

to £405,000, and in his last year of office he got it down to £229,000. That meant that the deficit was reduced at the rate of £225,000 a year.

The Minister for Justice: We could have done the same.

Mr. ANGELO: Yet the present Premier acknowledges that he received nearly £2,000,000 more in the way of revenue than Sir James Mitchell received in his last year of office, and all that can be shown is a surplus of £28,000. On the results achieved by Sir James Mitchell and at the same rate of progress the present Premier should have a surplus this year of £400,000.

The Minister for Lands: You had the super tax.

The Minister for Railways: Of 15 per cent.

Mr. ANGELO: That was mighty small when it comes to a question of millions.

The Minister for Railways: Take 15 per cent. on a million.

Mr. Davy: Why on a million? We never have a million in taxation.

The Minister for Railways: It was off every tax, not only the income tax.

Mr. Davy: What else was it off?

Mr. ANGELO: The Treasurer, whilst acknowledging receipt of a bigger revenue, claimed that its receipt also meant higher expenditure. That is correct up to a certain point. When a business increases and the receipts become greater, the overhead charges generally remain the same. In the case of this State there is the same Parliament, there are the same departments, and the same heads of departments.

The Minister for Railways: How much has the same Parliament cost us?

Mr. ANGELO: Mighty little. The whole cost of Parliament is only a flea bite. There are the same heads of departments, and practically the same civil service.

The Minister for Lands: Look at all the advantages accruing from medical services, education, hospitals, charities, etc.

Mr. ANGELO: The cost of these does not run into £1,800,000.

The Minister for Lands: Then there are the police, the civil service and teachers, and so on.

Mr. ANGELO: By this time we should have seen a surplus of £400,000, that is taking it at the same rate of interest and the same rate of progress as was achieved by the previous Government in the last three

years of administration. There are lean years and fat years. We have to provide for the lean years. We have had two or three good years lately in this part of the State. If we can build up a little surplus and catch up some of the leeway, we should do so. I am disappointed that the surplus was not greater. If I were satisfied that the £28,000 surplus was a true and genuine one, it would not be so bad.

Mr. Clydesdale: How does it compare with the other States?

Mr. ANGELO: I am not comparing it with the other States, but with what was achieved by the previous Government that was in power. It is right that the Treasurer should give us a frank explanation to clear up these points, more especially as to the item, £150,000. If that has not been debited to interest and is still kept in revenue it is a liability for this year, should the agreement not be confirmed by Parliament. It is only fair to the people of the State that a full explanation should be given as to these amounts, and that we should know exactly where we are with regard to last year's figures.

On motion by Mr. Panton, debate adjourned.

House adjourned at 10.5 p.m.

Legislative Council,

Tuesday, 16th August, 1927.

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

LEAVE OF ABSENCE.

On motion by Hon. J. Cornell, leave of absence for three consecutive sittings granted to Hon. J. E. Dodd on the ground of urgent private business.

MOTION—TRAFFIC ACT.*To disallow Regulations.*

Debate resumed from the 10th August on the following motion by Hon. G. Potter:—

That the regulations prescribing omnibus routes Nos. 7, 16, 20, 42, 48, 54 and 55, under the Traffic Act, 1919-26, published in the "Government Gazette" on the 22nd July, 1927, and laid upon the Table on the 2nd August, 1927, be and are hereby disallowed.

HON. J. M. MACFARLANE (Metropolitan-Suburban) [4.46]: In moving for the disallowance of the regulations, Mr. Potter dealt mainly with the termini at Perth and Fremantle. The Chief Secretary, when opposing the motion, also dealt with that aspect more than with the question of the traffic between Perth and Fremantle. The Leader of the House threw out the suggestion that members should make themselves personally acquainted with the position by looking in to the files and studying the maps. He submitted that the position was intricate to a degree. I thank the hon. gentleman for the suggestion. After his impassioned speech and invitation I felt compelled to make an investigation. Having done so, I entertain a different feeling from that which I had when the motion was moved. I think hon. members will have to realise, as I now do, that the traffic is of two classes—taxi and omnibus or charabanc—and that the regulations really affect the taxis more than the charabancs. The question of the termini comes under the Traffic Branch solely, and they, in altering the Perth terminus from St. George's-terrace to White City, were moved, no doubt, by a regard for public interests and public safety.

Hon. E. H. Gray: That does not apply in the case of Fremantle.

Hon. J. M. MACFARLANE: I am not equally conversant with the position at Fremantle. Though White City cannot be held up as an ideal starting point, it is certainly the best available under the conditions, and the one that is nearest to the original starting-point. I am certain the Traffic Branch were concerned only for the public good and acted solely in the public interest, and therefore I am bound to support their action. Inspector Hunter assures me that it was the same interests which caused him to make the changes at Fremantle. Having seen what

I have seen at the Perth end, I am prepared to take the inspector's word as regards the Fremantle end. The Cottesloe protest, however, is of quite a different nature. That protest comes from the people, and therefore I have been much concerned about it. Indeed, that seems to be the aspect to which the greatest consideration should be extended. The traffic must be regulated, but as regards public inconvenience in Cottesloe I felt that we should adopt a different viewpoint. At Cottesloe, however, the Traffic Branch have nothing to do with the route. That is solely a matter for the Routes Advisory Committee.

Hon. A. J. H. Saw: They expect the Cottesloe people to walk backward like a crab.

Hon. J. M. MACFARLANE: It has to be borne in mind that until the passing of the amending measure last session the taxi proprietors were under no obligation to be licensed as carriers, with the result that they were able to make routes for themselves; and no doubt they did good service to the people of Cottesloe by augmenting an omnibus service which had been inaugurated there in 1924 by Mr. Best, but which dealt solely with the traffic between the Cottesloe railway station and certain points in and about Cottesloe. I understand that the service in question did cater fairly well for the needs of the traffic. However, when the taxis formed a route for themselves, and when, subsequently, the regulations were brought into force, it was natural that Mr. Best should take exception; his contention, as the files show, being that his routes were made unpayable by unfair competition. The Routes Advisory Committee took action to the extent of protecting him who had been running the service since 1924; but to meet the conditions as set out, the taxis formed a route. It is against this that the public protest has been made, because Cottesloe residents will not now have a car passing the door every two or three minutes in the desired direction. I am not in a position to offer much criticism with regard to the protest. I contend, however, that in the Cottesloe case, too, it was quite right that the charabanc proprietors who had been catering for local needs and doing it satisfactorily for years should be protected as from a

living-wage standpoint. If the routes as laid down for the taxis were not satisfactory, I can understand that the drivers would kick; but I am not able to say how far their protest is justified. After looking carefully into the whole matter, I am convinced that it could not have attained the dimensions which it has assumed if all traffic of this nature were under one authority. It has to be borne in mind that the Routes Advisory Committee and the Traffic Branch both have a hand in traffic control. My personal view is that it might be advisable to disband the Routes Advisory Committee, and if necessary its members could be attached to the Traffic Branch. The trouble is that the traffic has too many bosses. I am reminded of a grandson of mine, about three or four years old, who came to visit me, and on one occasion I was chiding him for doing something. He looked up into my face and said, "You are not the boss of me." Even a child objects to too many in control of him, and such a situation arouses in him a spirit of antagonism. That, it seems to me, is what has happened in the case of this traffic. I revert to the conclusion that the abolition of the Routes Advisory Committee would be in the best interests of the traffic, which should be left entirely to the control of the Traffic Department with, if necessary, a representative of the taxis and charabancs, and also, possibly, Mr. Shillington as representing the tramways and railways. Representation for public bodies is not necessary. Realising that the taxis themselves, now that the regulations are being enforced, will be so controlled as to have a chance of making a fairly regular living, as they have been doing in the past. I cannot support the motion. No doubt formerly the taxis manned the routes at periods when they could get something out of the traffic, taking the pick of the traffic so to speak, and when they should have been maintaining the time table they left the road altogether, as they then had a right to do. Personally I cannot view such a position as being altogether in the best interests of the public, but after thinking the matter over I have come to the conclusion that I must support the regulations as they stand.

On motion by Hon. W. J. Mann, debate adjourned.

PERSONAL EXPLANATION.

Hon. C. F. Baxter and Interjections.

Hon. C. F. BAXTER: I wish to make a personal explanation. On various occasions when I have been speaking in the House, particularly when referring to group settlements, there have been interjections, twice on the part of Mr. Holmes, and on Thursday last by Mr. Cornell. Those interjections were very misleading to the House and to the public. The hon. members were wrong in their interjections. The burden of those interjections was that I had taken a stand in opposition to the group settlements after the select committee, of which Mr. Holmes was chairman, had made its report. That is entirely incorrect, for it was on the 6th January, 1923, that I gave an interview to the "West Australian," an interview that was published next morning; whereas the select committee was not appointed until the 7th November, 1923, almost 12 months afterwards. And the Royal Commission that dealt with the subject was not appointed till the 10th October, 1924.

Hon. J. Cornell: Don't argue!

Hon. C. F. BAXTER: It is not a matter for argument; it is most misleading to the public. I had information at the time that the administration was not right. Nor was it right. Notwithstanding that, the two daily newspapers of Perth have criticised me over this more than they have criticised any other man. Yet the action I took has been substantiated, both by inquiries and by the recommendations of the select committee, 1923, and of the Royal Commission, 1924. I trust there will be no repetition of those interjections and that, in justice to me, the members who made them will withdraw them.

Hon. J. J. HOLMES: I, too, wish to make a personal explanation.

The PRESIDENT: A personal explanation cannot be debated.

Hon. J. J. HOLMES: I only wish to say that I dealt with this matter on the 12th September, 1922.

ADDRESS-IN-REPLY.*Eighth Day.*

Debate resumed from the 11th August.

HON J. R. BROWN (North-East) [4.48]: It is generally understood that the Leader of the House would like to see this debate concluded to-morrow evening. Accordingly, I am going to curtail my remarks, occupying at most half an hour, and I hope that other members will do the same, so that the Minister may have a chance to reply on Thursday. I wish to congratulate the electors on having re-elected to office the Government that have done more for the country than any other Administration we have had since Responsible Government. The slogan, "Keep Collier Premier," was responded to by the electors, who must have been satisfied, not only with the Government but with Parliament as a whole, since they returned all but one of those members who sought re-election. In the Governor's Speech we get this paragraph by His Excellency—

I desire to convey my thanks to the people of Western Australia for the expressions of loyalty and attachment to the Throne and Person of His Majesty the King which were made manifest in the very warm welcome extended to their Royal Highnesses the Duke and Duchess of York during their recent visit.

We are all pleased to see royalty visit our shores. In fact, so seldom does it happen that we see them only about every decade or more. Some members who have spoken said that our demonstrations showed our loyalty. But I say our loyalty was not expressed during the visit of the Duke and Duchess; rather was it expressed when in 1914 the Great War broke out. There was then no royalty here, nor had there been for over 14 years, but we gave our men in tens and hundreds of thousands to the Great War. So I say it is not the loyalty to the Throne that we show when royalty visits us that should be so highly thought of. The visit of the Duke, probably, was more pleasant to the people of Western Australia than to the Duke and Duchess themselves. I refrained from attending any but one of the functions arranged for the Duke and Duchess. I ventured only to the garden party at Government House, for I thought I should find there space and room to move about in without being embarrassed. But I found that the grounds of Government House

were not large enough to accommodate the clamouring crowd that wanted to breathe all over the Duke and Duchess. I pitied the Duke and Duchess. Their necks must have been tired with bowing, their jaws must have ached with smiling, and their hands must have been paralysed with shaking, especially when some big burly gentleman grasped their hands and squeezed them so hard as to leave a painful impression even while he breathed all over them. As I say, we were crowded out at Government House. The moths and silverfish had a good day looking for a bit of tucker, for in the end every box was empty. I could not recognise some of our elongated citizens with their elongated hats of Queen Anne's time. I saw there members of this Chamber at whom I had to look twice before recognising them. I did not know who they were. They wore ill-fitting coats and ill-fitting hats. I call that snobbery. Some members suggested that we should have illuminated Parliament House, got a lot of Chinese lanterns, let off a lot of crackers, and brought the Duke and Duchess up here.

Hon. J. J. Holmes: Why illuminate it with you here?

Hon. J. R. BROWN: One member asked did we not think the poor Duke and Duchess were bored enough as it was? I am not speaking derogatively of the Crown, but I am sure that no one was more pleased than were the Duke and Duchess when they saw the boat turn away from Western Australia and head for home at last. I am certain both the Duke and Duchess were bored from the time they reached Australia. If what we did during their visit was loyalty, I do not wish to have anything to do with loyalty. The Speech contained this paragraph—

The revenue for the year ended 30th June, 1927, was £9,750,833, and the expenditure £9,722,588, leaving a surplus of receipts over expenditure of £28,245.

This has been declared by some members to be a spurious surplus—unbelieving Thomases that they are. One member, who ought to know better, said the Government had taken amounts from so-and-so and put them into so-and-so. We all know that at the end of the financial year the Treasurer must balance his accounts, no matter from where, so long as he has the cash in hand. I could understand a Government that were going out of office putting a surplus like

that on the people as a blind; but no Government that had just come into power would attempt to put up anything spurious. How are they going to balance next year and the year after, if this year's surplus is not genuine? It goes to show that this House will not give a Labour Government credit for anything they may do. Quite early in the debate we heard Mr. Lovekin on the abolition of the per capita payments. He discussed the subject at length, and everyone knew exactly the position. We all deplore that the per capita payments should have been removed, for it means, as the population grows Western Australia will suffer materially. The Federal Government, with Mr. Bruce at their head, knew that to continue the per capita payments would be disastrous to the Commonwealth Government. For this State is going to be the governing State of the whole of the Commonwealth within the next 10, or even five, decades. It is of no use attempting to discuss the alternative scheme, although members have discussed it, and are going to discuss it again when the scheme is submitted to us. We have no idea of what that scheme will be. I hope that when the scheme comes before us the Council will discuss it without any bias. I am not at all agreeable to any scheme they can devise that will wipe out the per capita payments.

Hon. A. J. H. Saw: They have already gone.

