Legislative Council.

Tuesday, 7th August, 1945.

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

QUESTION.

COLLIE COAL.

As to Gasification.

Hon. J. A. DIMMITT asked the Chief Secretary:

1, Has the attention of the Minister been drawn to the letter of Mr. Tarleton Phillips in "The West Australian" of the 27th July, in which certain questions are asked with regard to the gasification of Collie coal?

2, Will he endeavour to obtain information along the lines asked for?

3, Will he also advise if an analysis has been made of the composition of the gases obtained—(a) for the rich gas (b) for the low-grade gas produced in this process?

4, Is any information available as to the thermal efficiency of the process?

The CHIEF SECRETARY replied:

1, Yes.

2, Yes. The answers to Mr. Tarleton Phillips' questions are as follows:—(a) The costs are compared on a volume basis only; (b) the calorific value of metropolitan gas is 480 BTU per cubic foot; (c) the calorific value of industrial gas from Collie coal is 150-170 BTU per cubic foot, and of domestic gas 310-340 BTU per cubic foot; (d) Mr. Fox's pilot plant has produced 149,000 cubic ft. of gas from one ton of Collie coal; (e) the calorific value of tar and coke produced has not yet been ascertained.

3, Analyses of composition of both industrial and domestic gas have been made.

4, The thermal efficiency of industrial gas produced in Mr. Fox's pilot plant when used hot is 87 per cent. Insufficient continuous tests have been made on the production of domestic gas to enable the thermal efficiency to be stated with any degree of accuracy.

MOTION—FREMANTLE HARBOUR TRUST ACT.

To Disallow Bagged-Wheat Charges Regulation.

HON. C. F. BAXTER (East) [4.37]: I move—

That new regulation No. 148, made under the Fremantle Harbour Trust Act, 1902, as published in the "Government Gazette" of the 20th April, 1945, and laid on the Table of the House on the 31st July, 1945, be and is hereby disallowed.

It will still be fresh in the minds of members that two previous motions sponsored by myself were carried, as a result of which regulations similar to that which forms the subject-matter of the motion now before the House, were disallowed in no uncertain manner. Apparently, however, the Harbour Trust is very insistent and lost very little time after the disallowance of the former regulation in bringing forward a new one. That was done in the early part of this year. I cannot understand why a Government instrumentality like the Harbour Trust should go out of its way to impose expensive conditions on an industry upon which so much depends. The wheat industry is one from which revenue is produced to enable the State to carry on.

In my speech on the Address-in-reply, I stated that the average realisation to the wheatgrowers of this State from pool control was under 4s. a bushel. Figures carefully computed indicate that the cost of producing that wheat is over 5s. a bushel. That, of course, is based on the State's average of 11 bushels per acre. There may be people who obtain very good yields. There are those who, in good seasons, will probably get very heavy crops. They are placed in a different position, but we have to consider the State average in computing what it costs per bushel for the farmer to produce wheat. I know of many who claim they can grow wheat at almost half that cost, but I am afraid the people who make that statement do not take into consideration all the costs which apply to wheatgrowing. One item is wages, and even under the Harvester Award, which provides for employees handling wheat, there is an imposition which comes from the Commonwealth Government, which did not consider it in relation to the wheat industry. We must assess the farmer's wages bill on that basis, and must take the interest and sinking

fund on the cost of his plant, and all other charges applying to the industry. Then we will find that, on the State average of 11 bushels, it would take more than 5s. per bushel to make wheat a payable proposition to the grower.

It is as well to analyse the whole of the regulations, and in doing so it is necessary to deal with those that have been disallowed. The following statement gives a comparison of the figures:—

rates which I am at present moving to disallow—it reads—

Provided that there shall be added to the handling charges assessed in accordance with the respective rates so specified, an amount equal to thirty-five per centum (35%) of such assessment.

What is at the back of that? Why set out a scale of charges and then add to it—in small type underneath—that there shall be a further increase of 35 per cent.? Is

FREMANTLE HARBOUR TRUST—AMENDMENT OF REGULATIONS.

No. 148—Handling Charges on Bagged Wheat.

(As at 20th April, 1945.)

