

further £50,000 to complete that contract, and also to pay compensation to the extent of £3,190. That does not seem to me a good business transaction. I am aware that the Minister for Works has denied that any compensation has been paid. The fact remains, however, that Mr. Nevanas, reporting as an expert to the Government, stated that the work could be done for £155,000, and that, when asked whether he could do it at the price, he backed his word by contracting to construct the works at his estimate. Whether or not there was an agreement or a contract does not matter much. There is the fact that Mr. Nevanas, or his company, brought goods and stock here to the value of £60,000, being two-fifths of the total contract. At this stage the contract was annulled. The Premier says the contractors failed to carry out the contract, did not proceed with the work. I wonder whether the course adopted in this case represents the ordinary treatment given by Governments to contractors in default. If so, here is an easy way of getting out of a contract that is not payable. Among business men the usual way is to make the contractor carry out his contract. Whether the Government had instructions from the Trades Hall on this subject I do not know.

Mr. Foley: Why drag the Trades Hall into it? Has any proof been offered you that the Trades Hall had anything to do with the matter?

Mr. VERYARD: I know the Trades Hall some time back agitated for the work to be done by day labour.

Mr. Foley: Do you really think the Trades Hall had anything to do with this?

Mr. VERYARD: I am only suggesting that something must have happened to make the Government so ready to cancel the contract. In the circumstances, it seems to me Mr. Nevanas was exceedingly fortunate to receive plus 5 per cent. on the goods.

The Minister for Works: We would not have had them else.

Mr. VERYARD: Very likely; but nobody except the Government was in the market. The goods would have been of little value to anybody else. I do not

think anyone else in Western Australia would have bought those goods. From what has been stated, it seems clear that the Government cancelled the contract or agreement and, as I said, paid compensation to the extent of £3,190. The difference between the Government's price and the expert's price—and I take it he was an expert, and ought to have known exactly what he was doing—plus the amount of compensation, represents, to my mind, what the State will have to pay extra in order to allow the work to be completed by day labour. That is a total of £53,190—practically the total of last year's returns from income tax. I am not blaming the Government or the Trades Hall so much in this matter, because the people put the present Government into power, and they have to pay the piper for doing so. While I do not wish to extend my remarks, I must re-echo the hope which has been uttered here to-night that there will be no more secret contracts. We have had two or three, and they reflect no credit on anybody. Any further contracts to be made by the Government should be advertised in the ordinary way and everyone allowed a fair chance to tender for the work.

Mr. HARRISON (Avon) [8.5]: In rising to speak on the Address-in-reply I will deal with the following passage in the Governor's Speech—

I desire to draw the attention of the House to the fact that the situation is undoubtedly grave and that we need all our resources, both of men and money, to accomplish the task in hand.

As hon. members are aware, I am connected with a party that is directly interested in primary production. In my opinion, primary production offers the quickest and the best means of restoring the finances of the State to a position satisfactory and advantageous to the whole community. It is contended by the Government that the adverse season in the agricultural industry is largely responsible for the increase in the deficit. Adopting that argument, does it not follow that prosperous conditions in the same industry would mean prosperity for the State as a whole?

Here in Western Australia we have a good deal of latent wealth. That latent wealth needs to be made active, and to get that latent wealth active we must first of all bring our primary enterprises into a flourishing condition. If success is going to attend the arms of Germany, that will be due not altogether to the military position of Germany, but to its industrial position. Germany is going to be the greatest trouble the British Empire has ever had to contend against, and it is up to us in Western Australia, as also the remainder of the British Empire, to see that the industrial portion of the community backs up the military enterprise of the brave soldiers at the front. The easiest and quickest means of doing that is for each man engaged in industrial enterprises to put his shoulder to the wheel and do his level best to attain the common goal. As the member for Menzies (Mr. Mullany) said last session, it is just as wrong for the employee not to give value in return for the money he receives as it is for the employer to sweat his workers. I consider it highly important that, no matter in what walk of life we are, we should return value for value received. Since this session opened, I have asked a few questions with regard to one of our primary industries—a primary industry which I consider vitally affects the State of Western Australia. I asked those questions not with any desire whatever of hindering or embarrassing the Administration, but solely with the object of enlightening the people, the Government, and the members of this Chamber generally. I consider I am quite correct in my estimate of the loss which this State is suffering as the result of present methods of selling our products. In reply to a question I asked to-day I was informed that the loss on wheat exported in jutes amounts to £56,971. I was also informed that on wheat used and milled in the State the loss on jutes amounts to £24,248. Again, in respect of chaff, there is a loss on jutes of £90,344. Many people will contend, and this is also contended by the Government, that the loss is not an actual one to the farmer, but represents a fair