Hon. J. R. BROWN: Yes, but the Federal Government are going to substitute a scheme that will come before the Chamber at an early date. The Speech refers to the condition of land settlement and development in Western Australia as being highly satisfactory. I consider it far from being highly satisfactory. There are hundreds of thousands of acres of land requiring development, and thousands of men willing to go on the land, but that the land is not available. Whenever a block of land is thrown open for selection, hundreds of men are to be found clamouring for it. One member said that a one-armed soldier was doing well on the land; and that it was the fault of the people themselves if they did not go on the land. That is wrong, for there are thousands of men willing to go on the land, if only they could get the land to go on. During this month four blocks have been thrown open. For one of them, 25 miles north of Burracoppin, there were 71

applicants; for another in the Burracoppin district 48 applicants; for an adjoining block 28 applicants, and for a block in the Geraldton district 45 applicants. That means an average of about 50 applicants per block. If any hon. member will visit the Lands Department, as I frequently do, he will see any day in the week 10 or 15 men looking at plans in the hope of securing a block of land. But there is no land available. Why? If there is any tribute I should like to pay it is to the staff of the Lands Department, the most obliging and energetic staff I have ever seen. They compare more than favourably with any other branch of the Civil Service with which I have come into contact. They try their utmost to find blocks to suit applicants. The trouble is that surveyors are not obtainable. We have no surveyors in this State and the reason is easily understood. We pay them at the rate of £6 a week, which is hardly a journeyman tradesman's wage. I know of a case where a man employed by the Main Roads Board is getting £6 a week. He is a civil engineer and surveyor, and a man who is employed under him to look after the horses—no doubt he works on Sunday as well—gets £7 a week. Until the Government wake up and offer better recompense, they will never have the country opened up. There are hundreds willing to go on the land if only they are given the opportunity to do so, and it behoves the Government to do something in that direction very soon. We know that the Agricultural Bank will not advance money on land unless it is first-class, or unless the applicant is well backed up with his own resources. We must pay our surveyors more money, otherwise the country will remain as it is at present. A good deal has been said about mining in Western Australia and we have had figures to show that it has gone to the pack. We know that it has gone down and we are all very sorry that such is the case. At the same time, no State Government, no matter how stable or financial it may be, can deal with the question holus-bolus. It is a matter for the whole of Australia to handle. During war time the Commonwealth Government were prepared to permit men to work day in and day out to extract gold from the ground, so that Australia might continue to do her share in the war. The men who worked in the industry never squealed and though prices soared, they never asked for an increase in their

wages. They went on picking the eyes out of the mines. It is not so long since there was great rivalry between the big mines on the Golden Mile, mines like the Boulder and the Horseshoe. Every month in the "Kalgoorlie Miner," one would see published a statement of the tonnage treated, the expenditure and the profit. The returns of profit submitted the Horseshoe and Great Boulder would be given as £25,000 and £26,000. Next month the figures would be £26,000 and £25,000. So they went on, month after month. The President can bear me out in that statement that these mines kept up their returns and often with reserves that they obtained from their strong-rooms.

Hon. E. H. Harris: Where did you get that information?

Hon. J. R. BROWN: Out of the "Kalgoorlie Miner."

Hon. E. H. Harris: Did the "Miner" say that those mines had reserves in their strong-rooms?

Hon. J. R. BROWN: I said that the statement appeared in the "Miner." We know whence their reserves came. If the profits were £30,000, they would be reduced to £25,000; if they were £20,000 they would be increased to £25,000. Those mines did just as the Lake View did in the early days when it prided itself on being able to turn out a ton of gold a month. The Lake View accomplished that, month after month, for a fairly long period. Mr. Seddon the other night gave us a number of figures about mines and other things, and I do not think any hon. member has been able to remember any single one of them. It is of no use quoting statistics, because statistics contain the biggest lies ever written. One set of statistics can refute another set. It all depends on where one gets them. If one wants statistics to tell a certain thing, as Mr. Nicholson knows, those statistics can be twisted to suit oneself or one's client. That is just how statistics are worked. Statistics are mythical; they are phantoms; they are not real. No Government can resuscitate the mining industry at the present time, and if the Commonwealth attempts to do so it will have a hard task before it. A gold bonus is what the Commonwealth will not give, and, therefore, we must look for something else. There is a lot yet to be done around Kalgoorlie. From the Golden Mile northwards is the only part of that district that has been prospected. Nothing has been done on the

south, where there is deep ground. The Government should spend a few thousand pounds there in deep boring and pick up the lodes, because it is on the cards that the lodes are not chopped off at the Boulder block.

Hon. E. H. Harris: Have you no recollection of the bores that were put down?

Hon. J. R. BROWN: Yes, and I know that nothing came of them. I have been waiting to see what is going to be done. At the biggest deputation that waited on Sir James Mitchell when he was the head of the Government, a reduction was asked for in the price of water from 7s. 6d. per thousand to 2s. 6d. All classes of the community were represented at that gathering. I heard Mr. Richard Hamilton declare—and I know that what he said influenced the Government—that if the Government acceded to his request to reduce the price of water to 2s. 6d. per thousand, it would be possible for the companies to mine millions of tons of 7-dwt. ore which could not be mined with water at 7s. 6d. per thousand gallons. Mr. Hamilton also added that more men would be employed. He stressed this also, that the reduction in the price of water would not benefit the shareholders, but that it would keep a large number of men employed, and so the wheels of industry would continue to revolve. The Government, in their wisdom, granted the reduction, and since then the mines have gone back. The other evening Dr. Saw gave us a dissertation on girls learning the art of millinery and decorating themselves in fine feathers in order to catch the male birds, and he added that they were neglecting the culinary part of domestic duties. Dr. Saw forgot to mention that those girls who were so decorating themselves were not looking for domestic work, because of the existence of so many handy food shops which supplied all their wants. If one went to any fashionable suburb he would find handy food shops almost everywhere. Those shops formed part of grocery stores, but the grocery section of the establishment was screened off with wire netting, containing a mesh big enough to put one's head through. So to all intents and purposes the grocery part of the establishment was closed, and the handy food section was open at all hours. It is about time that the inspectors employed under the Factories and Shops Act looked into these premises around our suburbs, all of which are at the present time evading the law and are un-

fairly competing against small people like Broadhurst's, Carter's, Boan Bros. and others who are struggling for existence, and who are compelled to close their establishments at 6 o'clock. It is possible to go into the suburban handy food shops at any hour on Sunday or up to 11 o'clock at night and get anything one desires. As a matter of fact, the girls Dr. Saw referred to as learning high-class millinery could get their dinners cooked and taken to them, underdone or overdone, just as they liked. Mr. Glasheen told a woeful tale the other evening about the South-West. He complained about the big timber that was ringbarked and left to die, but he did not give a thought to the cost of carting it 200 or 300 miles. Then he told us about the deplorable condition of the butter industry associated with the group settlements. He spoke of dirty children and dirty cows. He said that milk was mixed with mud and all sorts of things. The group settlements do not grow enough butter to grease the heads of the children down there, and yet he tried to put it over us that this great industry is languishing for the want of capital.

Hon. J. Nicholson: Mr. Glasheen did not say that.

Hon. J. R. BROWN: He did not say it, but I am saying what he should have said. He said that we had gone back to pre-historic conditions in the way of milking the cows by the teat. Forty years ago I knew of people on 40 acres of land in the Gippsland country, keeping 40 cows, sending their milk to a creamery and getting 4d. a gallon for it while their milk was returned to them at 1½d. a gallon. All that that was good for was for feeding the pigs, and it certainly provided nourishment for them. Mr. Burvill told us that we had to develop the country, and that to do so we should have to borrow £2,000,000 for building railways here, there and everywhere. He might just as easily have made it £5,000,000, because I would like to know where the Government hope to get the £2,000,000 for railway construction. We have to act cautiously.

Hon. A. J. H. Saw: You are getting quite conservative.

Hon. J. R. BROWN: If we are going to borrow a couple of millions to build railways to some outlandish place—

Hon. J. M. Macfarlane: What about the uniform gauge first?

Hon. J. R. BROWN: Then we had Mr. Seddon who gave us a lot of figures. He tired members with the figures he quoted, tired out of all recognition those who had to listen to him. Some of those figures may have been correct, and a lot may not. We are going to have a Bill introduced again to deal with State insurance. Mr. Nicholson told us that when the Bill came forward he was going to object to it.

Hon. J. Nicholson: I did not make use of those words.

Hon. J. R. BROWN: Did not the hon. member say he was going to oppose the Bill?

Hon. J. Nicholson: That is a different thing.

Hon. J. R. BROWN: It is exactly the same. If the hon. member can see any difference, I cannot. A State Insurance Bill will be brought in again. I do not know what form it will take, but I want to show what the farmers in Queensland are gaining from State insurance. I will read a brief extract from a pamphlet dealing with what the Queensland Government have done—

In the matter of insurance the Government have pursued a policy that has led to reduced premiums and generous protection of the farmer. In the original regulations of 1916 provision was made for the insurance of farmers and others who were not employees. Vested interests, however, challenged the validity of these regulations and they were disallowed by the Supreme Court. But the Government passed amending legislation, including the insurance of farmers, share farmers and others, whether employees or not, who may desire insurance. Fire insurance rates on buildings, on farms and on threshing machines, elevators, chaff cutters, and engines used on farms were reduced by 20 per cent. when the State insurance office commenced writing fire business, and a further reduction of 10 per cent. is now being received by farmers insuring with the office by way of distribution of profits. Many instances have occurred where the State insurance office has admitted liability to farmers where there was no legal responsibility—

Where will hon. members get any ordinary insurance company to do that?

Hon. J. J. Holmes: They would not last long if they did.

Hon. J. R. BROWN: The extract continues—

—and where they would have been ruined but for the sympathetic consideration of the State insurance office. Cases have occurred where farmers have inadvertently omitted to take out policies on employees who were subsequently killed; and where serious fire dam-

age has been done where policies have been inadvertently overlooked; claims of this nature have been paid and farms saved from disaster. Contrast this generous treatment with the time when every legal point was taken against the farmer, and when many were ruined, not on the merits of a claim, but because of some pettifogging legal quibble.

Hon. E. H. HARRIS: Who is the author of that?

Hon. J. R. BROWN: The hon. member can read the document for himself. The Governor's Speech shows that a Bill will be introduced to amend the Constitution Act, and no doubt many members are wondering what that will mean. I do not think the amendment will represent anything of a party nature, but will merely, I understand, provide for more portfolioed Ministers than we have to-day. I do not think any member of this Chamber will take serious objection to that. As time is going on and Mr. Holmes has a very important speech to make on vermin, I will refrain from saying any more, beyond supporting the motion for the adoption of the Address-in-reply.

HON. J. J. HOLMES (North) [5.19]: First of all I would like to congratulate the Chief Secretary upon his re-election to his position in the Labour Ministry and as Leader of this House. If we are to have a Labour Government—evidently a good many people think so, in view of the results of the last general election—I do not think we could have a gentleman in this Chamber representing the Labour Party, who would command greater respect or who would be held in greater esteem, than Mr. Drew. We all respect him for his estimable qualities, including his honesty of purpose and his desire to do the right thing with members of this Chamber. I notice that reference is made in the Governor's Speech to the distinguished services rendered by Sir Hal Colebatch when Agent General for Western Australia in London. I will always admit that if ever the position of Agent General were filled to its fullest capacity, it was by Sir Hal Colebatch. I regret that after three years of service, during which he may be said to have been qualifying fully for the post, coupled with his natural ability, Sir Hal Colebatch, owing to the party system, ceased to occupy that position. I do not think there is any doubt that when the Premier visited London he was astonished at the respect in which Sir Hal Colebatch was held in the Old Country. I am certain

that when the Premier returned to the State he was convinced that Sir Hal was the right man in the right place. But much as we may appreciate the efforts of the Labour Government, and of the desire of Ministers such as Mr. Collier, Mr. Drew, and some others, to do the right thing in the right way, we know there is an influence emanating from the Trades Hall, that sometimes prevents Ministers doing what they know is in the best interests of the country.

Hon. J. R. Brown: No.

Hon. J. J. HOLMES: In Mr. Angwin, the present Agent General, we have a man of marked ability of a type entirely different from Sir Hal Colebatch. Mr. Angwin is a man who will attend to the smallest details; he will inquire into anything and everything; he will do all the ferreting that is necessary. I think Mr. Angwin accepted the office of Agent General because he was glad to be relieved of that appalling position of Minister in charge of Group Settlements. While we know the scheme did not originate with the Labour Government, it came under Mr. Angwin's control in due course. He battled as no other man would do to get at the bottom of it. I am inclined to think that in the end Mr. Angwin was glad to be relieved of the position and to accept duties that took him elsewhere. Mr. Brown, during the course of his remarks, referred to the proposal of the Government to introduce a Bill to amend the Constitution Act. A measure to achieve that object comes before us practically every year. I do not know what the Bill will contain this time, but I know it is part of the Labour Party's programme to abolish the Legislative Council. Later on I propose to show that the Legislative Council was really responsible for the return of the Labour Government.

Hon. G. W. Miles: Hear, hear!

Hon. J. J. HOLMES: I attended a meeting addressed by the Premier during the election campaign. Fortunately or unfortunately, I was pushed into the front row. I will tell hon. members the outstanding theme of Mr. Collier's address, in fact, the whole theme of it. He told the people that the Nationalists had said three years before that if the people elected a Labour Government to power, Labour would pass legislation that would prohibit the country from prospering, and that they would make it impossible for honest men

to carry on in an honest way. Mr. Collier said that the Nationalists had referred to what was done in Queensland and drew attention to the legislation passed there, explaining that if Labour were returned they would do the same thing in Western Australia. After speaking in that strain for some considerable time, Mr. Collier appealed to the people to consider the legislation that the Labour Government had passed. He asked them to say if it had been drastic or if it had contained anything to which they could object to any extent at all. Mr. Collier said that the legislation passed was a credit to him and his Government. During this part of his speech the Premier looked at me in the front row, almost with pity written all over his face. It was as though the Premier were saying to me, "For heaven's sake, don't give the show away." Mr. Collier did not say a word about the legislation his Government had introduced. He told me afterwards that he was almost quivering for fear I would draw attention to the fact that he was taking credit for legislation that the Legislative Council had passed, and that he was not saying a word about the legislation the Government had introduced. As I was in the front row, I did not interject. Had I been in the back row, I might have done so.