—	A.	B.		C.		D.		
	Old Rate in force for many years previous to 4-6-43.	First Disallowed Rate Gazetted 4-6-43.	Increase on Old Rate (A).	Second Disallowed Rate Gazetted 24-12-43.	Increase on Old Rate (A).	Present Gazetted Rates, 20-4-45, to which must be added 35%.	Present Gazetted Rates, with 35% added	Increase on Old Rate (A).
	pence per bag.	pence per bag.	%	pence per bag.	%	pence per bag.	pence per bag.	%
Subject as hereinafter provided the rates prescribed hereunder shall be payable in respect of the handling of bagged wheat, that is to say—								
(a) Receiving, including the unloading of railway trucks and stacking where required, the Trust giving a receipt for number of bags only; or								
(b) Delivering from stack to vessel for loading by means of—								
(1) Gantry loaders	2·275	4·250	86·813	4·038	77·494	2·275	3·071	35·000
(2) Vessel's own gear or crane	2·275	4·500	97·802	4·275	87·912	2·275	3·071	35·000
(c) Delivering from stack to the platform of road vehicles, including the customary single bag weighing	1·750	2·650	51·428	2·650	51·428	2·000	2·700	54·286
(d) Delivering from stack to railway wagons, including stowing but without weighing	1·750	2·650	51·428	2·650	51·428	2·500	3·375	92·857
(e) Re-stacking or re-handling, for each service	1·000	1·000	....	1·000	....	1·250	1·687	68·700
(f) Handling to and from scales for single bag weighing during the course of shipment (including the weighing of the bags, together with a list of weights, but not a receipt for weight)	1·000	1·000	....	1·000	....	1·250	1·687	68·700
(g) Discharging direct from railway wagons and—								
(1) Loading on to gantry loader	·625	1·250	100·000	1·188	90·080	·750	1·012	61·920
(2) Slinging by vessel's own gear or crane	·750	1·500	100·000	1·425	90·000	·750	1·012	35·000

The amazing thing about it is that, not only are the increases there, but something which I do not like has crept in. It is quite new to me, with all my Parliamentary experience, and I do not like the way it reads. After setting out the new rates in the "Government Gazette"—that is, the new

that the right thing to do? To me it looks as though it is an attempt to mislead. I cannot understand it, and I cannot understand the action of the Harbour Trust. On two previous occasions this House disallowed regulations because they were unjust, and because they were an imposition

on an industry which was having a very bad time. They were first disallowed on the 28th. September, 1943. The second time they were disallowed was on the 12th September, 1944, and then early in April we find a new set imposed.

Notwithstanding the fact that Parliament said they were going too far and told them that they should not place this imposition on an already overburdened industry, Harbour Trust authorities framed another imposition. But because the trade in bagged-wheat has increased owing to our having to transport it to countries that are starving, the trust wants to grab a little extra money. Why should the Fremantle Harbour Trust set itself up as a taxation section of the Government? In the year 1943-44, the revenue of the trust was £667,573, which was £52,115 more than that of the previous year. On those figures, would an increase in the rate be justified? The operating expenses in 1943-44 totalled £399,867, showing a surplus of £267,706, which exceeded that of the previous year by £5,125. The amount of surplus revenue paid into the Treasury was £91,148.

Hon. A. Thomson: That was last year.

Hon. C. F. BAXTER: Yes; the figures for the present year are not yet available. The surplus was £28,613 less than that of the previous year, but this discrepancy is accounted for by the collection of a large debts balance brought forward from the year 1941-42 and included in that year. Consequently there has been a big improvement in the returns of the trust. Notwithstanding this, the trust has set itself up as a taxing machine, whose members appear to be over-anxious to extract all the money possible from it to supplement the funds paid into Government revenue, irrespective of the penalty these charges impose upon an industry which is not in a sound position. No doubt this is being done to show the Government what good fellows the members of the trust are. But, I ask, is this a time to burden the industry in this way—an industry that has had such a rotten deal, the one industry that has had that experience?

Hon. H. Seddon: The one industry?

Hon. C. F. BAXTER: I admit that the mining industry has also suffered, though not in the same way. Let us compare the position during the period of the present war with what prevailed during the previous war. On that occasion the wheat farmers of Australia received the export parity for every bushel of wheat disposed of. Not at any time were the wheat farmers called upon to supply cheap wheat to feed the people and to provide feed for stock. I have no objection to this being done; it is for the good of the country and of the people generally. If it had not been done, wages would have been inflated even more than they have been. What I contend is that the difference in the price to the wheat-growers should have been borne, as a national matter, by the whole of the people, and should not have been a burden on one section only.

