision may not be abused. I move—

That consideration of the clause be postponed.

Motion put and passed; the clause postponed.

Clause 11—Price of land:

Mr. MUNSIE: Say a man holding a conditional purchase lease, and having paid half the purchase price, goes to the war. Upon his return he is to be relieved, under this measure, of half of the balance that he owes. But a returned soldier who has not taken up a conditional purchase lease in this country will pay only half the price of the land he may take up. That, I consider, is distinctly unfair to the first man.

Mr. Johnston: But the first man got his land cheaper.

Mr. MUNSIE: If any man has gone to the war, having paid half the price of his conditional purchase land he should, in my opinion, have the balance owing waived altogether. Any balance owing on conditional purchase land by a returned soldier ought to be waived. Of course, I would not have any refunds; the soldier who had paid three-quarters of the purchase price should not obtain a refund of one-quarter.

Hon. J. MITCHELL: This clause is liberal particularly to the returned soldier who takes up a fairly large area. It would be well if we could grant to the returned soldier who goes into the Wheat Belt a free farm of 640 acres, and to the returned soldier going into the South-West a free farm of 160 acres. Obviously, the clause as it stands is much more favourable to the soldier who takes a large area than to one taking, say, 1,000 acres. Six hundred and forty acres of good land is sufficient to enable a man to make a living by wheat growing. Later, I shall move a new clause, providing that for the purpose of this measure the area under Section 74 of the Land Act, 1898, may be extended from 160 to 640 acres where, in the opinion of the Minister climatic conditions render this desirable. I now propose to move an amendment on the lines I have indicated and also on those indicated by the last speaker.

Hon. W. C. Angwin: Even your proposal differentiates. How about the man who has paid in full for his land? He gets no benefit.

Hon. J. MITCHELL: He can take up other land. I move an amendment—

That the words "or (b) before the commencement of this Act, but after his appointment as an officer or enlistment as a member of the forces, as aforesaid" and the words "one-half; and any discharged soldier who, at the time of his appointment or enlistment, as aforesaid, was the holder of a conditional purchase lease under the Land Act, 1898, shall not, as from the date of his

appointment or enlistment, be required to pay more than one-half of the balance of the purchase money (exclusive of the value of improvements, if any) payable in respect of his holding" be struck out, with a view to the insertion of other words.

Under this amendment the advantage would be with the man taking up the smaller area. The proposal will simplify the dealing with soldiers and it will mean for them much more speedily acquiring Crown grants. We want to treat those men liberally, and I would like the Premier to agree to the amendment because it means that in a much shorter time the soldier will be the owner of the property. It means, too, that he will be saved the payment of rent in the early stages of settlement. I believe under this clause the Premier proposes five years exemption, which of course will be an advantage.

Mr. MALEY: The amendment is somewhat confusing. What will be the position of soldiers who have come from the areas along the Midland line and who naturally desire to settle on that land? What will be the position of the Government?

The Premier: They cannot get land there; it is private land.

Mr. Munsie: Will the member for Northam tell us his reasons for striking out these words.

Hon. J. MITCHELL: The paragraph reads, "Before the commencement of this Act, but after his appointment as an officer or enlistment as a member of the forces." That means that if the words are left in it will apply to men who selected land after joining the forces. I think it should apply to all soldiers.

Mr. PILKINGTON: So far as I am concerned it is impossible to follow the amendment. The clause is an extremely important one, and as it is analogous to the clause which we have already postponed, it would be as well to postpone the consideration of this also. In the meantime hon. members could become acquainted with the particulars of the amendment.