Hon. E. H. Harris: What did he do in the North-West?

Hon. J. J. HOLMES: He did that sort of thing all over the State. Mr. Collier took credit for the moderate legislation that was passed, and that was the whole theme of his electioneering speeches. Now we are to have a Bill to amend the Constitution, presumably with the object of wiping out the Legislative Council. Could anything be more absurd? The Premier, the Leader of the House, and some of the other members of the Labour Party know that their lives would be impossible, but for the fact that we trim up the legislation that the Labour Government introduce, allowing to become law only that which is equitable.

Hon. H. Stewart: You did not expect anything else, did you?

Hon. J. J. HOLMES: Reference is also made in the Governor's Speech to group settlement matters, but it is merely a casual reference. I do not know if I will have time to deal with that question, but if I do

not discuss other matters at too great a length, I may be able to do so. The financial agreement is a matter of importance to the State. It is due to the country that hon. members should go into the financial proposals carefully as soon as possible. They should do that to ascertain where we are likely to land ourselves before the present Government or any responsible person in the State attempts to commit Western Australia to all its provisions. During the course of his speech in moving the motion for the adoption of the Address-in-reply, Mr. Kitson referred to the visit of the Duke and Duchess of York, and to the loyalty expressed by the citizens of Australia. I was pleased to note that comment, because we are a loyal people. We are so loyal that it sometimes interests prominent men throughout the Empire as to why it is we are so loyal. In my opinion that loyalty was based on a good foundation fifty years ago. At one time I was travelling down the Wanganni River in New Zealand. Part of the way we had to go in canoes, and where there was deeper water we travelled in small launches. Among those making the journey was Admiral Faulk, who was one of the important people of the Empire at the time, and a personal friend of King Edward. He was one of Nature's gentlemen, who would sit and talk with anyone during the trip, discussing various matters and seeking information from which he desired to profit. He asked me if I could explain the loyalty of Australians. In reply to him I said that I would go right back to the beginning, when the men who came to Australia had a desire to develop it as a portion of the Empire. They were great Imperialists, men who found the Old Country too small, and wanted to go to new countries where they could develop them in the interests of the Empire. They were followed by a fine class of soldiers, men who had served in the Indian Mutiny, and also some of the Light Brigade and some of the noble Six Hundred. I knew some of them myself. Then in addition to that, right throughout the country we had periodical visits by the representatives of the Queen. When speaking to the Admiral on that point I was referring back to the days of Queen Victoria. I could remember the incidents as a boy. In those days every hamlet and every school was visited from time to time by various Governors. They

came into the town at a hand-gallop in a four-horse drag, accompanied by four policemen with drawn swords. Two of these policemen galloped in front and two galloped behind. What they did when out on the track I do not know, but they always entered towns and hamlets in that fashion. At every little township the Governor would address the school children and give them a half-holiday. That is what the Governors did in those days. The visits of members of the Royal family is merely a continuation of that policy. As a country grows bigger, we receive visits by members of the Royal family, in order that they may cement the good fellowship that exists between this portion of the Empire and the Mother Country. These visits are arranged in order that we may see what a fine class of people we have in the Royal family, and on the other hand that they may see what a fine class of people we have in Australia. That is my explanation of the loyalty of Australians. When the Duke of York arrived in Australia, the first thing he said was that we should look after the children and the country would look after itself. The Empire has noted that, and later on I shall have something to say about looking after the children and the point raised by Dr. Saw. Mr. Cornell referred to the accumulated deficit and was taken to task because he said that not five per cent. of the people were concerned about the deficit. I go further and say that I do not think one per cent. of the people have been concerned about it, but if they read the financial agreement they will find that 100 per cent. will be concerned presently when we are brought back to sane finance, as this agreement proposes. Mr. Glasheen has spoken of what I consider are two of the most important questions that Parliament has to deal with, namely, group settlement and the financial agreement. The great organisation known as the Country Party seem to think that the Vermin Act is the one important question before the country. At the Primary Producers' conference days have been devoted to the consideration of amendments, and Mr. Stewart has given notice of motion to disallow the regulations. We are told that this is a tax imposed by the pastoralists to victimise their poor relations, the agriculturists, who are struggling for existence.

Hon. H. Stewart: I have never heard that before.

Hon. J. J. HOLMES: The hon. member has told me that the agriculturists are paying for the pastoralists.

Hon. H. Stewart: So they are.

Hon. J. J. HOLMES: And by interjection he has inferred that I come under the pastoralists' rate and not under the agriculturists' rate. Let me tell the hon. member once for all that I come under the higher rate. I have had enough of running stations in areas that become drought-stricken and of being knocked out every three or four years. I have come back into the safe zone. The pastoralists who are developing the out-back country are doing what I have had enough of; I have come back to the safe zone and I am paying the higher rate. I wish to clear up this matter of the vermin tax because it is one that ought to be explained. How did it come about? Dogs and foxes were infesting the country, killing sheep and lambs and becoming a real menace. Some of the road boards were paying 10s., some £1; some 30s. and some £2 for scalps. What happened was that no matter where a dog trapper caught a dog, if he was out to make money, he went to the board that paid the £2 bonus. Consequently a conference representative of the Road Boards Association, the Pastoralists' Association and the Primary Producers' Association put up this scheme to impose a tax on the pastoralists and the agriculturists. The proposal was a tax of ½d. on leaseholds and ¼d. on freeholds. All that was done by way of amendment when the Bill was before Parliament was to double the two amounts. I have statistics that cannot be disputed showing that the wool clip last year from the pastoral areas amounted to 70,000 bales and from the agricultural districts 90,000 bales. Now let us consider what is happening. The men outback are constantly battling to build up their flocks and are being hit back. If it were not for the fact that the pastoral areas are subject to periodical droughts, they could never hold the country as they are doing as it would be used for agricultural purposes. It is an established fact that pastoral land requires a spell just as much as does agricultural land, and the periodical droughts give the pastoral country the only spell it ever gets. Immediately after a drought the country will fatten anything and everything on a station. Consider the new colonisation scheme under which men, by private enterprise and not by

State aid, are developing the country. I refer to the development on the eastern goldfields areas. Think of the hundreds of thousands of pounds that those men are providing to take up the country, erect dog and rabbit-proof fences and to combat the dogs on the outskirts. Mr. Glasheen gave as a reason why the agriculturists should not pay the tax that only occasionally did a stray dog get through. Why is that? Because the men in the outside country are combating the dogs and killing them. The agriculturists in the safe zone are protected by the people further out, and yet they claim that the tax is an unjust one—a tax that was imposed at the request of the bodies representative of the road boards, the pastoralists and the primary producers. The agriculturists want a reduction. Everyone wants a reduction. Let us consider how the vermin tax is likely to work out. It is expected that from the farming areas the Vermin Board will receive £29,000, from the pastoral areas £10,000 and from the timber areas £2,000, in all about £40,000. It is a tax on the owners of the leases and of freehold, with this difference: that the leaseholders are paying to clear the Crown lands of vermin, whereas the agriculturists in the safe zone are paying merely to clear their own lands—a very marked difference.

Hon. H. Stewart: Lands that were cleared years ago.

Hon. J. J. HOLMES: Because the "Country Party" are pushing the dogs back on to the pastoralists, the agriculturists now object to pay for the destruction of the dogs that they are thus pushing back. It is in keeping with the policy of the party.

Hon. H. Stewart: There were dogs before there was any land settlement in the agricultural areas and you know it.

Hon. J. J. HOLMES: I know that in some localities, apart from the £2 per dog and £1 per fox being paid by the board, we are giving similar amounts to our men for every dog and fox they catch. One dog has been carrying on its depredations for two years and a party of five of us have put up £50 for the man who gets that dog. So far they have been unsuccessful.

Hon. J. Cornell: Some dog, that.

Hon. J. J. HOLMES: Meanwhile we are holding it up and feeding it on sheep and lambs, and the agriculturists are complaining. The rates fixed by the board are equitable. They pay £2 per dog and £1 per

fox right through the State. I have explained that about £40,000 represents the estimated proceeds of the tax. This year, owing to the increased bonus, it is estimated that 14,000 dogs will be killed. On the old basis the number killed annually was 9,000 to 10,000, in respect of which various amounts were paid. A kill of 14,000 dogs will entail an outlay of £28,000. It is estimated that 500 foxes will be killed. I think the estimate is far too low. On one of my division fences nine foxes were caught in a month, three of them in one night. Yet people do not seem to realise what will happen if we do not cope with these pests. We are told by men from the Eastern States that this is the first real, and certainly the best attempt that has been made by any Government to deal with vermin. I think it is more likely that 5,000 foxes will be killed. However, allowing £28,000 for dogs and £1,000 for foxes, the estimated expenditure for the year is £29,000. Last year the road boards paid out about £8,000 for scalps and it is proposed out of the tax to recoup the road boards to that extent. That will increase the expenditure to £37,000, so there will not be much margin between the expenditure of £37,000 and the income of £40,000. It must be clearly understood that this money does not go into general revenue. It goes into a special fund controlled by a representative of the agriculturists, a representative of the pastoralists, and a representative of the Government.

Hon. V. Hamersley. Do you think that that money has not been taken into general revenue?

Hon. J. J. HOLMES: It could not be. If the hon. member inquires of the agriculturists' representative, he will find that the money was allocated for a specific purpose and could not be taken into general revenue. It is money belonging to the contributors and it has to be distributed in this manner. It has been said that the rate might be reduced. In my opinion there is no hope of the rate being reduced at present. If the dogs and foxes become less plentiful, the demand on the fund will be so much less, but as they become less plentiful it will be more difficult to get them, and the chances are that the rate per head will have to be increased. At the first hurdle, as it were, a section of the people who initiated the scheme have raised a complaint against the tax and with them it has become a burning question.

It was done at the request of the people concerned. I think I have said enough to show that the regulations which Mr. Stewart seeks to disallow should be passed by this House. People in the Gascoyne district pay a vermin rate for rabbits, and these other rates as well. A certain number of them became alarmed when rabbits first made their appearance in the State. Accordingly they went to the Government and had a special Act put through Parliament, and borrowed £60,000 in order to put up a fence and cut off this area from sea to sea. Ever since that Act was passed these people have been paying not one halfpenny or one farthing in the pound, but 10s. per thousand in order to provide this barrier for the rabbits. They have done this in addition to paying the other two taxes. The fence was too costly to maintain. After it had been maintained for some years it was abandoned. These people said, "We will abandon the fence; we will pay our 10s. per thousand, let that liquidate the liability, and we shall have finished." A Government came into power supported by the Country Party, and they set about repairing and maintaining the fence. They spent £17,000 of the money of those ratepayers on this work.

Hon. A. J. H. Saw: Which Government was supported by the Country Party?

Hon. J. J. HOLMES: I refer to the Mitchell Government. They spent this money although the Act distinctly laid down that the first charge upon those rates and taxes was to be on account of interest and sinking fund. They took the money out of the fund, repaired the fence, sent officers up there, and have since abandoned it. The result is that those people are £17,000 short in the payment of the £60,000. The procedure I recommended they should follow was that they should sue the Government for the £17,000, but the Government cannot be sued without a petition of right, which the Mitchell Government refused to give. The matter was put up to the Labour Government, but the new Premier, Mr. Collier, turned it down and gave as an excuse that the Mitchell Government had done so. My advice to these people is that they should go on paying until they have met the full amount of £60,000, less the £17,000, and then leave it to the Government to sue them and see whether the Government

will be able to recover that £17,000. I think I have said enough to show who has had the best of the argument over the vermin taxes, the agriculturist or the pastoralist. I should now like to deal with the question of the milk supply, which was raised by Dr. Saw the other day. The hon. member pointed out what had happened in New Zealand through the sterilisation of milk, etc., and the difference it had made in the lives of a number of children which had been saved in that country. He also offered the important explanation that the medical fraternity realised the value of pure milk for children. Very often they did not prescribe milk because they were not sure of its quality. I know of a man who was suffering from nervous dyspepsia. He had been suffering for years, and had insomnia and all sorts of other troubles. He consulted a specialist in Sydney. He told the specialist that he could not eat this or that. The specialist replied, "Do not worry about food at all. If you will drink not less than two quarts of milk a day that will provide all the sustenance you want." Milk is a natural food, and contains everything the human system wants. Somebody told an Irishman that man cannot live by bread alone, and the Irishman replied, "No, I may die of thirst." It is acknowledged that one can live on milk alone. In Western Australia, according to the statistics, there are 8,000 children born every year. If we were to save 15 out of every 1,000, which is about the figure Dr. Saw suggests, it would be a wonderful thing for the State. We can only keep in touch with 4,000 of those who are born in the city, the suburbs and Fremantle, the other 4,000 being born in the country. The amount of our indebtedness five years ago, and the amount of our indebtedness to-day, comparing our population of men, women and children with what it is to-day and what it was five years ago, works out at £350 per head. If we can save 15 children out of every 1,000, according to my calculation we shall save £20,000 year, because in loan expenditure alone we have on the population figures expended a sum of £350 per head. In view of the fact that our population is sparse, this important fact ought to be considered, and I thank Dr. Saw for having mentioned it. I now come to the general elections, and the return of the Labour

Government once more to power. All sorts of suggestions have been made as to how this happened, as to what was done, and what was not done. I have been waiting anxiously for someone to take the initiative in the matter. If what we were told has been done by the Labour Government, surely it demands an inquiry. We are told that an arrangement was entered into between the Minister for Works and the Federal Minister for Works (Mr. Hill) whereby certain work was to be done in this country, some of it by contract and some of it by day labour, but that the latter was not to be done except with the consent of the Federal Minister.

Hon. E. H. Harris: Was not that in the agreement?