charge on production. I take a different stand altogether with regard to the question of jutes. The reason why I am bringing the question forward is that the loss to our producers is so heavy. In any other business an added cost can be passed on to the purchaser or the consumer. In the case of the farmer, however, the cost of production has no actual relation to the sale price of his commodity. Take the case of chaff last season. Chaff prices went up on account of the shortage of fodder. The farmers grow fodder and sell fodder. As regards jutes, however, there is a standard value, and on these figures we lose 90 per cent. on jutes that contain chaff. Again, if two samples of chaff are put in new jute goods, the loss is heavier on the poor quality than on the higher quality. If it were possible for the farmer to do the same as an ordinary merchant does, namely, hand on the added cost to someone else, the position would be different. But it is not so, and every pound that goes out of the farmer's pocket means that there is a pound less for primary production in this State. It may be contended that Governments have nothing to do with business questions of this kind. We find, however, that no less than 2,564 farmers have obtained assistance from the Government through the Industries Assistance Board; and I take it that the Government to-day are co-partners with all the farmers who were helped. Can the community allow these farmers to lose to this extent on that particular item? If the answer is no, then I think something should be done to alter present methods. My contention is that if the jutes are sold at per dozen and the contents at per ton, there would be no loss to anyone. As it is, the farmer loses 90 per cent. on the new jutes. When the jutes are empty and the farmer re-purchases them to refill, the man who sells them back can make 900 per cent. profit, and the farmer has to suffer a corresponding loss. To my way of thinking, that is an insane way of doing business. Yet we, as farmers, cannot help ourselves. We are scattered throughout the country, and we have to depend upon the agents at the various centres. Unfor-

unately, our organisation is not so united that we have been able to make a demand on the trade that the condition I complain of shall not continue any longer. I contend that if the best results are to be obtained from primary enterprises, we must lift as much of the load as we possibly can from the primary enterprises. There is another feature to which I wish to call attention. If the gold-mining industry, for example, by any assistance or by improved conditions in the working of the mines, can produce an added value, that is so much the better for the whole State, because, naturally new wealth is of considerably higher value than borrowed money. In respect of new wealth, there is no principal to pay back, neither is there interest nor sinking fund. Another matter I wish to touch on is one brought up to-day by a deputation to the Minister for Water Supply and Sewerage. The present system of the department is bearing heavily upon some portions of our primary industries, and if a readjustment can be made in connection with the agricultural industry, the farmers will be able to graze more sheep and put more acres under crop. That would be a good thing for the whole State. I trust that these matters will occupy the attention of the House, and that their full consideration will not be prevented or interrupted. These are essential matters, because, if we cannot get on the loan market henceforth as we did in the past, then it becomes a matter of each man doing his level best and his part. I trust the House will unitedly work for the betterment of Western Australia.

Mr. CUNNINGHAM (Greenough) [8.15]: I wish to say a few words before this debate closes, but as most of the subjects have been worn rather threadbare there is not much new ground for me to travel over. There is a paragraph in the Governor's Speech which says that the people of the State keenly feel the sadness of the times. That is but too true: both Parliament and the people feel the grave responsibility that rests on them in these trying times. When the history of the present time in this State comes to be written, it will

show that the ninth Parliament of this State had graver responsibilities placed upon its shoulders than any previous Parliament since the advent of Responsible Government. When the first session of this Parliament opened after the election towards the end of last year, this State was suffering from the severest drought it had ever experienced, and through the force of unfortunate circumstances, the Empire was at the same time engaged in the greatest war it had ever known. The drought conditions had to receive first attention; legislation had to be passed in connection with the supplies which were available in the State, in order that these supplies might be obtained from the people who had a surplus, and distributed amongst those who were in need of them. Legislation had also to be introduced for the fair distribution of those supplies. Since then, we are told, that about a third of the farmers have been assisted, and that £626,000 has been expended in that direction, with the result that no less than 1½ million acres have been placed under crop. That is the largest area ever placed under crop in Western Australia, but I do not for one moment say that the assistance given is altogether responsible for that. I do say, however, that the area perhaps would have been considerably less but for the assistance given. Wednesday last was the first anniversary of the declaration of the war, and the position in regard to the war is still very serious, because the end is not in sight. We know that the price of victory will be high, but the generous response of the people on Australia Day to the Red Cross funds, and the patriotic expressions throughout the Empire, go to show that the people of the Empire are determined to continue the war until it can be brought to a successful close. These abnormal conditions have had a serious effect upon the financial condition of the State. It is well known to all of us that not only this State but all the States in Australia have been largely dependent upon money borrowed from outside sources for the carrying out of