The PREMIER: I agree with the member for Perth that it is difficult to follow an amendment such as that which has been suggested. The member for Northam's intention is to grant 640 acres in the wheat areas to returned soldiers, free. The hon. member bases the proposal somewhat on the provision we have already of granting to anyone 160 acres free. The hon. member considers that 640 acres in the wheat areas are no more valuable than 160 acres in the South-West. I think that 160 acres in the South-West would really be more valuable than 640 acres in the wheat area. I have always had it in my mind that we might be able to do something of that sort, and I would like to embody in the Bill some such provision as the hon. member proposes. I look upon the Bill as an entirely non-party one, which we are all anxious to improve. For that reason I would be prepared to listen to the views of hon. members so as to arrive at the best possible result. It would be better to have the amendment on the Notice Paper. I move therefore—

That the consideration of the clause be postponed.

Motion put and passed; the clause postponed.

Clause 12—Preparing land for settlement: Mr. JOHNSTON: Paragraph (b) contains a proviso that I do not understand. It says, "But not after the end of the third year from the commencement of the conditional purchase lease or occupation certificate." I would like to know the reason for those words, because it appears to me that they will prevent work being done on leases that were held by soldiers before they went to the war. It would be better to strike out the words, leaving it to the approval of the Minister irrespective of when the land was taken up as to whether this should be done.

The PREMIER: Those words only apply to men who make application for the work to be done in the first three years after they receive their occupation certificate.

Mr. Johnston: They might have received their occupation certificate five years ago.

The PREMIER: A great deal is left to the Minister, who has wide powers under the Land Act. I think it would be better to allow the words to remain, and trust to the Minister to see that justice is done.

Mr. JOHNSTON: But if the words are left in, the Minister cannot do anything once the land has been held for three years. I move an amendment—

That in line three of paragraph (b) the words "But not after the end of the third year from the commencement of the conditional purchase lease or occupation certificate" be struck out.

Hon. W. C. ANGWIN: It is necessary that a time limit should be set. If these words are struck out, there is a possibility that the provision will be deemed to be operative for all time. We do not want that. If the board continue to improve the land for three years after the soldier has taken it up, surely the soldier will then be in a position to do something for himself. As for those men who, having left their land neglected while they went to the war, require some assistance on their return, that assistance is provided in another measure. It is to be hoped that all new soldier settlers will be satisfactorily fixed up within three years of their going on the land.

Mr. Johnston: A thousand men from my district could come under this clause, but you want to shut them out.

Hon. W. C. ANGWIN: I do not care from which district they come, men who, having taken up land prior to this measure coming into force, require further assistance, should not come under this clause at all. Their land should be improved by themselves with proper assistance from sources already provided.

Hon. J. Mitchell: So it is.

Hon. W. C. ANGWIN: But the clause provides for the board doing it, and it is better to confine the activities of the board to the first three years.

The PREMIER: The provision is taken from the Victorian Act. In Victoria it was passed in this form for the very reason re-

ferred to by the hon. member who has just sat down. It would be unwise to strike out the words as proposed. I prefer to see the clause passed as printed.

Hon. J. MITCHELL: This refers to land specially set apart for the settlement of soldiers. Soldiers already on the land do not want the board to go on their holdings and make improvements at their expense. The time limit provided is quite necessary.

Amendment put and negatived.

Clause put and passed.

Clause 13—agreed to.

Clause 14—Advances by Agricultural Bank:

Hon. W. C. ANGWIN: Why is it necessary that, before the trustees of the bank can make advances, they must have the recommendation of the board? Could not the application be made direct to the bank, instead of through the board?

The Premier: As a private citizen he could apply direct.

Hon. W. C. ANGWIN: Subclause 2 merely defines the monetary assistance to soldiers. The Commonwealth Minister for Repatriation, in this little pamphlet which I have before me, claims that the Department of Repatriation advances up to £500 as working capital. As a matter of fact, the Department of Repatriation provides nothing at all. For the first year the soldier will have to pay $3\frac{1}{2}$ per cent. for the £500. That £500 is loaned, not to the soldier, but to the State, at current rate of interest. The difference between the $3\frac{1}{2}$ per cent. charged to the soldier and the current rate of interest is met by the State and the Commonwealth conjointly. So all that the Commonwealth pays is half the difference between the interest charged to the soldier and the current rate of interest.