The increases in the trust charges might appear to be a small matter to some people, but these small items mount up and they are having the effect of crushing the industry. Do members want the industry to prosper and create a big export trade in order that the country generally, including every person in it, may benefit, or do they want to see this important industry languish? The time has arrived for us to export all the produce we can possibly spare, because undoubtedly there will be an urgent need for funds in the near future. It is remarkable that I should have to move session after session in opposition to this regulation when the House has clearly indicated to the controlling body that it does not approve of these extra charges.

We have to consider the matter from the standpoint of the future when wheat will not have the same value. Once these charges are imposed, there will be no hope of getting them reduced. How could we go about securing a reduction? The only course open to us is to prevent their being imposed now. If the trust were losing money, there might be some excuse for its action, but I have shown that its revenue is buoyant, and we must not shut our eyes to the fact that these increased charges must fall on the producers. I hope the House will exhibit the same sympathetic feeling towards the industry and afford it protection by agreeing with me to defeat this attempt to impose the additional charges for which there is no justification whatever, but which will bear harshly on an industry that is already struggling. Many farmers have left the land; we have lost quite a lot of our good farmers

through their inability to carry on, so why burden the industry further? I hope the House will again support me by approving of the motion by an even larger majority than that which favoured me on previous occasions.

On motion by the Chief Secretary, debate adjourned.

ADDRESS-IN-REPLY.

Fifth Day.

Debate resumed from the 2nd August.

HON. H. SEDDON (North-East) [4.58]: Some 12 months ago we were discussing the Address-in-reply under conditions very different from those that prevail today. This country was enjoying the anticipation that, with the progress being made by the Allied Invasion Forces in Europe, the war would be over by Christmas. In the intervening 12 months, we have had many experiences that afterwards were more fully explained and showed how close the Allied Forces were to disaster on more than one occasion. In addition to the flying bomb and the improvements to that bomb, the von Runstedt advance and the attempt to drown whole armies showed how close the desperate action of ruthless men came to destroying the forces arrayed against them. I think we can all echo the opinion expressed at the time when victory was finally achieved in Europe, namely, that we had every good reason to be grateful to Divine Providence for the way in which we had been saved again and again.

There was another illustration in the Press this morning of a narrow escape. We have been told of the terrific effects of the atomic bomb. We have been informed that its discovery was a race between the scientists of England and America, and those on the side of Hitler. Again, our attention has been drawn to the narrow escape that we had because of what would have happened had Hitler's scientists been so fortunate as to discover the secret of this destructive agency. What is involved in the application of this new power will need a scientist to reveal. We know that for many years research has taken place with the idea of making use of the tremendous forces associated with atomic energy. It has been predicted that once this discovery was made it would revolutionise the production of power. We know that it must be extremely costly. The number of men employed in its manufacture and the comparatively small quantities produced indicate that.

But on the other hand there is such a tremendous increase in the power to be obtained from a small unit that one wonders whether the world realises the tremendous possibilities that lie ahead if this power can be economically applied in industry. All we know at present is that it will materially shorten the war. We cannot have an explosive effect of that description, with its terrific destruction of life, showered down on the community without the people's efforts being paralysed. We therefore go forward with the hope that there will be a material shortening of the war, and we can look forward to the day, very soon, when once more the world will be at peace.

The question of course is: Under what conditions will the peace of the world be established? The whole world is facing this question. Some countries are facing it under conditions of which we can form only a very dim conception. We have every reason to be thankful that in this country our conditions are so much better than theirs, and that thankfulness involves a responsibility on our part inasmuch as we should make every effort to extend to them all the relief and help we can in the way of food production and clothing materials for the months immediately ahead of them. I think, in that regard, that Great Britain should come first and the liberated countries next. We have to extend to Great Britain consideration in more directions than that. We have to assist her to accomplish that scheme of rehabilitation by which she can once more put her people in a condition where they can live in security and on a reasonable standard of living. That standard has been severely menaced in the last few years. In order to do that Great Britain faces a task in which she should be assisted by every Dominion. It is from this angle that we can stress that the rationing of food, which is accepted willingly by our people, should be more willingly accepted than it is because the food so conserved will be made available to those people who so badly need it.