Hon. J. J. HOLMES: I do not know. I am seeking for information. If the Minister for Works broke his pledge with the Federal Minister, something ought to be done in the matter, for it means that a sum of £60,000 will have to be paid by the State instead of by the Commonwealth. We were told about roll-staffing, that hundreds of men were put on the roll here, and hundreds there. I was expecting to have a full inquiry into the matter. I was approached by members of Parliament and asked to take the initiative. I point blank refused to do so. I have taken the initiative on a good many occasions, but when we came to the last hurdle, my supporters were not there. I said I had had enough of taking the initiative. If they liked to make the inquiry and found that these things were so, and they wanted someone to back them up, I said I would stand by them to the last ditch. If all these rumours are correct, there should be an inquiry, and the matter should be ventilated. If what has been said is true, it is bordering on corruption. Fortunately for this country we have been fairly clear of corruption, but, if it is going on, it should be dealt with.

Hon. J. Nicholson: Do you suggest a Royal Commission?

Hon. J. J. HOLMES: A judge of the Supreme Court would suit me, or a select committee of the House. It is not for me to suggest how the inquiry should be made. One day during the election campaign I was stopped by a prominent Nationalist. He said to me, "What are you doing in the great cause?" I replied, "I am trying to keep quiet." I will tell

members why. I said that the Labour people on the eve of the general election gave a concession to the railways which, according to my calculations, which are authentic, will cost this country a quarter of a million pounds a year.

Hon. E. H. Harris: But they have not given it yet.

Hon. J. J. HOLMES: They said they were going to do so.

Hon. E. H. Harris: They have not redeemed the promise.

Hon. J. J. HOLMES: They generally live up to their promises if the Legislative Council will allow them. The Labour Government of South Australia would not give the employees an increase on the eve of the general elections, because they said it would not be honest to do so. The Labour Government of this State promised to give the railway employees this privilege, which means long service leave and will cost a quarter of a million pounds annually, and I thought they had done so. That was bad enough. I was expecting that the Nationalist people would take up the matter. A leader of the Nationalist Party, however, said that this scheme was not good enough for the railway men, and that he had a better one to put up, a superannuation scheme that would be more costly to the country. That was one of my reasons for trying to keep quiet. If I had said anything I should have attacked the man who should have opposed it but did not. One prominent Nationalist, who had been a Minister in the Nationalist Government, and was a candidate at the last elections, issued an advertisement which read, "I am in favour of a 44-hour week without discrimination." What was the fight over?

Hon. H. Stewart: There was no Nationalist candidate; they were all members of the United Party.

Hon. J. J. HOLMES: Did that include the Country Party?

Hon. H. Stewart: No.

Hon. J. J. HOLMES: Where did the United Party come in? Let members call them what they like, it is the same old wolf and the same old sheep's clothing. We have this Nationalist ex-Minister and a Nationalist candidate opposing a Labour man, and advocating a 44-hour week without discrimination.

Hon. C. F. Baxter: Did he win the seat?

Hon. J. J. HOLMES: Fortunately, he did not. This would include such people as hospital nurses. Imagine a man in a hospital near to death, with a nurse looking after the case. The union secretary might enter the hospital and say to the nurse, "Your time is up for to-day; you must get out." What would happen to the patient? Even the Labour Party were only trying to apply the 44-hour week to certain industries. They have common sense enough to know that if they applied it to the pastoral or the agricultural industry it would be goodbye to the only two industries that are now carrying on the country. Fortunately this Nationalist candidate did not succeed, for the people showed their good sense by keeping him out. We now come to the squaring of the ledger. All sorts of figures have been put up to us by the Treasurer, and by the Leaders of the United Party, the Country Party and all the other parties. It is true the ledger has been squared, squared in the manner in which State ledgers usually are squared. I do not know that the present Treasurer is very different from those who preceded him. He had a lot more luck than the others. He had money thrown at him that the other Treasurers were not fortunate enough to get hold of.

Member: Five millions more than the previous Treasurer.

Hon. J. J. HOLMES: It is all juggling with figures. I shall not dwell too much on it, because the financial agreement will put a stop to all that. The juggling has gone on to such an extent that the Commonwealth had to take a hand. The Commonwealth will in future dictate how much money shall be borrowed and how it shall be spent. From that aspect I do not condemn the financial agreement. That agreement is the first evidence of sane finance that we have had for at all events the last ten years. However, I shall deal with that phase later. I regret to say that in the financial agreement there are some things which I fear will hit this State pretty hard. From the Governor's Speech I learn that 140 blocks have been surveyed in the northern part of the State for the purpose of tropical agriculture. That I consider a waste of money. It was my good fortune to travel North in the "Koolinda" as far as Port Darwin and back again with Mr. McCallum, the Minister for Works, who will be able to confirm everything I say. Mr. McCallum may not agree,

however, with my statement that tropical agriculture cannot be established in the North-West without coloured labour. I am certain, though, he will agree with me on every other point. What surprises me is that the new State proposal, which was so prominently before the public a few months ago, has not found a place in the Governor's Speech at all. The Speech contains no reference to the new State proposal; but one more visit to the North has convinced me that before we hand over any part of our North-West we must have a clear and distinct agreement, in black and white, with the Federal Government—no mere promise—as to what they propose to do by way of developing that country. One has only to travel along the North-West coast from here to Wyndham to see what private enterprise has done in that part towards developing the North, and then to turn to Port Darwin and see what Federal incompetence has accomplished, the money that has been spent there without anything to show for it. Talk about White Australia! Mr. McCallum will bear out my statement that the lumpers who handled the "Koolinda" at Port Darwin comprised Afghans, Greeks, and Heaven knows what—there was only one white man among the crowd. There is a rise and fall in the tide of 20 feet or more.

Hon. J. M. Macfarlane: At Port Darwin it is 28 feet.

Hon. J. J. HOLMES: Every time the tide altered, went down or went up, the ship's gangway had to be removed, and the chief officer had consistently to go and find the one white man in the gang, the Englishman, in order to tell him what to do about the shifting of the gangway. The ship's crew could not touch it. The ship took fruit and other goods and merchandise; and whilst along the North-West part of the State whole slings-full went out, ten bags of sugar or five bags of flour or five boxes of fruit as the case might be, with splendid despatch. At Port Darwin one could see a truckful of men of all nationalities and the sling going up with one case of fruit or one bag of potatoes. One trader showed us that it had cost him 16s. 9d. per ton to get his fruit from the ship's hold on to the jetty. One never saw anything so astounding, so appalling. Prominent people at Port Darwin tell the visitor that nothing has been done there except to spend money.

A railway is being built somewhere into the interior. Men arrive at Port Darwin and are sent up to the railway, and the peculiar thing is that none of them ever comes back. I do not mean that the men die from overwork: they are kept on because any old thing will do to carry on with there. That is what people are up against in the Northern Territory. Mr. McCallum and I were astounded at the position which had been created. There are Federal Commissioners for the Northern Territory—three of them, I think—and the lowest-paid receives £2,500 a year, I understand. These Commissioners travel around the country looking for a policy for the Northern Territory. One of the members, the appointee from Queensland, is a geologist, and I am given to understand an expert in that job; but the Commissioner in charge of mining is Colonel Weddel. The three Commissioners go around on their fancy jobs and see what money has been expended with nothing to show for it. If one visits the tropical agricultural depot, one sees little except ornamental plants. When one sees what has been done in the Northern Territory by the Federal Government and what has been done by private enterprise in the North-West of this State, one becomes more than ever determined not to let any part of our North-West be handed over to the Commonwealth except after the signing of an agreement in black and white, so that we will know where we are: I do not want an agreement in the form of promises or after-dinner speeches. Incidentally I may refer to the difficulties the people in our North-West labour under. Go to Port Sampson the port of Roebourne, one of the oldest towns in the State, having been pioneered 50 or 60 years ago, and the people without a jetty to-day. The jetty which was constructed there was blown away three years ago. Certainly Mr. McCallum stated that the Engineer-in-Chief, who had visited Roebourne, was going up again, and that the jetty would be built if a site could be found. The best I could tell the people was, "You will get your jetty in about two and a half years' time, just before the next general election. At least, that is when you will get your jetty started." That was the best I could tell them. I also said it was probable these people would have a Labour repre-

sentative in the next Parliament. Surely we do not want to get down to that condition of affairs. Let us try and get on with the job. Then there is Onslow, where the Mitchell Government spent £100,000 on a jetty. At considerable expense, the State also shifted the town, which was 14 miles inland, to the head of the jetty. The Government exchanged blocks of land with the people, and helped to pay for the transfer, thus establishing the town on the coast instead of having it away back in the sandhills. After all this had been done, it was discovered that there was no water on the new townsite. This may be astounding, but it is a fact. Things are done in a slipshod way. It was said that there was a supply of water in the sandhills, but that supply has given out. When Mr. McCallum was interviewed by a deputation from the road board, he considered the matter so urgent that he put up a proposal for all the houses to be supplied with galvanised-iron tanks. The matter was mentioned on the way up, and Mr. McCallum told us that he had a feasible proposition to put forward. The residents, who had been sitting up all night, met Mr. McCallum on board the ship at 4 a.m. on the return journey—we were in for only an hour. Mr. McCallum's idea was to supply each house with a tank on the time-payment principle. In order to give the people drinking water, Mr. McCallum agreed to furnish each house with a tank on the time-payment system. Yet these people are pushing on there, in the face of such difficulties, to try to develop the country. Even those conditions, however, are far preferable to Federal rule in the Northern Territory. I observe that the Governor's Speech mentions a Bill to amend the Workers' Compensation Act. I do not know what amendments are to be proposed, but one amendment I would suggest is an amendment to deal with the £100 payable to the doctor and the hospital. Previously the amount payable to the doctor was £1. The amending measure made the amount £100 for doctor and hospital. I explained at the time that whilst the maximum amount of compensation was £750, the insurance companies would cover and charge for £850, because of this contingent liability of £100. I fought the matter on the floor of the House when the Bill was before us, and tried to

get the amount for doctor and hospital reduced to £50. I divided the Committee on the matter, and the numbers were even, so that the £100 stood. I explained at the time that some parts of the country were overrun with destitute hospitals, and that some of the medical fraternity were black sheep, and that between the destitute hospital and the hard-up doctor the £100 would be absorbed. That prediction has been borne out. When there was only a fee of £1 payable to the doctor, he had a look at the injured man, bandaged him up, and sent him where he could get proper treatment, but now that there is £100 to be divided between the country doctor and the country hospital, men who do not understand surgery, men who do not understand these cases, hang on to the injured person until the £100 has been expended, and then send him to the Perth Hospital to be treated by the honorary surgeons, treated in the manner in which he should have been treated at first. Such a condition of affairs should not exist at all, and certainly should not be allowed to continue. I do hope that no matter what may be done to amend the Workers' Compensation Act, the Minister will make a note of that point and see that the public are not victimised to this extent. I will give one instance. A man on my station went out on the top of a load of hay. Coming down the hill the shafthorse fell, and the man fell off the top of the hay on to a stone on the road. He was in a bad way when I saw him. He would not go to a doctor. I insisted on it, and as the country doctor came to the town once a week I sent the man there, a distance of 15 miles. The doctor charged him a guinea, plus 7s. 6d. for a bottle of lotion, and told him to get one of the men on the station to rub him. Naturally, all these men on stations have hands like bricks. The man got so bad that when I was leaving the station I insisted upon his coming to Perth. I brought him to Perth and he was met at the station with a motor car and taken to a prominent doctor of this town, who examined him and said, "You have three ribs broken, and I must treat you for that." The doctor in the country, with the £100 behind him, wanted the man to go into a hospital there; but I would not let him. What the country doctor did recommend was rubbing with liniment.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. J. J. HOLMES: I wish now to address my remarks to the financial proposals as considered at the conference between the Prime Minister and the State Premiers. I offer no apology for dealing with this question at the present time. We know pretty well what the terms and conditions are, and I think it well for members to analyse the position and express their views in order that those acting for and on behalf of the State may see the position from our viewpoint. I am not going to condemn the financial agreement. I propose to discuss it in order to elicit information from those dealing with it. There is no doubt whatever this agreement aims, not only at the solvency of the States, but also at the solvency of the Commonwealth. In other words, the Federal Loan Council are to be really the official receivers on behalf of the Commonwealth and the States, to see that the thousand millions that Australia owes to-day is paid within 58 years. We can talk around the subject as much as we like, but that is it: under the scheme the Federal Loan Council is to be the official receivers for the States and the Commonwealth, to see that the thousand millions Australia owes to-day is paid within 58 years. That in itself is evidence of sanity. It is a declaration to the world that Australia has begun to look things fairly in the face and proposes to make provision to meet its existing liabilities. I have talked on this subject for the last seven years. We in this State and the other States also have been borrowing and spending money and talking about the deficits. I have stood on the floor of the House and told the country that our six million deficit—one of our Treasurers laughed at it and said it was nothing—meant to the State an interest bill of a thousand pounds per day. That was on that deficit alone. It represented six millions of money borrowed to build railways and other public works, but actually used to pay revenue accounts. I have told the country—I do not want to boast about it—that what the individual could not do the State could not do. For, after all, the State is only a combination of individuals. If an individual borrows money to pay his expenses, there is only one place in which he can end, namely, the bankruptcy court. That is his way out of the difficulty. The difference between the State, a combination of individuals, and the individual is that the State cannot seek the protec-

tion of the bankruptcy court, but must honour its obligations. And to do that it must bankrupt its industries. That is what has been going on in Australia for the last seven or ten years, bankrupting the industries by taxing them to such an extent that they cannot prosper; so that money has been taken out of trades where it was being used profitably and legitimately, and used to pay interest on the extravagance that has been going on. There is in that agreement a very wise provision that the only money the Federal Government can borrow outside of the Loan Council is what they may borrow for defence purposes. That is quite right. No National Government in a growing country like Australia should have to apply to any Loan Council for the requirements of defence. But all other money has to be borrowed through the Loan Council. And the Loan Council is responsible for seeing that the States pay their quota of the sinking fund, namely, two-thirds, and that the Federal Government pay the other third, in order that the liabilities of over £640,000,000 shall be paid within 58 years. Another wise provision is that the seven millions, or the $7\frac{1}{2}$ millions, as the case may be, that was handed to the States as per capita payments shall no longer be paid. That money is to be used by the Loan Council. What for? To pay interest on existing loans. That is a very wise provision. After this no State Treasurer will have his quota of that seven or $7\frac{1}{2}$ millions to spend as he thinks fit. The Commonwealth comes in and says that that $7\frac{1}{2}$ millions shall be used to pay interest on existing loans, amounting to £640,000,000, and that the State must pay two-thirds of the sinking fund while the Commonwealth will pay the remaining third. It is a very wise provision that the Loan Council shall be in a position to see that the interest and sinking fund are paid. That is what I call sane finance. I have explained that, so far as I can gather—my information comes mainly from the latest year book, and some of it from our own statistical register—that the net indebtedness of the States is approximately £640,000,000. Western Australia's proportion of the net indebtedness is 60 millions, while our gross indebtedness is about 71 millions. Consequently the other States owe approximately 583 millions. What is

concerning me is this. On the first page of the agreement we read—

Sinking Fund on Existing State Debts. A sinking fund of 7s. 6d. per cent. per annum on the net amount of the existing State debts, including debts due by the States to the Commonwealth, shall be established under new constitutional powers, to provide for the extinction of those debts during the period of 58 years commencing on the 1st July, 1927. (The net amount of existing debts means the gross amount of those debts at the 30th June, less the balances of the sinking funds at that date.)