The Premier: That is all.

Hon. W. C. ANGWIN: Yet we are continually hearing that the Commonwealth is doing this and doing that. This pamphlet, published on the 18th October, 1918, claims for the Commonwealth credit for everything in respect of the soldiers. As a matter of fact it is the State, and not the Commonwealth, that is doing everything.

Mr. MUNSIE: What does the proviso to this clause mean? If it goes through, in my opinion the Commonwealth Government will not pay half the difference of the interest between $3\frac{1}{2}$ per cent. and the current rate.

The PREMIER: It would not be right to charge the Agricultural Bank with the difference between the amount at which the money is lent and the current rate of interest. Money will be provided under this Bill, and out of it the Agricultural Bank will be recouped for the loss it may incur in advancing the money at $3\frac{1}{2}$ per cent. for which they have actually had to pay $5\frac{1}{2}$ per cent.

Mr. Munsie: Recouped by whom?

The PREMIER: By the State.

Mr. Munsie: The Commonwealth would then pay nothing.

The PREMIER: There is a definite understanding that they will pay half. This only provides for half the amount.

Hon. W. C. Augwin: The circular I have referred to was only issued a few days ago.

The PREMIER: There is something wrong about it. It does not show the position as it is. The arrangement with the Commonwealth Government was that they should find £500 for each soldier at certain rates of interest. The difference between the amount of interest paid by the settler, and the amount at which the money was borrowed was to be borne half by the Federal Government and half by the State Government.

Mr. Munsie: Where does it say that?

The PREMIER: That is in the written agreement which has been entered into. The Commonwealth Government fully recognise their responsibility in this matter. I decided that the Agricultural Bank should be the machinery by which these advances were made. The board recommend that £500 should be advanced to a certain returned soldier. The Agricultural Bank then advances the money under the terms contained in Clause 14, Subclause 2, and the Commonwealth Government and the State Government are each responsible for half the difference between the $3\frac{1}{2}$ per cent., at which the money is advanced, and the actual interest which has to be paid on the money borrowed for the purpose.

Mr Pickering: This only applies to the Commonwealth advance.

The PREMIER: Yes. By the time this money is absorbed the Agricultural Bank will know the settler, and when he asks for further advances from the Agricultural Bank it may advance further money taking the improvements already made as security.

Mr. Pickering: The money would then be at the Agricultural Bank rate of interest?

The PREMIER: Yes. It is wise that the Agricultural Bank should start with these men from the beginning, because it will have to deal with them afterwards.

Mr. Munsie: Who appropriates the money?

The PREMIER: This Parliament, under this Bill.

Mr. MUNSIE: I accept the Premier's statement about the understanding with the Federal Government, but I believe if this proviso goes through and this Parliament appropriates money for the purpose, the Federal Government can say, "You appropriated the money and you must make up the difference."

The Premier: It is only to make up the difference.

Mr. MUNSIE: And they will make us do so.

Clause put and passed.

Clause 15—Security for advances:

Mr. DRAPER: Is there any provision in the Bill for the board advancing money? Up to now it has been the Agricultural Bank which has been advancing the money, but here we have the board making advances on its own.

The PREMIER: There is provision for an amount of about £50,000. It is necessary for the Repatriation Department to have a certain amount of money at its disposal, so that it will not be necessary to go to the Agricultural Bank for every little amount that may be required. Any money advanced by the board will be made a charge upon the land.

Mr. DRAPER: The board is given no power to make advances. If it is intended that the board should have this power, provision should be specifically made for it. The most we can say is that there is an implied power to the board to advance money.

Hon. J. Mitchell: It is treated as an advance.

Mr. DRAPER: Then why not say so?

The PREMIER: The amount advanced by the board under this clause shall be charged to the selector.