a public works policy and the development of resources. On account of the financial stringency brought about by the war in Europe, we find that we cannot any longer borrow from those outside sources, and not only that, but we have to find about 40 millions sterling for Australia's share of the military expenses, in order to carry on the war. If this means anything it means that public works in Australia, for a while at any rate, will have to cease, because funds will not be available with which to carry them on. It will mean also that private individuals, who have been putting their profits into development work, will have to stop that development work and lend those funds to the Commonwealth, in order that its loan may be a success. That is the wisest course to take and it is better for all of us, even looking at it from an individual point of view, that we should put forth every effort to protect what we have in this time of stringency. We are fortunate in one respect, that for the last few years we have been carrying out a vigorous public works policy, and during the last financial year. I understand that 364 miles of railway were opened for traffic and that 413 miles were either under construction or had been authorised, and that altogether we have over 3,300 miles of railway in the State. If we have to stop development work for a time, it will give scope for us to make the best use of our position. We have railway facilities and we can carry on our business in the best way possible for a time. Therefore, I think that since we cannot go in for a vigorous works policy, the best course we can follow is to look after those services we have and make them as efficient as possible so that they may promote the advancement of our primary industries. When we are left to our own resources, we have to look principally to our primary industries in order that we may carry on, because they are the industries which are the very basis of our industrial advancement. Our secondary industries are largely dependent upon the primary industries; therefore, I say, if we look after our primary industries,

we are laying the foundations of our national advancement. Not only will there be a financial strain upon us by having to cease borrowing, and having to lend our funds to the Federal Government, but we must not forget that for some time past the Federal taxation has been increased. The Customs duties were increased only a few months ago and there were also imposed a tax on Crown leases and a tax on probate duties, and now it is proposed to impose a Commonwealth war tax. We know that taxation is necessary in these abnormal times and we do not object to pay a reasonable tax when we know its imposition is warranted. But, owing to the effect that the abnormal conditions have upon the industrial affairs of this State, and the increase in the cost of living, and taking into account also Federal taxation, it is evident that our scope for increased State taxation will be very limited indeed. During my travels through the agricultural districts I heard many complaints in regard to the administration under the Industries Assistance Act. I know that the board appointed to distribute assistance given to settlers in need of it had only a very short time to deal with many matters, and they had a large number of people to look after, while the operations were spread over a very large portion of the State. Therefore, every allowance should be made. I have gone to the board's office and received every courtesy, while the matters I laid before the board were given immediate and strict attention. Although there may have been some reason for complaint, and perhaps defects in the management, I must give the board credit for having done the best under the circumstances. I only mention the fact that complaints existed so that the Administration might exercise care in the future. We know that the season looks promising and that there is likely to be a bountiful harvest, and that the Industries Assistance Board will still have a great deal to do with the crops of those people who have been assisted, and I do hope that every care will be taken and every effort made to prevent

inconvenience being caused to the farmers. This should be possible, because whatever has to be done in the future will not require to be done in such a hurried way as was the case in connection with the distribution of seed and supplies. I have heard a good deal about the land rents. Some settlers take a very serious objection to being asked to borrow money from the Government through the Assistance Board to pay their land rents. A business man will not see much hardship attached to that, but the position is that, for a small amount of rent, a man is practically placing his crop under the Industries Assistance Board, and he is deprived of that liberty he would like in connection with the disposal of the crop. A business man could get out of the difficulty because he could enter into a contract, but all farmers are not business men and I think some move might be made in the direction of remedying this state of affairs. If the land were taken as security against the money specially granted for rent, it would be a way out of the difficulty.

[*The Deputy Speaker (Mr. McDowall) took the Chair.*]

The Minister for Works: Does not the land belong to the State? How can it be taken as security?

Mr. CUNNINGHAM: It belongs to the State if the rents are not paid. The man who holds the land knows that one of the conditions under which it is held provides for forfeiture, a penalty greater than would be imposed upon him under the Industries Assistance Act. The member for Geraldton (Mr. Heitmann) pointed out the extent of the production going on in the Victoria district and the lack of facilities at the port of Geraldton.

The Minister for Works: The Commissioner for Railways assures me he can handle without trouble the crop grown in that district this year.