That is one of the points troubling me. Here we have Western Australia with a gross indebtedness of 71 millions, a sinking fund of 11 millions, and a net indebtedness of 59 millions. Compare that with the Eastern States. New South Wales has a gross debt of £234,000,000 and a sinking fund of three-quarters of a million. My point is that it is the gross indebtedness, not the net indebtedness, that should be taken over. Then we should have had the advantage of having saved up this 11 millions of sinking fund, which the other States have not done. Victoria owes 140 millions and has a sinking fund of £4,100,000. That is not too bad. Queensland owes £104,000,000 and has a sinking fund of £1,100,000. South Australia owes £83,000,000 and has a sinking fund of £1,270,000. Tasmania owes £22,000,000 and has a sinking fund of £1,400,000. So it will be seen that whilst we are owing 59 millions net and 71 millions gross, it is the net amount that the Commonwealth will take over. In other words, the Commonwealth will say, "You have paid 11 millions in sinking fund. We will take that off what you owe, bringing the amount from 71 millions to 59 millions." And it is on that 59 millions that they will pay one-third of the sinking fund while we pay two-thirds, and on that amount also that they are going to pay interest. So while the other States, owing 583 millions, have an aggregate sinking fund of approximately $8\frac{1}{2}$ millions, we owe 70 millions and have a sinking fund of 11 millions, but are to get no credit for it. If they were to take over the 70 millions instead of the 59 millions, they would pay the whole of the interest on the 70 millions, and one-third of the sinking fund on the same sum until the debt is liquidated. But under the agreement, if I interpret it correctly, it is there we shall be penalised because the con-

servative governments of 10 and 20 years ago made provision for these liabilities. Coming to another phase we find this set out in the agreement—

The Commonwealth to take over the whole of the public debts of the State. The Commonwealth to apply 7½ millions annually from its revenues towards paying interest charges. The States to contribute the balance. Properly safeguarded sinking funds to be established in respect of existing State debts and new borrowings, the Commonwealth making substantial contributions to these sinking funds. The management of debt and future borrowings on behalf of the Commonwealth and the States to be vested in the Australian Loan Council consisting of a representative of the Commonwealth and a representative of each State, such Council to be given powers under a Constitutional amendment.

That is the proposal. Take what we have done in this State. Apart from providing a 10s. per cent. sinking fund on our loans, we distinctly went out of our way in 1896 to do what I do not think has been done in any other State and for which, under this agreement, we are not to get any consideration at all. I turn to the Coolgardie water scheme. As we all know, the Act to authorise that work was passed in 1896. Under that Act it was specially provided that the 2½ millions of money to be borrowed was not to be subjected to the conditions of the Loan Act—namely the 10s. per cent. sinking fund. The sinking fund was to be £3 per cent. in order to wipe out the liability. As the result of paying £3 per cent., the State is going to suffer for its honesty. If we had paid only 10s. per cent. from the time of the passing of the Act until the present date, we would have paid only one million of money. That would have left a million and a half to be paid. What would have happened if we had paid only 10s. per cent.? A million and a half would have been taken over by the Commonwealth as part of our national debt, they would have paid half a million towards the sinking fund and we would have paid a million. They would have paid the whole of the interest until the loan had been paid off. That surely is a point that should be considered in a short-cut proposal such as this to take over the debts without any inquiry. Then again in the same year we bought the Great Southern railway for £1,100,000 and we specially prescribed that notwithstanding anything contained in the General Loan and Inscribed Stock Act—which I have already explained fixes the sinking fund at not less

than 10s. per cent.—the contribution to the sinking fund should be £1 10s. per cent. payable half-yearly, in other words £3 per cent. If we had paid only 10s. per cent., about £600,000 would be owing to-day instead of the liability being wiped off, the Commonwealth would pay £200,000 of that sinking fund and we would pay £400,000, whilst they would pay the interest on £600,000 at 5 per cent. until the loan was extinguished. Surely these are matters that should be given consideration. Another thing I find is that when the Commonwealth take over the net debts, there is a safety clause setting out that where money has been advanced by the State Government to be repaid, the sinking fund is to be provided by the State and not by the Commonwealth. What is going to happen then? Surely we should know what debts they propose to take over and what they are not going to take over. What I am concerned about is what they are going to pay sinking fund on, and how much we as a State are going to pay. There is a clause in the agreement referring to recoverable loans. When moneys have been expended by the State from loan funds and the terms provided for repayment of such money, the State shall pay the moneys so repaid either to the State loan fund or to a sinking fund provided by this scheme, and shall in addition make its sinking fund contributions. What are they going to pay sinking fund on? What I want information about is this: The money that we have advanced to the State trading concerns will have to be repaid sooner or later. Is that money to be put back on to the State and shall we have to provide sinking fund? What about the advances to group settlers? Is that not also money that will have to be repaid by the State, and consequently money for which the Commonwealth will not need to provide sinking fund? Then there are the advances by the Agricultural Bank and the Industries Assistance Board, as well as moneys provided for repurchased estates. What I am concerned about more than anything else is the six millions deficit. That is money that has been taken from loan with which to pay revenue accounts. Certainly it has been funded, but sooner or later that six millions will have to be paid back to revenue. Consequently we shall have to provide the whole of the sinking fund on it. These are matters that

I think should receive the careful consideration of members before we adopt the Federal scheme. We had a similar proposal before us in the days when Federation was being discussed, and an appeal was made to our sentiment with the cry of "One Flag, One Destiny, One People." That never appealed to me. I analysed the position then. I was member for East Fremantle at the time and I realised what would happen. We were to be the junior partner, in other words, the other States were to be the dog and we were to be the tail. I have had experience of senior and junior partners and I know that the junior partner does all the work and gets little for it, while the senior partner is on the box seat all the time. The reason for the financial agreement being brought into existence is that anybody and everybody must know that the rate at which Australia was borrowing money without any attempt to repay it—other than Western Australia, of course—could not continue and that something had to be done. It is an open secret that New South Wales and Queensland were right up against it. They had to send ambassadors Home, but those ambassadors could not get money except on terms and conditions that would have ruined the credit of Australia. Then the Prime Minister came in and declared "We will finance you temporarily in order to prevent that condition of things happening, but you must come into the scheme." Those States had to come in. The agreement does not suit the Premier of Queensland; neither does it suit the Premier of New South Wales to give Mr. Bruce credit for this. They sail under a different flag altogether, but they are right up against it. As I have already explained, New South Wales owes 230 millions and has a sinking fund of three-quarters of a million. Western Australia owes 70 millions and we have a sinking fund of 11 millions. We are not forced into this position as is the case with New South Wales and Queensland, and we should not be in the position to have to say, "We have in the past shown to the world that we intend to pay, and because we have been honest and paid three per cent. when we could have paid half per cent., we should have some consideration." We talk about extending our railway system and authorising the construction of more railways. I want members to understand that as far as new works are concerned, loans can be floated in the future only with the consent of

the Loan Council. What is more, the Commonwealth propose to amend the constitution. Section 105 (a) of the Commonwealth Constitution Act reads—

Parliament (that is, the Federal Parliament) may, for carrying out or giving effect to any agreement made, or to be made between the Commonwealth and the States, make laws with respect to public debts of the State

They are going to make laws. I do not complain about that: I think it is a wise provision. If a community of six million people owe a thousand million pounds, it is time someone woke up and said "We should begin to pay." I am not complaining about what the Commonwealth Government propose to do, but hon. members must cease to talk about building railways. We have to get down to bedrock so far as finance is concerned, and that is why I favour the agreement. The agreement is for the Commonwealth and the States, but we should have special provision to meet our special circumstances. It will be noted that the Commonwealth will pay interest on existing debts. They use the per capita fund for that purpose. Certainly they supplement it to the extent of about £80,000 a year. That is what they propose to put in the sinking fund. Of that £80,000 our quota would be £80,000 a year. We have to put in £160,000, which makes £240,000 altogether. That is why it was calculated to appeal to the State Treasurers. Under existing circumstances, if we owe £64,000,000, we have to contribute £320,000 per year to the sinking fund. Under the financial agreement we will have to put in only half that amount. Out of £160,000 the Commonwealth will contribute a quarter and the other £80,000 is carried on for the next generation to pay. These are the little tit-bits put up for the Premier to hang on to. The Premier will have to pay £160,000 into the sinking fund instead of £320,000. The Commonwealth will pay their £80,000, and the other £80,000 is to be carried on to be liquidated at the end of 58 years. That is the titbit held out to the Premier to help balance his ledger. After all, this question of balancing the ledger does not appeal to me, because the figures of this State, as well as of other States, have always been juggled to make appear what really does not exist. While the Commonwealth is to pay interest on existing debts, it will be the responsibility of the

State to pay interest on all new loans. The Commonwealth have done with the per capita payments, and while they will pay interest on existing debts only, the States will have to shoulder the responsibility for interest in respect of their new loans. It must be remembered that new loans will have to be floated by the Loan Council for all the States in the immediate future. In respect of those loans the Commonwealth will pay half the sinking fund contribution, which will be 10s. per cent., the Commonwealth paying half and the States the remaining half. On all new loans the States will have to find the interest themselves and the Loan Council will see to it that the interest is found. That is a wise provision, for it will take us back to sane finance. Instead of 1 per cent. of the people taking an interest in the sinking fund, and another 1 per cent. in the deficit, we will find 99 per cent. of the people taking an interest in this subject when the Loan Council puts the screw on. I have no hesitation in saying that this agreement has been compiled to avoid a national calamity. He who runs may read. My only hope is that the scheme will be adopted subject to proper protection for the State that is trying to do its duty, and that is all I ask. If other States had done what we have done, made provision for sinking funds and shown the world that Australia intended to pay its debts and was making provision for repayments, there would be no necessity for the financial agreement to which I referred. On the other hand, other States have run riot and have borrowed money without making provision for repayment. Instead of paying $\frac{1}{2}$ per cent. into a sinking fund, we have been paying 3 per cent., and surely because of that it is reasonable to expect that Western Australia should have some special provision included in the agreement. It is for that reason that I ask for this consideration. This is a most important matter, and I offer no apologies for imposing upon the good humour of the House in discussing the matter at some length. It is our duty to point out these things before someone in authority asks the country to adopt the scheme, and Parliament is asked to adopt it too. It is for that reason that I am addressing the House this evening. Here is another point. We have authorised public works, presumably to the extent of £6,000,000, that have never been constructed. Our

deficit on revenue account is £6,000,000. In other words we spent £6,000,000 more than we have collected, but, of course, that is impossible. What we have done is that we have taken £6,000,000 of loan money and paid it to revenue account. That means that money that should have been used for the construction of public works, railways and so forth, has been used to pay revenue accounts. The scheme in this State has been to place before Parliament a railway construction schedule indicating that certain railways are to be built. There was no intention to build those railways for 10 years, but on that authority Governments have borrowed money to build other railways that should have been built out of the £6,000,000. Hon. members will realise the position that will arise when the Loan Council gets on the track of these matters. The sooner that body gets on the track, the better. On the other hand, we have Mr. Burvill asking for a railway here and a railway there, and an Act of Parliament for the purpose of grading potatoes!

Hon. A. Burvill: That will cost nothing.

Hon. J. J. HOLMES: It will cost a lot of time and it is futile. Fancy dealing with matters of that description when we have this great problem confronting the State! Talk about grading potatoes! Good heavens, everyone knows that the man who bags a lot of bad potatoes and puts good ones on top, is counted out the next time he sends his produce to market. If anybody goes to a fruit shop where fine fruit is displayed in the windows and is served with rotten stuff, he will never go to that shop again. I will give the House an instance regarding one of our wool growers. He shipped his wool to London under his brand and established a good name for his wool. One year he bought a lot of second grade sheep and ran their wool in with his other wool and sent his consignment to London. The wool buyers bought his consignment in good faith, thinking the wool was of standard quality. The next year, when his wool was submitted for sale in London, he could not get a bid, and the wool had to be taken off the market and sold privately. That is the way to deal with such people. We do not require railways to be authorised if they are not to be built. We do not want

to take up the time of Parliament with Bills to authorise the grading of potatoes, when we have important matters to discuss! To conclude my references to the financial agreement, I admit that this means national solvency. It involves a declaration to the world, to whom we owe money, that we are going to start out to pay. What I am concerned about is that the necessity for this has been brought about by other States more than by Western Australia. I am afraid, therefore, that we may be hauled into the scheme without that proper protection we are entitled to. It may mean the insolvency of this State. I am afraid that it may mean that we will have to battle along under the agreement, as we have been battling all through under Federation. I want to avoid that. Heaven only knows we have footed the bill while we have been a partner in the Federation. We know the price we paid in the cream of our manhood during the war period. We have done our part from a national standpoint. Now I am not asking too much when I request Ministers to consider the points I have raised and to see that they get equity and justice for this State. I will leave the financial agreement now. It is a subject rather difficult to deal with and I hope I have submitted some points worthy of consideration. Now I come to the question of group settlement. I look upon that subject as next in importance for this Parliament to deal with. Mr. Baxter has taken credit this afternoon for something that he said in 1923. Let me read to hon. members what I said on the 19th September, 1922. Sir James Mitchell had returned from London and had told the people that he had arranged to bring out 75,000 people in five years; he was to establish 6,000 farms at £1,000 each, and he would have £6,000,000 with which to do it. As a matter of fact he did not have a penny. The advance of £6,000,000 was contingent upon Western Australia carrying out the contract. If we took 25,000 people only, we had to establish 2,000 farms, and that meant we would get £2,000,000. If we took half that number only, we would get £1,000,000. Thus we did not get £6,000,000 at all. To get it we would have had to absorb 75,000 people within five years, and establish 6,000 farms at £1,000 each. Everyone knew at the time that it was impossible to do that, with men

who did not know their job. Only if we carried out the contract were we to get £6,000,000; if we could not do all that, we would receive money pro rata. However, at that time I drew attention to an article that appeared in the English Press, when Sir James Mitchell was in England. The article, as emanating from Sir James, appeared under the headings of "Farms Given Away," "How to Get Them." During the debate I read the article and some comment was made. I will read the report from "Hansard" as follows—

The article reads—

The scene is in the bush in my own country of Western Australia. The fire that has been lit more for cheerfulness sake than for warmth flings dancing light and shadows on the huge boles that mark the forest wall. The little band of youths and men was are hewing out homes for themselves on the timber-covered slopes lean on the big logs or lie on heaps of leaves around the companionable blaze.