Mr. Money: The board may expend moneys for certain purposes.

The PREMIER: I think it is implied that the board may advance money.

Mr. JOHNSTON: It is suggested here that the moneys advanced by the board or the Agricultural Bank shall, until repaid, be and remain a charge on the land, crops, and chattels of the discharged soldier. On at least one occasion the Industries Assistance Board has tried to get security over the chattels of every farmer on the board, in addition to his land and crops. Fortunately this attempt has failed. It is a paltry thing to ask that the Agricultural Bank should have security over the few sticks of furniture and the pigs that the soldier may take upon the land. Why should the board ask for this security? I think there is someone associated with the Agricultural Bank who has an eye on these chattels. I move an amendment—

That the words "and chattels" be struck out.

Hon. F. E. S. WILLMOTT (Honorary Minister): We make a special advance up to a certain amount for furniture. It is necessary that these words should remain. The Industries Assistance Board, however, do not make advances for furniture.

Hon. W. C. Angwin: Are you sure?

Hon. F. E. S. WILLMOTT (Honorary Minister): They are not supposed to. We have, however, made advances for furniture under the soldier settlement scheme, and we want to protect that security. What is to prevent a man from disposing of the furniture as soon as he gets it?

Mr. Johnston: Could not you limit it to the furniture that you buy? I would agree to that.

Hon. F. E. S. WILLMOTT: I hope hon. members will not agree to the elimination of the words.

Mr. JOHNSTON: I regret the Honorary Minister will not accept my suggestion. So far, most of the returned soldiers who have been assisted are men with small holdings. The feeling of resentment to which I have alluded has been expressed very forcibly. If, as a rule after years of work, a man is driven off the land, he should be allowed to take his few chattels with him.

Mr. PICKERING: The difficulty might be met by the insertion of such words as "provided that the word 'chattels' shall apply only to chattels obtained under the provisions of the measure." Chattels belonging to the soldier should be exempt.

Hon. F. E. S. Willmott: I would like to see the result to the Government of selling up a returned soldier's furniture.

Amendment put and negatived.

Clause put and passed.

Clauses 16 to 20—agreed to.

Clause 21—Acquisition of private land to be dealt with under this Act:

Hon. J. MITCHELL: This clause should be amended. As it stands, it is likely to give rise to much trouble. A returned soldier may get it into his mind that he would like some block of land, and without consulting the owner he will then go to the Government and ask them to buy the block. The man will set in motion the machinery for the purchase of the land, and most likely will not get the land. My amendment is that the clause shall read, "The Minister may, at the request of a discharged soldier holding any land under agreement of purchase, and on the recommendation of the Land Purchase Board, purchase on behalf of the Crown any such land, including land held under pastoral lease; the land so acquired to be allotted to the soldier subject to the provisions of this Act." The effect will be to allow the discharged soldier now holding land under agreement to purchase, to have the purchase completed by the Government, and it will allow other soldiers, who require special land, to arrange for the purchase and then come to the Government, who if they think well of the proposed purchase will complete the matter. The amendment would simplify matters and save a good deal of irritation. Under the clause as it stands, there may be all sorts of wild and weird proposals to purchase land which the owner may not be willing to sell, or land the purchase of which would spoil the remainder of the farm.

The CHAIRMAN: As the Honorary Minister is desirous of deleting certain words in this clause, I suggest to the member for Northam that he should at present move only the striking out of the words "on the recommendation of the board, purchase, on behalf of the Crown, any alienated land, including land held under pastoral lease."

Hon. J. MITCHELL: I accept your suggestion, Mr. Chairman, and I now move an amendment—

That the words "on the recommendation of the board, purchase, on behalf of the Crown, any alienated land, including land held under pastoral lease," be struck out.

Mr. MALEY: Under this amendment, what is the position of a soldier desiring to purchase land the property of the Midland Railway Company?