Mr. CUNNINGHAM: A few years ago there was great trouble owing to the lack of facilities at Geraldton, but in 1913-14 there was almost as much trouble with the facilities provided, although they managed to deal with the wheat. During

this season, if the crops turn out as we all hope, there will be a greater quantity of stuff to be handled at Geraldton than ever before, and there is a possibility that the existing facilities will not be sufficient to cope with the trade. However, I hope that what the Minister tells me will prove right, and that the Commissioner of Railways is not erring in his judgment. Of course, this is not the time when we can undertake any very big expenditure. The scheme proposed for Geraldton will involve hundreds of thousands of pounds; but if that scheme cannot be carried out immediately I hope something will be done to render the handling facilities sufficient for the next harvest. We have heard a good deal about the trading concerns. I am only a new member and have taken no part in any debate respecting those trading concerns. I know that those enterprises have been initiated in pursuance of a policy put before the people, and that the people sent back to power the party responsible for that policy. Therefore I say our trading concerns are there with the consent and at the will of the people, and while I am a member of this House I shall always endeavour to respect that will. Some of the trading concerns have been established for a little time now, and although it must be allowed that any business requires time in which to prove itself successful, yet we know that the men who started those concerns have been administering them ever since, and so, if those enterprises are not a success their failure cannot be attributed to unsympathetic administration. On many occasions I hear that they are a failure. I am not prepared to say they are. Perhaps they are not. However, they were established at the will of the people, and should have a fair trial. If, after a fair trial with fair administration, it is found that any of these trading concerns is a failure, it should be candidly admitted that it is a failure, and we should take the wise course of cutting our loss. Nevertheless, I hope none of these trading concerns will prove a failure. They are now established, and the people are responsible for the money invested in them, and I sincerely hope they will prove a success.

Mr. Taylor: If an election were to be held to-morrow, and this party was defeated, would you say it was defeated on those trading concerns alone?

Mr. CUNNINGHAM: I am not prepared to answer that offhand. Touching on the controversy in regard to the State Implement Works I, like the member for Geraldton, have come across farmers well disposed towards those works, but who, on ordering implements from those works, have seen weeks pass without any acknowledgment of their orders. In the end they have grown tired of waiting, cancelled their orders, repeated them to a private firm and had the orders fulfilled with the least possible delay.

The Minister for Works: It will be different under the new management at the State Implement Works.

Mr. CUNNINGHAM: And one or two have declared to me that any correspondence they do get from the State Implement Works comes to hand in unstamped envelopes. This state of affairs should not be allowed to exist. No private firm could hope to succeed under similar conditions, and certainly our trading concerns will not prove successful except under businesslike management. I do not wish to enter into the merits of the controversy between the late manager of the State Implement Works and the Minister for Works. The Minister, I feel sure, will throw more light on the subject later in the session, and as I know only what I have seen in the Press I will welcome the Minister's statement.

The Minister for Works: I wish I could give you the costs of manufacture, but unfortunately I cannot.

Mr. CUNNINGHAM: The member for Forrest (Mr. O'Loughlen) said there was too much of the "happy family" spirit in the House, but that probably the Press would compensate that later. These are abnormal times, and if the "happy family" element will enable us to put forth a united effort in the interests of the State, it is not amiss. I hope that when we meet again the abnormal conditions now prevailing will have passed away. I hope that the war will come to

a speedy close, and that we will have a fruitful victory and a lasting peace.

Mr. HARDWICK (East Perth) [8.38]: I was pleased to notice the objection taken by the member for Geraldton (Mr. Heitmann) when he made reference to the State boarding house, which, by the way, happens to be situated in my constituency.

The Minister for Works: You were elected by it.

Mr. Munsie: You are not expecting an election now?

Mr. HARDWICK: One can never tell. What we have heard here to-night would lead one to think that if a vote of no-confidence were moved at present the Government would not be too happy. Getting back to that popular resort in East Perth, I may say it was my privilege on one occasion to attend a deputation of influential men who complained of the nature and quality of the food being supplied at that institution. One burly gentleman in particular, a boarder at that sanatorium, complained loudly because of having found an innocent little cockroach in his bacon and eggs. Some genius at the back remarked that he should take no notice of that, because in all probability the cockroach had laid the egg. I regret that a certain amount of temper had been displayed in the House to-night, because we understood, both from the deputy leader of the Opposition and from the leader of the Country party, there was to be a sort of political understanding, that the criticism was not to be too caustic. But many of us have been considerably enlightened to-night by the information conveyed to us by one occupying almost a Ministerial position. He has placed before us facts which we were not previously in possession of, and we have received a deal of valuable information. I also regret that the Minister for Lands is not here. I understand he is away in the Eastern States. His absence is causing some anxiety in my constituency, anxiety as to what contracts he may make on the other side of the Commonwealth. I would have liked an assurance from the