This is what he told the British people. The article continues—

They are tired after a hard day's toil that roughens and toughens the body but keeps the mind clean. A rustle in the forest tells of some innocent creature of the wild astir. For what are these men working? Immediately and visibly, for the Government subsistence allowance of 9s. or 10s. a day. But they are doing something more than that. They are working for themselves . . . ; they are paying their own wages; and the Government of Western Australia is lending them the money to do it.

That is what the Premier put up to the people of the Old Country.

Hon. H. Seddon: No wonder they are coming out.

Hon. A. J. H. Saw: Is the article signed Micanber?

Hon. J. J. HOLMES: That is what the Premier put up to the people of the Old Country. What did he get? He got the promise of a rebate of one-third interest—the Commonwealth Government are to provide the other third—on six millions of money for five years only, on certain conditions. The conditions are that he must bring 75,000 people to the State, I think to the South-West. It is a fine point as to whether it is to the South-West or to the State; that is not quite clear.

The Minister for Education: Chiefly in the South-West.

Hon. J. J. HOLMES: He has to establish 6,000 of them on farms in the South-West, and when they are established the Imperial Government will rebate one-third of the interest for five years—they do not borrow any money, they only come in on the rebate of the interest. They say, "When you have done this work we will rebate the interest." The sum of £1,000 is to be the maximum expenditure for each settler established.

If we did not establish them for £1,000 we were not to get any interest or any contribution towards any amount in excess of £1,000. Thus if we spent £2,000, we would get a rebate of interest on only £1,000.

Six thousand people must be settled in the South-West, and the total expenditure on each is not to be more than £1,000

Hon. H. Stewart: There will be no trouble in bringing 75,000 people here if they cost nothing, but the trouble will be in keeping them here.

That has been the trouble. In the last five years our population has increased by 40,000, and of the total 25,000 represents births over deaths. The remaining 15,000 represent the increase of arrivals over departures. We were to bring out 75,000 people and establish 6,000 farms, and what have we done? The total increase for the whole of the State, group settlements and everywhere else, is 15,000, and we have spent 6½ millions of money on the job. What have we established? Not 6,000 farms but 2,000 farms, which are lingering on between Heaven and the other place until the present Minister for Lands can find some remedy.

Hon. H. Stewart: There probably have been 6,000 people in the procession that has passed through the groups.

Hon. J. J. HOLMES: I was not satisfied with the position, and in 1923 I moved for the appointment of a select committee to inquire into the Peel Estate. The select committee afterwards became a Royal Commission and I stipulated that it was to be an honorary Royal Commission. The commission consisted of the Hons. A. Lovekin, J. Cornell, E. H. Gray, E. Rose and myself. While other members after a strenuous session were enjoying their holidays, the members of the Royal Commission spent considerable time and energy in trying to get at the facts regarding the Peel Estate.

Hon. J. Cornell: And I had a stiff election campaign before me.

Hon. J. J. HOLMES: I cannot hold the present Government blameless, because the report was presented 3½ years ago and the Government must have known for the last two or 2½ years what has been going on down there. What I am afraid of is that when they become acquainted with the position it was too near an election to tackle the problem, with the result that immediately the general election was over, the position would be faced.

Hon. H. Stewart: The Government had three years in which to take action.

Hon. J. J. HOLMES: If that is so, it is a pity that the poor wretches of settlers had votes at all, because otherwise they might have been treated differently and more promptly. I wish to show that I accept no responsibility for the 6½ millions of money spent in the South-West. I was born there and, as soon as my father died, we had to realise on the property and get out. In the South-West there is good land with a good rainfall, but how can we expect people who do not know the job to go there and make a success of developing holdings. While Sir James Mitchell was boosting this proposal in London, I met his brother in St. George's-terrace and I said to him, "I see that Sir James is in London boosting the South-West." He replied, "Yes, the South-West is going to get all the money." I said, "Do not you think we in the North should get some of the money?" He said, "Don't worry about that; if he puts a lot of people down there we shall have to feed them and we shall be all right." I said, "Do not you think we should tell the people the truth that he, you and me and scores of others were starved out of the cold, wet South?" He replied, "He could not tell them that. If he did, he would not get the money for the scheme." That shows again that I have been no party to this expenditure, and I accept no responsibility for it. In January, 1923, we were discussing the Pemberton-Denmark railway of 130 miles. We were told that it must be built to provide for group settlements. I battled with the House until I got the Bill amended to restrict the construction to 30 miles at either end. The Engineer-in-Chief was brought in, and he asked for sections sufficient to enable him to make his stations. We restricted the railway because we had the port of Albany at one end and the port of Bunbury at the other end as outlets for the produce. There was no necessity for the authorisation of the intermediate junk except the desire for authority to borrow more money. Speaking on the Bill, I said—

I do not care whether I am regarded as a pessimist, but to bring tens of thousands of people to this country, find the money to bring them here, and pay them daily wages until they become established, if it can be accomplished, will entitle the Premier to the highest honour that the Empire can confer upon him.

Hon. J. Ewing: He will do it all right.

Hon. J. J. HOLMES: We must not lose sight of the fact that it is all being done by borrowed money, and every time we borrow money we increase our interest bill. What I am concerned about is that if we are not already carrying too big an interest load, the day is not far distant when we shall be.

Hon. J. A. Greig: All we need do is to go to the British Government. They have permitted the Germans to repudiate their reparations.

Hon. J. J. HOLMES: The Country Party have done a good deal in the last few weeks of which they have no reason to feel proud. If the hon. member is advocating repudiation, the sooner the Country Party go out of existence the better for the State.

Hon. J. W. Kirwan: He was not serious.

Hon. J. J. HOLMES: I need not say anything more about the Country Party, and I need not say much more about the Bill. In view of the fact that £800,000 is required to build this railway and that we are embarking this year on loan expenditure to the extent of four millions, out of which only £5,000 is allocated for the construction of this line, and seeing that we shall be meeting again about six months hence, I propose to vote against the second reading of the Bill.

We trimmed that Bill up and granted a section at either end. We were told that migrants were coming out and that the whole line must be built. That was 1923. This is 1927, and how much of it has been built? My evidence, which I admit is hearsay, is to the effect that not many miles have been built at either end. I am sorry to detain the House, but I look upon group settlement and finance as the two questions of outstanding importance. Shortly before Sir Hal Colebatch retired from the Agent Generalship he told the people in England that group settlement was not a dream but a reality. I shall show the House presently that it is a reality.

Hon. H. Stewart: Was it on statements like that that he built up his great reputation?

Hon. J. J. HOLMES: Let me now quote from the report of the Royal Commission of which I was chairman—

During the inquiry by your Excellency's Commissioners, many instances of lack of co-operation and co-ordination were brought under their notice. Due to this even the Leader of the Legislative Council (the Hon. H. P. Colebatch) on information furnished to him, made a statement to the House which has not been supported by the evidence. On the 23rd January, 1923, he stated ("Hansard," page 2722) that—

"The expenditure on the Peel Estate, including purchase, has been £190,090, of which £43,000 represents plant which will be of use elsewhere, thus reducing the ex-

penditure on the estate to £147,096. It is admitted that it will cost to complete £150,000, bringing the total for the estate to £297,096. There will be a profit on the sale of firewood amounting to £30,000, making the total estate £267,096. The works carried out will drain 18,000 acres of swamp, and altogether 50,000 acres of the estate can be cropped, and it is regarded as a conservative estimate that as against the £267,000 spent on the estate its value will not be much short of one million sterling."

This information was, of course, officially supplied to Mr. Colebatch, but apparently he did not know that there were other spending avenues, and it was admitted to your Excellency's Commissioners that the latest estimated sum required to complete the scheme would reach about four times the amount stated by the responsible Minister.

When we got on to that, the expenditure amounted to a million of money, and it was practically a nullion of money at the time the statement was made. I shall quote presently the Minister for Lands, Mr. Troy, and show that the expenditure on the Peel Estate is two millions. The Royal Commission of which I was chairman tried to stop further expenditure when it had reached one million. Coupled with the statement that the expenditure is now two millions we have to remember that the number of settlers is being reduced from 400 odd to 240, which means that the average holding is going to cost over £8,000. Eight thousand pounds at 5 per cent. means £400 a year in interest, and there is no settler in the groups who will pay it. The officers at the commencement of the Royal Commission inquiry were almost rude. They wanted to get on with the job. They had a good thing on, they said, and the country had a good thing on, but before we had finished with them we convinced them that we had put a good many people on the right track and though they came, as it were, to curse, they remained to praise. Mr. McLarty, in the last portion of his examination, was questioned thus—

I gather from your evidence and the evidence of expert officers and other witnesses that good men will succeed on inferior land, and that a man who does not know his job will fail on the best of land. Have I interpreted your evidence correctly?

He replied, "Yes." I said, "Will you tell me how you are going to spoon-feed these thousands of people into prosperity who do not know their job? His answer was, "I was not responsible for bringing those people to this country. It

was the policy of my Government to bring them. I am doing the best I can with the material at my command." Thus it is that the whole of the officers swung round to my way of thinking in 1924, except that the expenditure has gone on as fast as ever. There is one thing worth noting. If there is a difference between the two parties in the country, it is this. The United Party or the Country Party, or whatever it may be termed, claim that the State should be developed by private enterprise, and the work done by contract where it could be so done. The labour Party say it shall be done by State enterprise and the work done by day labour. Then we have the Nationalist Government starting out to nationalise the dairying industry and to do so by day labour. Now we have the Labour Government, which is pledged to day labour, having the work done by contract.

Hon. J. Cornell: And by large contracts.

Hon. J. J. HOLMES: Under the day labour system land was costing £45 an acre to clear, while the Labour Government let contracts for clearing similar land for £10 an acre. Whilst this has been going on a new colony has been built up on the goldfields with men who have their own money, and have put their energy and enterprise into the business. These are the people we ought to encourage. It is private enterprise we want to encourage. We should not embark upon these national schemes which we all know must end in disaster. These men on the goldfields are not being spoon-fed. They have not the baker and butcher calling every afternoon and the Chinamen bringing them vegetables. I am not romancing. Officers of the Department said that people on the Peel Estate were buying vegetables from Chinamen. I take the full responsibility for these statements. If ever there was an appalling proposition put upon this State it is this one. I have preached this doctrine for the last five years. I will now tell members what the Minister for Lands said, and will leave the public to judge for themselves as to the position. The other night the Minister for Lands said—

The total number of groups, including the four that have been amalgamated is 136, while the number of applications for locations was 5,839. Those who failed to report for inclusion when notified, totalled 451, while 1,068 were deferred as unsuitable. Those sent to the various group settlements totalled 4,320.

Those who have left the group settlements totalled 2,146, while those dismissed numbered 126, giving a total of 2,272 who have left the groups. Group holdings now total 2,332, and the number of settlers remaining on the groups 2,048.

On the early groups the average cost was £65 per acre. On nine groups established in 1922 the development of 29 acres of pasture including buildings, fencing, etc., cost £2,138, or an average of £73 per acre. In 1923 the cost amounted to £90 per acre.

Hon. H. J. Yelland: Is that for the actual clearing?

Hon. J. J. HOLMES: The hon. member will learn more about that directly. In 1923 the cost amounted to £80 per acre. Now we come to the Abba River. The Minister says—

The Board does not hold out much hope for the success of the settlers. If some of the blocks could be utilised for growing potatoes and they were heavily fertilised, and intense culture were undertaken upon them, pastures might grow later on. As a result of these experiences, I think it would be very unwise to continue longer with these particular groups. A certain amount of money has been expended on them, but very little result has been achieved. We have reached the stage when we cannot find any profitable work for the settlers to do there. It is the same thing with part of the Peel Estate and the sandhills there.

Mr. Cornell knows those sandhills. We told this country 3½ years ago in our report that on the south-east corner of the Peel Estate they had cut up 7,000 acres into 60 blocks, which is 110 acres to each block. They consisted of zamia palms, white sand, prickly bush and banksia.

Hon. J. Cornell: It would not feed a goat.

Hon. J. J. HOLMES: Sixty houses were built on these 7,000 acres, 60 dairy farms when there was not one dairy farm in the whole area. The expenditure on that estate, so far as we could find, was one million pounds and to-day it has increased to two million pounds. The number of people on it has been reduced from about 400 to about 200. The Minister for Lands said with regard to Abba River—

The settlers cannot make a living on the blocks; I do not see how they can do so. I would not have cared to lightly take this step but for the unanimous opinion of the Advisory Board, which has been associated with the groups right through. In the beginning the Board was hopeful of success. Had it not been for their present view I should have been very slow to take the action I have taken. In the interests of the State however, the re-constitution has to be made.