The PREMIER: The object of the clause is to provide for the case of a discharged soldier who informs the board that he has a block of, say, 1,000 acres under offer, and who asks for assistance to purchase. We have already rendered such assistance without any Act of Parliament. You, Mr. Chairman, know of several transactions of this nature which have been carried out with great advantage to the returned soldier. During the second reading stage some hon. members expressed the fear that the clause might mean that the board would be able to purchase any man's land. But one cannot buy land unless the owner is prepared to sell. I suggest to the member for Northam that he should move the striking out of the words "which a discharged soldier holding a qualification certificate may desire to acquire under this Act." That will give the Minister power to purchase the block of land and then dispose of it subject to the provisions of the Bill.

Hon. W. C. Angwin: Suppose there is more than one applicant for a particular block?

The PREMIER: There would not be more than one person because the seller would only offer it to the one individual and it would be that individual who would approach the Government

with the request that the block be purchased for him.

Hon. T. WALKER: Suppose I were a returned soldier and lived in the same neighbourhood as the other soldier who wanted to buy the land and I had heard of the offer as well, and wanted to secure the block, could I not then approach the Government?

The PREMIER: It would not be likely that the block would be offered to two people. We have already bought land in this way, and now we want legislative authority for continuing the practice.

Hon. W. C. ANGWIN: The clause is better as it is. It is provided that the person who wants the land is the person who can take action.

Mr. MONEY: The clause as printed meets all requirements. I know of three people who have signified their desire to purchase certain blocks of land near their friends, and assistance has already been extended in two cases with very little risk. There is no power in the clause to purchase land other than that wanted by a discharged soldier.

Hon. J. MITCHELL: Can the soldier who desires to purchase, contribute some portion of the purchase money?

The Premier: Certainly, and in many cases they do.

Hon. J. MITCHELL: I will not press my amendment and will ask leave to withdraw it.

Amendment by leave withdrawn.

Mr. MALEY: We are making the conditions of settlement on the Midland lands extremely awkward for the Midland Company. If the generous terms conceded by the Government come into operation, the Company will be cut out altogether of any likelihood of disposing of their lands.

Mr. Munsie: Let them be a little more generous.

Mr. MALEY: If the soldiers who have gone from the Midland areas desire to settle there, and the free homestead farm idea as suggested in the amendment comes into operation, it will mean that the Government will be compelled to purchase homestead blocks of 640 acres on the Midland line.

The PREMIER: The Lands Purchase Act provides for all that. We cannot provide land on the Midland concession for soldiers, but if a man comes along and informs us that someone is prepared to sell him 1,000 acres on the Midland line, we can, under the clause, buy the land for him. Even if he wanted to buy 1,000 acres from the Midland Company he could approach the board and state that he had been offered land by the Company and it would be bought for him, provided everything was satisfactory.

Hon. T. WALKER: The danger is that we may have a lot of speculation under the clause. The Midland Railway Co., or some of the settlers on the Midland Company's blocks, may get hold of an aspiring soldier and offer him their land under this provision, with a view not entirely to his benefit. I will not oppose the clause, because I think the difficulty of settling our soldiers is greater than the difficulty I am raising, but we must see to it that the practice I am referring to does not creep in.

Clause put and passed.

Clause 22—Training farms:

Mr. PICKERING: Is it intended to make provision for free training on these farms?

The PREMIER: Our intention is to treat the soldiers most generously. Not only will they be trained free, but if in a position to do so they will be able to earn money by their work on the farms.

Hon. J. MITCHELL: I hope these farms will be put in districts where the soldiers are likely to settle.

Clause put and passed.

Clause 23—Application of Act to discharged soldiers on certain private lands:

Mr. JOHNSTON: It does not appear to me that the clause safeguards the State. I am not prepared to pass the clause if it means that the State's £500 is to be handed over to be spent on a block owned by a company or syndicate.