An interesting incident was related to me by a man who recently returned after having been a prisoner of war in Germany. The boat on which he travelled contained many Australian soldiers and a number of English girls who were coming to Australia to take part in the work of supplying the British Forces here. On the boat he mentioned how eager he was to get back to Australia in order to enjoy a little fruit. He was promptly told by the English girls that whatever else he got he would not get any fruit; that they had never seen fruit in England and could not expect to get it in Australia. So, when the boat arrived in Sydney, rather late in the evening, he, together with a few of the more adventurous spirits went ashore, and one of the first things he did was to buy £1 worth of fruit and take it back to the boat. By that means he convinced the young lady that she had come to a land of plenty. That serves as an illustration of the difference in the conditions existing in England and here.

We are faced with these questions: Just what will take place? What is the post-war economy that we have to face? I read a most interesting book the other day; interesting from the standpoint of its title. The name of the book is "The Economics of Plenty." I was not impressed by the arguments contained in the book but I was struck with the title because when we analyse the state of affairs that existed in the world in the period between the last war and this one we find that the economics of plenty provided a problem that very few countries were able to grapple with. It was a problem that beat the best of them, otherwise we would not have seen the huge numbers of unemployed that existed in Great Britain, on the Continent and even in America because of the total inability of the governments to grapple with the situation. I think that experience taught a great deal to everyone who had been studying the question. It certainly had this effect, that when this war started there was a determination that there would be no repetition on this occasion of the profit-making that occurred during the last war. Personally I think we have gone a little too far in that direction, and in our attempt to cramp the activities of the profiteer we have reduced the producing power per head of the community to a great degree—quite apart from the wastages of war.

Last week I quoted from a book that sets out the international currency experiences. One effect is stressed, and that is that one country after another endeavoured to save its people from the effects of unemployment by establishing, as well as they could, internal economic stability. This had its reaction externally but of course the point that has to be stressed, especially with regard to Australia, is that if we are to achieve economic stability, and if we are to achieve the ideal that every one of us, no matter what his political beliefs, hopes for, namely, a steadily rising standard of living, we can only do so on one basis, and that is that there must be a steady increase in production per head in every line of industrial activity.

Reference has been made, of course, to the changes that took place in various countries as a result of the last war. The changes that have taken place during this war are even more marked. The war has already wrought great changes. The other day I quoted some figures in connection with the international debt and with regard to our external trade and our adverse balance of trade. I came across some figures in the same paper which are equally interesting. Those figures refer to taxation. In "The West Australian" of the same date, the 30th July, I found some further interesting figures referring to the percentage of the income which is paid by each group of taxpayers. There were 178 persons receiving over £15,000 a year in Australia. Their incomes totalled £4,293,000 and the tax was £3,497,000. They paid 80 per cent. of their income in taxation. In the group receiving from £250 to £300 there were 271,531 persons whose incomes totalled £75,215,000, and the amount of tax they paid was £3,954,000.

That was only about £500,000 more than was paid by the 178 persons in the higher income group. The percentage of their income paid was 5.25 per cent. In the largest group, that between £301 and £350, there were 261,707 people who received a total income of £85,026,000, and paid £5,750,000 in tax which is the equivalent of 6.7 per cent. of their income. So members can see how tremendously the scale has increased in the high income group. That, of course, is

quite sound and correct, but when we realise the responsibilities that lie on the shoulders of those in the higher income groups, we wonder whether the effect of this has not been to induce a good many of them to say, "Why should we be exerting ourselves and using our powers, energies and resources to earn such a large income when so much of it has to be diverted to Government services?"

Hon. A. Thomson: It is killing all incentive.

Hon. H. SEDDON: The danger is that incentive is killed.

Hon. E. H. H. Hall: Some of those people cannot help themselves.

Hon. H. SEDDON: The man who has got himself into that position is one who is a very valuable asset to this country. From that angle alone, if from no other, he should be materially encouraged by being given an additional incentive.

Hon. E. H. H. Hall: You would not suggest a monetary incentive?

Hon. H. SEDDON: I think most of those men are working from anything but a monetary incentive. I am inclined to think that their motive is anything but monetary. It is probably competition or perhaps they are inspired by some ideal. The result is to be seen in the way in which these people have acted upon the welfare of the community, and the benefits they have conferred by the application of their intelligence and ability. The war, of course, has wrought further great changes in Australia. Again I quote from the book I have just read. Referring to the 1914-18 war, it contained the following statement—

> The changes in the industrial productive technique and power in U.S.A., Japan, Canada and Australia and in other countries during the war were such as might otherwise have required a quarter of a century.