Now we come to the famous cow farmers. The "Bulletin" refers to the farmers in Western Australia as "Mitchell's cow farmers." It is a serious matter for the State to face. Dealing with the question of cattle, the Minister for Lands said—

The total number of cows held by settlers on the groups at the 30th June last was 6,402, and the number of unallotted cows was 9,000. At the same date the settlers held 3,464 heifers and 421 were unallotted. The unallotted stock are largely stock which the department have been called upon to repossess, because the pastures would not maintain them. Owing to the reconstitution now taking place, the department may have to repossess a considerable number of cattle this year. On the Peel Estate the department were compelled to repossess 542 cows last year, and in the Busselton area 195, making a total of 737 cows repossessed, besides 59 young heifers.

Mr. Thomson: Through the settlers not having sufficient pasture?

The MINISTER FOR LANDS: Yes.

Hon. W. J. Mann: Is not the Peel Estate a group settlement?

Hon. J. J. HOLMES: It was not when we were there. I do not know whether it is now. They knew so much about it that when we examined the first witness, Mr. McLarty, I said, "this agreement provides that you must give these people their land. The Peel Estate is a repurchased estate, and you cannot give it to them." He said, "I did not know that was in the agreement." I said, "When were you appointed Chairman of the Board?" He said, "I was never appointed on it. I found the thing going on and thought it was someone's business to deal with it." As a conscientious officer, he tried to hold it up. The Minister for Lands went on to say—

I do not think there is the necessary quantity of soil in the sand plains, and certainly there is not the subsoil to enable any great volume of production unless the land is built up by organic manure. The cost of drainage to make that land cultivable is estimated at £100,000, or even £200,000; and I am not prepared to commit the Government to any further expenditure in that connection. I believe the great majority of settlers there are satisfied that the country will not make good. The proposed reduction on the Peel Estate will be from 475 to 246.

Mr. Thomson: How many blocks do you estimate there will be on the Peel Estate?

The MINISTER FOR LANDS: The estimated number will be reduced by about one-half. I have had a few averages worked out. Under the heading "the average pasture area established and the expenditure for the whole" I find that on a number of groups in the Abba River district established in 1922 the

expenditure has been £1,989 for an average pasture, developed, of 33 acres, or a cost of £60 per acre. In the same locality, on a group established in 1924, the expenditure was £1,667 or £64 per acre.

Hon. Sir James Mitchell: Does not that include buildings for stock?

The MINISTER FOR LANDS: It includes everything but stock. The expenditure at the 30th June last shows that on the Peel Estate for settlement and development £889,556 has been required. That does not include roads or drainage. On roads on the Peel Estate there has been expended £234,759, while the amount spent on drainage is £521,639, or a total cost, including the purchase price, development, roads and drainage, of nearly two million pounds.

Member: How many blocks are there on that estate?

The MINISTER FOR LANDS: After the reconstruction about 240. Group settlement expenditure at 30th June, 1926, was £4,650,000.

Mr. Thomson: Is that inclusive of the Peel Estate?

The MINISTER FOR LANDS: I have shown that the total expenditure on the Peel Estate was nearly £2,000,000; so it will be seen that the aggregate expenditure on group settlement has been about £6,000,000.

The Minister concludes as follows:—

I am giving these figures because hon. members have been calculating on what is known as cheap money. I am not going to say anything about the possibilities of the future, but, I think the House is entitled to some concrete information.

He explains that the cheap money and this interest we are getting had gone up in smoke to meet these liabilities. He said he was not going to say anything about the possibilities of the future, but that the House was entitled to some concrete information. I think so too. The information should have been given three years ago. The Minister adds—

That drainage carried out has been costly, and that undertaken at the Peel Estate is not yet satisfactory. When heavy gales are experienced the water banks up and some of our best locations are under water for weeks at a time. Although I admit I have no experience in engineering, I cannot see how that difficulty can be overcome.

That is the position. The explanation should have come three years ago. It is the explanation which my colleagues on the Royal Commission tried to give to the country 3½ years ago. I leave the matter at that, but I do hope that it is not too late for something yet to be done to prevent any more of this reckless expenditure. It is because we have embarked upon such schemes as this, not only here, and because Australia as a whole has been anxious

to get money and spend it irrespective of whether the expenditure was profitable or not, that we are being forced into this financial agreement. I only hope that, apart from what has happened in the last few years, the fact that the statesmen of this country in bygone days did show the world that we in this State were going to meet our liabilities, will influence those concerned when dealing with the financial agreement to give this State what we are entitled to, before finalising it and putting it up to this Parliament, and to see that we are not penalised for the honest attitude we took up in the early years of responsible government. I support the motion for the adoption of the Address-in-reply.

HON. J. M. MACFARLANE (Metropolitan) [8.48]: In supporting the motion for the adoption of the Address-in-reply, I join with other members in expressions of loyalty to the Throne and of congratulations upon the visit of the Duke and Duchess of York, together with other distinguished Empire visitors during the year. Dealing with finance, I have to congratulate the Government on the production, after 16 years of deficits, of a credit balance. Whatever Government it was that could change the condition of affairs from a continual run of deficits to a surplus deserves congratulation. While many ifs and buts have been voiced by hon. members as to what the credit balance really consists of, I do not wish to take up that attitude, but do wish honestly and sincerely to congratulate the Government on the production of a surplus. I regard it from its moral value and the tone it gives to the community. The impression so gained must be useful, especially when taken in conjunction with the fact that a 33½ per cent. reduction in income tax has ruled during the financial year. It must give heart to the people whose natural inclination is to use their energies in developing anything they are concerned in or can apply their hands to. It is also useful and helpful to the community at large to know that increased taxation is likely to be suspended, at least for a time. When a deficit exists, there is always the suggestion that fresh taxation must be imposed for the purpose of squaring the ledger. Now the people have taken heart in the knowledge of the financial position which has been attained, and in the belief that no serious inroads in the nature of

higher taxation are to be feared. As to the per capita payments and the introduction of a new system of financial relationship between the States and the Commonwealth, I desire to express my personal thanks to Mr. Lovekin for having got in so early with his analysis, which must give every member serious thought. We must realise that the closest consideration should precede decision or action of any kind. I am trying to keep an open mind until such time as the Government shall have presented their case. Still, we have been able to size up the position fairly well from the discussions which have taken place in the East, and from what our own Premier has said on the subject. Yet there is not the slightest doubt that there will be other facts brought forward, and these no doubt will guide us in our decision and action when the time comes. I hope that my vote, when I cast it, will be in the best interests of the State and the Commonwealth, because above everything I desire to vote in that manner. My mind, however, runs much on the lines of the continuance of the per capita payments on a territorial basis. It runs that way because I feel that the conditions which are now being set up will only take account of the State's requirements at the present day. As Mr. Holmes told us this evening, all new loans will have to be dealt with by the States in the future as in the past, the only relief being in connection with old debts, which will take a period of 58 years to wipe out. Our claims and demands will be just the same in the future as they have been in the past. When the charges on our revenue increase by the necessity of providing for a greater population without having the benefit of Customs revenue to help us, the load is bound to be much heavier than it has been. For that reason I should like the agreement which is being drawn up to contain some elastic provision giving the States the opportunity to review the position at intervals, so that we shall not again be forced to raise the cry of Federal disabilities, with the necessity for inquiry before the eventual granting of relief during that period of 58 years. The production of wheat we must regard as highly satisfactory; but there is a point which, in my opinion, makes for still greater satisfaction, and that is the endeavour to increase the production per acre. The other evening I listened to an address in which the Director of Agriculture detailed how in certain areas supposed

to be poor in regard to wheat production, areas where hitherto not more than five or six bushels per acre could be grown, the land had, by the close application of departmental officers and the co-operation of the farmers, been enabled to produce as much as 20 to 27 bushels. If this process of improvement continues as the land becomes sweetened, and if our acreage under crop goes on increasing, it can easily be conceived what the wheat industry will eventually mean to Western Australia. In connection with this matter there have been what may be termed two official statements almost directly opposed to each other, and I think some notice should be taken of them. One statement was made by Mr. Charles Nathan, who spoke at a dinner given by the Commercial Travellers' Club on what they call "Association Day"; and I presume he was speaking from official figures supplied to him. He would hardly speak as he did without such figures. He is reported to have said Western Australia had something like 12,000,000 acres on which to count for wheat production. The "Pocket Year Book" for 1927, issued under the authority of Mr. Munsie, contains the following on page 105:—

The demand for land in the wheat-growing and pastoral areas has reached its highest level. In view of this, and of the impression outside the State that Western Australia has millions of acres available for immediate settlement, the Government deemed it necessary to direct attention to the actual position. This was done by the Minister for Lands in Parliament during October, when he gave the following statistical information:—Land selected, exclusive of pastoral areas in 1906, 12,575,902 acres; from 1906 to 1926, 17,566,890 acres; total land alienated or in course of alienation, 30,142,792 acres. Only one-third of that area was under cultivation. The land still available for selection is 38,000,000 acres, of which approximately 25,000,000 acres is suitable for wheat growing.

So it will be seen that the statement made by Mr. Nathan, and that made by Mr. Angwin, show a very wide discrepancy. A good deal of notice was taken of what Mr. Nathan had to say.

Hon. H. Stewart: In 1917 a Royal Commission practically said there was no more land available.

Hon. J. M. MACFARLANE: I am just giving the statements as I find them, issued under authority.

Hon. G. W. Miles: But is it not possible for Mr. Nathan to make a mistake?

Hon. J. M. MACFARLANE: I am trying to make a point of the difference between what Mr. Nathan said and what is shown here. It seems to give unlimited scope for the development of our wheat industry.

Hon. G. W. Miles: As we extend the farming areas, so shall we increase the wheat yield.

Hon. J. M. MACFARLANE: That is so. Mr. Sutton impressed upon a meeting recently the great speed at which the yield was likely to increase. So it is easy to believe that the statement that Western Australia will surpass all the other States in wheat growing is quite true. We heard a good deal from Mr. Holmes about group settlement. During the last couple of years, in my heart I have been very pessimistic over group settlement. However, I am glad to think the Government have had sufficient courage to stand up and speak out in the way the Minister for Lands has done since his recent investigations. Because of that I am prepared to drop further criticism on this point, although I had a lot of data, which I thought it my duty to lay before members. But I will leave the question in the hands of the Minister for Lands, feeling that as he has had the courage to speak, he will also have the courage to act. I am sure the people who will be the most grateful to him are those settlers who for the past five years have been endeavouring to make homes on the group settlements. Many of them are still single-hearted in their desire to be allowed to remain there. I often wonder how it is that intelligent men, such as they appear to be, can think of remaining there, in view of the experiences they have had. I congratulate them on their tenacity, and I congratulate the country on having men—and women, too—so stout-hearted as to remain there under existing conditions that hold out so little hope. Now, however, that the Minister has decided to take his new course, I do not wish to criticise the scheme any further, but I will leave it in the hands of the Government, feeling certain that something more practicable will be done in the future than has been done in the past. I am glad to know that the whole scheme is to be put in the hands of a board. The Government officials have had a very fair innings. The greatest criticism of Government control has come from the men who should know best, namely the group settlers themselves. I am also glad to read that the Government

are going to be more active in their migration policy than they have been during the past three years. They give reasons why they have not proceeded more vigorously with migration, and explain that now the new agreement between the Commonwealth and the Imperial Governments has been completed they are going to prosecute migration with greater activity. I, with everybody else, can only regret that the decline in mining continues. I realise that the industry is still one of great importance and deserving of the best encouragement the Government can afford to give it. There is more than a possibility that, some day, the industry will again become a primary producer of the first magnitude. I am sure the mining men who have done so much to advance the interests of the State deserve another turn of fortune's wheel, and I hope they will not have to wait much longer for it. As to forestry, it is pleasing to note that the returns are consistent, and that the industry continues to afford profitable employment for many of our citizens. Also I am glad to see there is being maintained a progressive policy of afforestation. It is gratifying to know that attention has been given to the growth of softwoods. Only to-day in looking over some papers I saw that 40,000,000 feet of softwoods are imported into Australia every month, representing an annual value of £6,000,000 or £7,000,000. And the statement is made that 90 per cent. of the timber used in Australian buildings is imported softwood. I learnt also that the growth of the softwoods in Australia is equally as good as, if not better than, it is in New Zealand. If that be so, we surely have the area to devote to the production of softwoods, and in time we should get good results. I notice in to-day's newspaper the names of certain gentlemen likely to form the central marketing board. I hope that information will become official within the next few days. Eight months have passed since Parliament agreed to the Bill authorising the establishment of a marketing scheme and the appointment of a board, yet only now is the board about to be brought into being. If the selection of the area, the production of plans, and the erection of buildings take proportionately long, there will be considerable hardship imposed on a number of business people who desire to be provided for in some mar-

keting scheme; since their leases have run out, and one marketing area has changed ownership, with the result that the tenants have to vacate. Some time ago land in Marquis-street was resumed for marketing purposes. Immediately after that a number of growers in the trade approached the Minister and asked that some provision should be made for them. They offered to take a lease. After negotiations this was arranged and the necessary buildings were erected. I am informed by those tenants who carried out the provisions of their leases that this ought to be made available for them at the earliest moment, pending the completion of the permanent work. There is sufficient area there for the purpose, under the conditions in which they desire to carry on their business, and also to permit of the board starting the permanent works at the other end of the area. I hope the suggestion will be taken by the board, and that those tenants desirous of getting on to the central block will be given a home there so that they shall have some permanency of tenancy in their business. Coming to river reclamation, an important development in the metropolitan area, it is agreeable to notice that it has been continued and that greater activity is likely to be infused into it during the coming year. The new trotting grounds will be completed. There is to be a very fine continuation of the boulevard along the river foreshore, right round to Maylands. Provision should be made from the Causeway to the Maylands end almost immediately, so as to make a foreshore entrance to what is going to be a very important sporting area within a short time. Certainly as many entrances as possible will be required. Along the waterway there is sure to be some congestion unless an entrance there is provided. Also the road will make a delightful drive along the river when completed to Maylands. This question of river reclamation brings me to the war surtax imposed upon harbour dues, pilotage, etc., at Fremantle. Members will agree that that tax ought not to be allowed to continue a moment longer. It will be remembered that when the Harbour Trust was established it was to provide certain services to the community and impose such charges as would cover those services plus interest and sinking fund. That is all that anybody would ask in any undertaking of the sort. It was never in-

tended that the trust should be responsible for the collection of indirect taxation, such as a war surtax. In 1917, consequent upon the war and the small amount of shipping business in the harbour, it looked as if the Harbour Trust would be faced with a loss. Of course it was advisable that steps should be taken to meet the position, and a 20 per cent. tax was imposed, purely as a war-time measure. It is interesting to note what the profits have been since then, and how many protests have been made to the Government to abolish the war tax, but without success, even though the Harbour Trust Commissioners have stated that they do not require it, that the time has gone past for retaining it, and that they would like to see it abolished. The reserves accumulated to date for renewals and replacements for the years set out are given as follows:—1922, £32,858; 1923, £36,221; 1924, £39,766. I have not the figures for 1925-26 but worked out on the same basis it looks as if the total would be £46,000. The total sinking fund accumulated to date is given for the years set out as follows:—1922, £256,679; 1923, £277,443; 1924, £298,629; 1925, approximately £319,629, and 1926, £340,629. The total value of assets purchased out of revenue given in the years mentioned is as follows:—1922, £11,762; 1923, £11,961; 1924, £12,515; 1925, £13,000; 1926, £13,500. Over and above that there was paid to Consolidated Revenue in each respective year after providing for interest on capital cost of works, reserve and sinking fund the following:—in 1922, £5,492; 1923, £47,272; 1924, £96,612; 1925, £130,776; 1926, £113,290.