The PREMIER: In many parts of the State various organisations are raising money for the assistance of soldiers. This provision gives power to the Government, with the approval of the board, to supplement that assistance. It is for the assistance of the returned soldier, and not of anybody else. It is taken from the Victorian Act.

Hon. J. MITCHELL: I know a landowner in the Premier's electorate who would be perfectly willing to allow a returned soldier to crop part of his land without any rent at all. Under the clause power is provided to advance for plough, machinery, horses, stock, plant and seed in exactly such a case.

Hon. W. C. Angwin: What security is there?

Hon. J. MITCHELL: If some one in my friend's electorate were willing to lend to a returned soldier a house rent free, the hon. member would applaud the action. If a man with cleared land allows a soldier to have part of it without rent, that action is equally commendable.

Hon. W. C. Angwin: Yes, to get the land sweetened and manured for the owner.

Hon. J. MITCHELL: Nonsense. The first crop on land such as I refer to would probably be the best crop.

Hon. T. Walker: The clause has a very suspicious air.

Hon. J. MITCHELL: The case I have in mind is cleared land of good quality. The clause is very necessary.

Hon. T. Walker: But this is not confined to cleared land.

Mr. PICKERING: In New South Wales they recognise the principle of advancing on the share farming system. I should like an assurance from the Premier that this provision covers that.

The Premier: Yes, it covers all that.

Mr. MUNSIE: I am opposed to the clause altogether. While I applaud the action of any landowner who allows a soldier to crop his land, I should like to point out that, under this provision, we might get many syndicates coming along with beautiful schemes to settle soldiers, and if they can get the board to induce the State to advance up to £500 on their land, they will be prepared to put up wonderful tales. I do not want to see a private landowner encouraging a soldier to use portion of his land unless he is prepared to give the soldier the title to the land. The clause is a mischievous one.

The PREMIER: This is taken from the Victorian Act, and a similar provision is made in each of the several State Acts.

[Mr. Munsie took the Chair.]

Hon. T. Walker: It is a very dangerous clause.

The PREMIER: It is sufficiently safeguarded by the board. It will be of considerable benefit to the returned soldier, and so I should like to see it remain.

Hon. W. C. ANGWIN: I hope the clause will be struck out. We had a lesson recently when a landlord came along and commandeered a crop

on which the Government had advanced money to his tenant.

The Premier: That happened only once.

Hon. W. C. ANGWIN: The board did it. This shows clearly that Government money can be utilised in the direction indicated and the soldier can be gulled into the business. The clause is beneficial chiefly to the crook who may want to take the soldier in. The board may also be taken in by some smooth-tongued individual.

Hon. T. WALKER: I should like to see every effort made to cultivate this country, but I object to its being done at the possible expense of our soldiers. A soldier may be led into this industry, but after making the earth fruitful may go down and another individual get the benefit of his work. It is also possible that the Government may be losers in this connection. It is said that the board will protect the Government. How much money is still owing to the country for money advanced by the Industries Assistance Board? Boards can be mistaken.

Mr. Maley: And even Cabinets.

Hon. T. WALKER: They can all be misled and misguided. It leaves the door open to those who under the plea of philanthropy may get hold of the services of our returned soldiers, who, after making a property more valuable, will get no security, foothold, or tenure upon the soil. This provides a big trap for the returned soldier, and I trust the Committee will not pass the clause.

Mr. MALEY: If, in the case mentioned by the member for North-East Fremantle, the advice of the board had been taken, it would not have lost the money it did.

Hon. W. C. Angwin: The advice of the board should have been taken.

Mr. MALEY: That advice was overridden in Cabinet, and the assistance rendered to the gentleman referred to was given under other circumstances altogether. Such mistakes should not occur under this clause. Without it there is no provision by which the Midland Railway Company can say whether they intend to do anything for the settlement of returned soldiers. With the protection of the board and Executive Council there is no need to apprehend any of the dire results predicted by some hon. members. There is a considerable amount of share farming going on in the country.