Australia has accomplished a tremendous advance and in many avenues and occupations she has definitely become a country of secondary industries. Men have been trained and are now skilled in knowledge and activities of which they were previously entirely ignorant. There is in this country today a reserve of skill and experience that, if diverted in the right direction, can be made of material benefit to Australia, provided that that skill and experience are wisely employed and wisely used. The questions arise: What position are we in to apply it? What plans have been made to employ both men and resources? There have been certain things noted during the last few weeks that have raised some rather chilling doubts in that regard.

We have been told, of course, that plans are in hand for the change-over from war to peace. We remember the dislocation that took place earlier in the change-over from peace to war, but the incentive was there because of the necessity for national preservation. That incentive was very powerful. Whether in the change-over from war to peace the incentive will be equally powerful remains to be seen. It appears to me that we require some very definite evidence that the planning suggested is something more than a plan on a piece of paper and that the planning is not more or less in the realm of dreams. What we want is a plan that is on a practical basis. It has been pointed out that if we are to have some system of planning the necessity will arise for the retention of certain control. That is admitted on all hands, but the question I ask is: "What control"? That question has been very directly asked by some people who have had experience in the field of secondary industry. They realise the opportunities that have been opened up due to the destruction of the power of the productive forces of Europe and realise the openings there are for the supplying of many lines that formerly were imported.

On the other hand, we hear that their activities are being restricted, hampered and unduly interfered with by the cumbersome system of departmental control that obtains, particularly the control that was established under the guise of regimenting the nation for war production, but which, in my opinion, has today got so much out of hand that it is hampering activities in every direction. When we hear that people are being dismissed from their positions because their work has finished and apparently no steps are taken to suggest to them alternative fields of employment, we are entitled to ask to what extent the planning has extended and to what degree have the commercial and industrial communities been given liberty of action in order to put into operation plans they have evolved with a view to supplying our many needs. So I say that when people deliberately talk about continuing control

and the necessity for some restrictions, I ask what those restrictions are and in what direction are they to be maintained.

When we review the field in which Australia is engaged at present with regard to her war activities, we realise that the reduction of the number of Army divisions oversea to a total of three must very materially affect the number of men retained in the Army and also the number engaged in the manufacture of munitions. In the circumstances, I claim there should be a release of manpower to a degree that will enable us to attain the pre-war standard of production per head and enable us very quickly to overtake the shortages in many lines of civilian requirements. It will be far too late to say that when the war is over will be ample time to provide for the change-over. That change-over is taking place today but the releases do not seem to be in anything like the necessary proportion.

The question of agricultural production is all-important. The oversea demand for goods is imperative—but what is the remuneration in the agricultural industry? A man came to me the other day to discuss his income tax return. There were some points about which he was not sure. He is a manual worker—a labourer—who has been engaged on Government work for which he received a remuneration of £2 a day.

Hon. E. H. H. Hall: Unskilled labour?

Hon. H. SEDDON: Yes. That type of man would be very useful for the agricultural industry. Would he be content to accept work on a farm?

Hon. L. Craig: Not if he had any sense.

Hon. H. SEDDON: If the manpower authorities sought to compel him to take an agricultural job, would the conditions be such as to induce him to work in the same way as he did when he was getting £2 a day on the Government job?

The Chief Secretary: For how many days did he get that?

Hon. H. SEDDON: On that particular job the man was employed for three months. When we are discussing the question of a balanced economy—that is the only stable type of economy—these are matters that have to be answered. This disparity between the remuneration of a man who is purely an unskilled labourer and the remuneration available for a man who has devoted the whole of his life to scientific work serves to indicate how unbalanced is our community and how unbalanced is the incentive. We have been advocating that our young people shall devote themselves to higher education so as to become fitted to undertake the requirements of the future. If they are to be encouraged to go further with a higher education, adequate provision should be made for them.