Hon. J. J. Holmes: It is a second taxation department.

Hon. J. M. MACFARLANE: Yes. A protest has been made from time to time on the ground that this is indirect taxation and as such it is illogical, if not illegal.

Hon. E. H. Gray: The money is required for harbour extension.

Hon. J. M. MACFARLANE: They have a reserve fund for that. I have also some figures showing what was paid into Consolidated Revenue since the imposition of the tax. These are the figures: in 1917, £692; 1919, £7,242; 1920, £49,706; 1921, £71,410. Roughly there has been paid into Consolidated Revenue something like half a million in 15 or 16 years. Members will agree that what I have disclosed is not a

healthy condition of affairs. Apart from its being an indirect form of taxation, the continuance of the 20 per cent. surtax, and that is what I am attacking, affects the whole community and it is a bad advertisement for the State. The shipping community feel it very much.

Hon. G. W. Miles: The outports pay twice.

Hon. J. M. MACFARLANE: This is advertised the world over; it is carried from port to port by the shipping people. Then the industries generally are charged 20 per cent. on whatever goods they have to use. The primary producer has to pay on the particular line he is using on his farm. In view of the profits earned after providing for interest and sinking fund, it is not wise to keep that tax going, and that is why I am objecting to it.

Hon. J. J. Holmes: It is a big charge on agricultural implements.

Hon. J. M. MACFARLANE: It will be interesting now to quote a letter the Premier wrote to the people who are interested, the Chamber of Commerce, who made representations in the direction of securing the abolition of the tax. The Premier wrote—

This matter has also been considered, but no reduction can be agreed to. It is indeed open to some doubt that the full revenue, including the surtax, exceeds by any appreciable sum the costs of the services of the harbour, including the provision of wastage, obsolescence and contingencies.

I would like the Leader of the House when replying to advise members how it is that the war surtax is being maintained in the face of the figures produced by the Harbour Trust authorities. Regarding pilotage, there is another infamous condition of affairs. Here we have a charge upon the community and the shipping people. Both the Harbour authorities and shipping people have declared that pilotage is not necessary. For a long time past vessels have been able to do without pilots. A lot of unnecessary delay is caused by vessels having to pull up and take the pilot aboard and later make another stop to pick up the doctor. Using the Orient line for the purpose of illustration, we find that the tonnage charge is—pilotage from the sea to the roads, £21, and from the roads to the berth and again from the berth to the roads £14, a total of £35. With the war surtax of 20 per cent. the total is increased to £42. This is charged on each visit, and therefore on the round

voyage amounts to £84. I may be permitted to read a paragraph from the "West Australian" under the heading "Shipping disputes," "Fremantle Pilotage System," "Harbour Trust Statement." The statement was made by the secretary of the Trust—

The facts are that the sea portion of the pilotage service at Fremantle had become unnecessary, and this was discovered before the strike occurred. For a considerable time past the commanders of mail and other steamers coming to the port have been complaining of the annoyance and delay caused to them by having to stop a large modern ship at sea and manoeuvre her into position to enable a pilot to board safely, when the steaming into Gage Roads is only an ordinary reasonable feat of seamanship and navigation, far easier than these masters have to accomplish at many other ports which they visit. It has long been pointed out that, while this outside service was necessary in the old days of sailing vessels and later before the present perfection of wireless and other navigational aids, that are to be found on the modern steamship, with vessels as they are to-day, it has become only a costly and troublesome annoyance. The Trust Commissioners, with the assistance of their professional pilot staff, have been going into this matter very carefully for some time past, and six months ago it was decided to improve the lighting of Gage Roads by substituting gas-lit buoys for the ordinary buoys, which have for many years marked Hall's Bank and Scott's Ledge Reefs, and when these new appliances were ready, to curtail the compulsory pilotage service to Gage Roads and inner harbour service only. In July last the apparatus was ordered, and it is nearly all to hand, some small parts only now being awaited. It was hoped to have all complete about January or February. The late strike, however, occurred towards the end of November, and lasted till a few days ago, and in that period of time, when the Trust was unable to get pilots out to the sea boarding ground, steamers came into Gage Roads day and night without any hesitation. During the time the strike lasted, no fewer than forty-four steamers—some approaching 20,000 tons—came to Gage Roads without pilots and the Trust has received letters from the commanders of many of these ships hoping that they would now be relieved of the outside stop.

This demonstration, forced upon the Trust by the strike of the men, showed clearly that, even without the proposed improved lighting of the Roads, the feat of bringing his ship in unaided was without difficulty to the modern shipmaster, and the Commissioners felt that they could not in the face of what had happened, re-open the outside service without appearing impracticable and non-alive to the real interests of the port.

That statement coming from the secretary the Harbour Trust Commissioners, together with the protest from the shipping masters, should induce the Government to give the matter some attention. The Government

should certainly abolish the system, or at any rate handle it in a generous way.

Hon. G. W. Miles: It should be abolished. It only becomes a charge on the producer.

Hon. J. M. MACFARLANE: There is still another service from which the Government are receiving revenue. In 1914 the lighting of the harbours and coasts was taken over by the Federal Government. The State Government, however, continued to impose charges under the name of tonnage dues. There is a very trifling service rendered for these dues, which in the case of a steamer of, say, the tonnage of the "Ormuz," amounts to £61. This is really a continuance of the imposition of the original State lighting charge without any adequate service being given. In view of the prosperous state the Harbour Trust finds itself in, this should be discontinued. It is another form of taxation, for which the State had to find another name. For that £61, the ship is allowed to operate on the coast for three months.

Hon. Sir William Lathlain: For three months in each State?

Hon. J. M. MACFARLANE: It takes about that period to go round all the States and back, and the ship is allowed the three months for that payment.

Hon. Sir William Lathlain: Does the ship have to pay the charge in another State as well?

Hon. J. M. MACFARLANE: No, I understand that the ship pays only at the first port of call and the payment applies throughout the Commonwealth. The point I wish to make is that while the charge by the State was legitimate at the outset, it is not right to collect it in the form of tonnage dues for which only slight service is rendered and practically no service at all is rendered respecting lighting. I have endeavoured to deal with the question as briefly as possible, and I hope I have been explicit enough to impress hon. members with the fact that the State should not exploit ship-pers in the way I have indicated.

Hon. J. J. Holmes: It is another way of helping to square the ledger.

Hon. J. M. MACFARLANE: That is so. Mr. Glasheen adopted a pessimistic tone when dealing with the dairying industry. I have been engaged in that work for many years, and I recognise the difficulty there is in establishing the industry in this State. I know how unpopular it is with many peo-

ple. It is not an industry to which 44 hours can apply; it is one of seven days a week and, if the dairyman is to get the best possible out of his holding and out of his stock, of 365 days' work in the year. Naturally a man engaged in the dairying industry desires some adequate compensation for his time and labour. He does not get paid in the same proportion as the artisan in the city. Naturally his boys may be expected to look for employment in timber mills or in the city where shorter hours of labour apply, and the girls will drift to the city to become shop assistants or to work under better conditions than those operating in the home on the farm. Although I take all these things into consideration, I am not so pessimistic as Mr. Glasheen, because I know that science has come to the assistance of the industry, eradicating much of the drudgery from dairying operations. No doubt in time conditions will be much improved. Naturally the consumer must realise that he must pay a price that will enable the dairy farmer to make good. It must be realised, too, that though dairying is an unpopular calling, the State must persist in the endeavour to establish the industry and thus help Western Australia to become self-contained. Dairy farming must be brought to the standard of wheat farming or of any other primary industry, so that people will find it well worth while engaging in it. It is the one industry that is of really great value to the State. I understand that throughout the Commonwealth it produces £140,000,000 worth of wealth in different forms. It has the advantage over other industries in that it is the only genuine decentralising influence in primary production. The dairying industry employs more people and creates more thriving communities throughout the country areas than any other form of primary production. Further than that, the continuance of the industry makes production from the land more prolific, and therefore it is valuable to the State from a taxation point of view. For these various reasons we must see to it that the dairying industry is developed, and the consumer encouraged to help the industry wherever possible. I had a clipping from the "West Australian," in which the Donnybrook correspondent, writing in the rural columns of that paper, congratulated his district on the fact that butter fat prices were likely to continue on the same satisfactory basis as during the

preceding two years. He made it clear that the settlers in that district were finding dairying a profitable industry, and there are other districts that are in the same position. In view of the great strides made by science in its application to the industry, I feel confident that the time is coming when it will not be looked upon as an obnoxious calling, and that it will be more attractive to those going on the land. As a member of the Royal Agricultural Society I was interested some two or three years ago in complaints from the Great Southern districts regarding the sheep disease, known as the Beverley disease. I would like to know whether the Leader of the House or any other hon. member can give me any information regarding results of an investigation that took place some time ago. I understand that some departmental officer or some expert undertook the investigation.

Hon. J. J. Holmes: I think a Commonwealth officer came over for that purpose.

Hon. J. M. MACFARLANE: I know that some specialist investigated the disease, but I have not heard of a report being submitted, or of recommendations made for dealing with the disease. No advice has been issued to the farmers as a result of the investigation. When chatting to-day with a man who has interests in the Great Southern districts, I ascertained that the mortality among the sheep is as great to-day as it was formerly. In view of this fact, surely the matter is important enough for the Government to make information available as to the results obtained from the investigation. Every effort should be made to stop the loss of sheep throughout the districts I refer to.

Hon. J. J. Holmes: It is the big fat sheep that is attacked.

Hon. J. M. MACFARLANE: Yes, it is always the best of the flock that is attacked.

Hon. J. J. Holmes: It is the only sheep disease we have in any part of the State.

Hon. J. M. MACFARLANE: And the disease occurs when the feed is at its best. I will not deal at length with the question of the milk supply at this stage, particularly as it is rumoured that Parliamentary action is to be taken in the establishment of a board of control. If that course is to be adopted, I hope that board will operate over stock and milking conditions, so as to assure

good supplies to the public. That should mean an improvement in the interests of the consuming public. I have looked into the blocking system and I can see there are more than two sides to the question.

Hon. Sir William Lathlain: That is so.

Hon. J. M. MACFARLANE: It would be easy to make serious mistakes. I would like any such scheme not to be made obligatory at the inception. It should at first be investigated fully and made to apply economically.

Hon. Sir William Lathlain: The City Council discussed the question for years.

Hon. J. M. MACFARLANE: I know there is a long file dealing with the question, and I know the City Council decided that if it could not be applied to districts outside the Greater Perth area, it could not be applied to that area itself. The final matter I will deal with relates to the centenary of Western Australia which will be celebrated shortly. I was disappointed that no mention of that subject was made in the Governor's Speech, and we have had nothing from the Leader of the House as to what the Government propose to do to commemorate the event. You, Mr. President, have made a suggestion that is desirable. I hope it will receive the support it deserves. You proposed the completion of Parliament House buildings, and if that work could be taken in hand immediately, it could be carried out in time for the centenary celebrations. That would be a fitting memorial for the occasion. I will leave the matter at that and content myself with supporting the motion before the House.

On motion by Hon. W. J. Mann, debate adjourned.

House adjourned at 9.13 p.m.

Legislative Assembly,

Tuesday, 16th August, 1927.

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

QUESTION—INDUSTRIES ASSISTANCE BOARD, CLIENTS.

Mr. LATHAM asked the Minister for Lands: 1, How many clients are operating under the Industries Assistance Act? 2, How many are soldier settlers?

The MINISTER FOR LANDS replied:

	Ordinary Civilian Borrowers.	Soldier Settlers.	Total.
Land Rents paid ...	80	...	80
Fully Assisted ...	282	662	944
Partly Assisted ...	49	80	129
Stopped Accounts	341	141	482
Funded Debts ...	284	112	396
	1,036	995	2,031

QUESTION—TRAFFIC BRIDGE, BASSENDEAN.

Hon. W. D. JOHNSON asked the Minister for Works: 1, For how long will the road bridge over the Swan River at Basseudean be closed to traffic? 2, Could not the decking of the old road bridge be repaired sufficiently to enable tradesmen's and other lightly laden vehicles to travel between Guildford and Basseudean during the period that the main bridge is closed? 3, If so, could the repairs be done immediately?

Hon. J. CUNNINGHAM (for the Minister for Works) replied: 1, Four weeks. 2, The decking is very much decayed, and the extent of this could only be ascertained by an extensive investigation. It is, however, certain that extensive and costly repairs would be necessary before even light