Hon. W. C. Angwin: It is being done on private money and not Government money.

Mr. MALEY: The clause is absolutely essential, and I hope it will be passed.

Mr. JOHNSTON: In view of the remarks of the last speaker, I do not feel quite easy about the clause. No one is more anxious than I am that the benefits of the Bill should extend to every district of Western Australia, and more particularly the Midland district, which has been heavily handicapped owing to the large areas of land alienated there. But from the remarks of the member for Greenough it appears that he believes the clause will be used for the improvement of the lands of the Midland Railway Company when selected by soldiers. In that case there ought to be a first mortgage on the freehold to the Soldiers' Settlement Board. But if a mortgage is given, there will be no need for this clause. The Midland Railway Company could take a second mortgage. The whole clause is vague and ambiguous.

The Premier: No; it is quite clear. Private owners may give land to soldiers.

Mr. JOHNSTON: In that case, again, there would be no need for the clause.

Hon. T. WALKER: I would not like the Committee to go to a vote on the supposition that the clause can be amended as suggested by the member for Williams-Narrogin. The object is to enable soldiers to go in for share farming.

Mr. Maley: I am not now referring to share farming, but to a gift of land from a private owner to a discharged soldier.

Hon. T. WALKER: The proposal seems to be that a group of persons shall settle soldiers on private land, and take the supervision of the settlement, and get the pickings. The money for it all is to come from the Government, and the syndicate are to get the pickings, and the discharged soldier is to get the work and the eventual ruin. The clause gives a chance to men with a keen eye to business to get hold of a number of returned soldiers and place them on some privately owned land which requires to be put into tilth. When the Government aid to the returned soldier is all gone, he will have to walk off the land. If the clause has been passed in the other States, the reply is that it has been passed there for the same motive. I hope the Committee will not carry the clause.

Mr. PICKERING: The New South Wales Act, which contains this provision, having been in force now for over 12 months, perhaps the Premier can tell us how the provision has worked there, and whether those dire results which are predicted to flow from this clause have occurred in New South Wales.

Hon. T. Walker: There has not been time for those results to manifest themselves.

The Premier: In Victoria this provision has worked well.

Mr. PICKERING: I am prepared to vote with the Government in this matter.

Mr. MONEY: Apart from Clause 23, I see no provision in the Bill with respect to land already acquired by discharged soldiers. All the clauses, except Clause 23 apparently, apply to new settlement on Crown lands. Under Clause 23 there is the opportunity of assisting the discharged soldier who has had land given to him.

Hon. T. Walker: He can get all that without this clause.

Mr. MONEY: I do not agree that the previous clause would assist the private owner as he could be assisted under Clause 23. All previous clauses appear to apply to Crown land or land purchased by the Crown but not acquired by the discharged soldier. The land costs nothing, it is dear at nothing, and whatever success comes from it depends on the working of it. I have no misgivings about the board doing wrong, and I have no misgivings about the Government doing other than what they should do.

Hon. W. C. ANGWIN: I would like to see a full Committee discuss a clause like this, because I maintain it is one of the most important in the Bill. The member for Bunbury argued that it would pay to give the land away so as to have settlement. If he had been in his place he would have heard the Premier say that this was to provide for putting in a crop on some one else's land. I will not object if they give a soldier land free of cost and advance him money to improve that land. What I do object to is that a person might take a man in on share farming and use the funds of the State for improving the property. If the crop turned out well the man would be all right.

The landlord would be no worse off. If it turned out badly the money would be gone and the soldier would suffer. The State has no right to give money for the purpose of making a permanent home for a soldier on the share farming system. That is why I am objecting to the clause. The member for Sussex asked the Premier whether it worked in New South Wales and the Premier replied that he did not know about New South Wales, but that it did in Victoria. I asked the Premier whether Victoria was in the same position as Western Australia to offer the soldiers land for permanent settlement. Western Australia has land on which soldiers can make their homes with the assistance of money advanced for that purpose partly by the further assistance from the Agricultural Bank, and partly by funds which they will have on their return, and by their own efforts. Western Australia is in a position to provide land for these soldiers, but the State is not in a position to provide money for soldiers to go and crop somebody else's land. There is no necessity for us to do that. The member for Greenough referred to the Midland Railway land. There is power provided in another Bill which we shall shortly be dealing with to enable the Government to compulsorily resume areas of land on the Midland line at a fair price. If they resume that land and hand it over to soldiers I will not raise any objection to the money being used for the improvement of it, because it would be the property of the State and the property of the soldiers. The clause is opposed to the interests of the returned soldier in Western Australia, although in a State such as Victoria, it might be in his interests. We do not want to encourage soldiers to improve other people's land. Along the Wongan Hills railway thousands of acres have been taken up but never cropped. Would hon. members advance money to soldiers to enable them to go into that district and improve the land for the Terrace farmer?

The Premier: The terms and conditions have to be approved by the board.

Hon. W. C. ANGWIN: Not very long ago a board advanced some thousands of pounds to a tenant farmer to put in a crop on land belonging to another. The crop, when it grew, was seized by the landlord, and the Government were left lamenting. That is what we are getting from boards. The clause is dangerous both to the State and to the soldier.

Mr. MULLANY: The clause is not in accord with the principle of the Bill. The Bill is to provide returned soldiers with permanent holdings, but the clause authorises the advancing of money to soldiers for the improvement of land belonging to other than soldiers. I will vote against the clause.

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

Ayes ...	17
Noes ...	9

Majority for ...	8
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AYES.

Mr. Broun	Mr. Mitchell
Mr. Draper	Mr. Money
Mr. George	Mr. Nairn
Mr. Griffiths	Mr. Pickering
Mr. Harrison	Mr. R. T. Robinson
Mr. Hickmott	Mr. Stubbs
Mr. Hudson	Mr. Willmott
Mr. Lefroy	Mr. Hardwick
Mr. Maley	(Teller.)

NOES.

Mr. Angwin	Mr. Underwood
Mr. Foley	Mr. Walker
Mr. Johnston	Mr. Wilcock
Mr. Mullany	Mr. Chesson
Mr. Teesdale	(Teller.)

Clause thus passed.

[The Speaker resumed the Chair.]

Progress reported.

THE WAR—PEACE ARMISTICE RESOLUTION, LETTER IN REPLY.

Mr. SPEAKER [11-13]: I have received the following letter from the Department of Navy, Melbourne, dated 22nd November, 1918:

Sir, I have the honour to acknowledge with thanks the receipt of your letter of the 14th inst., transmitting a resolution passed by the Legislative Assembly of Western Australia conveying the thanks of the people of that State for the services rendered by the Australian Navy and Army in the defence of the Empire, and in reply to inform you that a copy of the resolution will be transmitted to H.M.A. ships. I have the honour to be, Sir, Your obedient servant, A. Poynton, Acting Minister for the Navy.

House adjourned at 11.15 p.m.

Legislative Council,

Tuesday, 3rd December, 1918.

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

[For "Paper Presented" see "Minutes of Proceedings."]

BILL—FORESTS.

Second Reading.

Debate resumed from the 28th November.

Hon. J. EWING (South-West) [4.36]: It is very gratifying, I think, to the people of this country and also to members of both Houses of Parliament that the Government have at last recognised the importance of the timber industry and the great necessity there is for forest preservation and regeneration. In the Bill before us we have, I suppose, the ideas of the Conservator of Forests, which ideas, if carried out, perhaps not in their entirety but to a very great extent, will, I am sure, make for the improvement and stability of the industry. In my opinion, no Bill brought before either House of Parliament has exceeded in importance this Forestry Bill. Anyone read-