We are already planning to extend the school age and also to enable young people to avail themselves of the educational facilities at the University. All that is entirely to the good. On the other hand, there must be some change with regard to the remuneration that we provide for our educated men and women as compared with the wages and conditions available to that section of the community that comprises labourers and unskilled workers. As a matter of fact, I think the psychology and the approach of Governments have been entirely wrong. In support of that statement I would instance the stupidity displayed by the authorities in the period approaching, and during, the last depression. At that time we had hundreds of men who were skilled workers, but the depression found them forced out of work. All the Government could provide for them in the shape of employment was pick and shovel work in the country, under conditions that were not attractive and at a remuneration that was just sufficient to maintain a very low food standard. Surely an intelligent approach to that situation would have made use of the services of such men in, for instance, the manufacture of machines that would have enabled more work and more undertakings to have been put in hand. The Americans have shown that it can be done in their country.

Hon. E. H. H. Hall: In effect, such men were reduced to the level of unskilled workers.

Hon. H. SEDDON: The outlook of those responsible for such a policy was of the pick-and-shovel variety.

Hon. A. Thomson: That is so.

Hon. H. SEDDON: That was the outlook rather than one that would have realised the possibility of utilising the services of trained scientific men for the production of machinery to cope with such work.

Hon. C. F. Baxter: But the Government had to do that at the time in order to employ the greatest number of men possible.

Hon. H. SEDDON: Had the lay-out of our machine shops been efficient and the manufacturing industries' conditions been on a par with modern progress, it would have been possible to employ quite a large number of those men in the production of machines, and instead of being restricted as we were to a small number of public works, we could have carried out possibly ten times the number of undertakings at one-tenth of the cost.

Members: Hear, hear!

Hon. H. SEDDON: Changes are coming rapidly. Men are returning from the various Fronts. They include men who have experienced all the trials of war in the Middle East and in the Islands. They have lived under conditions of which we can have but the slightest conception. Many of those men are returning unsettled in their minds, and some in a frame of mind similar to that of men who returned from the 1914-18 war, hoping to secure stable and suitable employment, to re-establish their homes and to live in peace and quietness, enabling them to forget what they had been through, and to re-establish themselves on a decent standard of living in the enjoyment of which they could carry on their duties as citizens and useful members of the community.

It is for that reason that I wish to refer to one aspect of employment that up to the present seems to have received anything but favourable consideration. In fact no consideration seems to have been extended to it so far as practical steps would indicate. Men who have been serving in the Armed Forces for five years are, we have been assured by the Prime Minister, to be released without being subjected to any manpower control and are to be permitted to engage in any avenue of employment they may desire. There is, however, one field in which the Government might be able to make available employment quickly, provided that there is a change of attitude with regard to that industry compared with that displayed to date. Twelve months ago when I spoke regarding the position of the goldmining industry, I referred to statements by certain members of the Commonwealth Government in which they expressed themselves as seriously concerned about the future of the industry. They indicated that they were entirely sympathetic regarding it; but in actual practice we find that this is the one industry in which today men are being prevented from working. Under the so-called demands of the manpower authorities, men are diverted to other industries.

Owing to the availability of men who are now being liberated from the Fighting Services, the manpower demands must be rapidly filled if we are to achieve the standard of production that existed prior to the war. Senator Keane, supported by Mr. Johnson, who is now a member of the Federal Ministry, made some remarks along practically the same lines the other day. The position today, however, is that controls are still operating, and operating adversely so far as the goldmining industry is concerned. The industry, therefore, cannot be expected to provide that large and absorptive field of employment which it is expected to provide, unless some very important steps are taken. The question is not one of manpower alone.

It is also a question of plant and equipment. In many cases, especially in the case of the smaller mines, power plants have been taken away, as well as tools. One small mine that was equipped with an electric shovel lost the shovel; it is now working at Collie. It will take some time to obtain another electric shovel to replace it. Under such conditions it is impossible for the mines to make available the employment which the industry is expected to provide, unless there is greater activity displayed in meeting the demands for such supplies, as well as liberating men to engage in this industry. If these remarks apply to mining equipment and manpower, they apply still more forcibly to housing accommodation on the goldfields.

Hon. A. Thomson: Very much so.

HON. H. SEDDON: In the case of outback mines, housing is what a man is able to provide for himself. With the exception of Wiluna, and I think Lanefield and Triton, where the mine management found the capital to erect homes for their employees, the matter of housing is entirely one for the individual himself. In view of the attention which has been given to this most important question, should not the Government, as a result of its inquiries, have made it possible to build permanent houses in certain centres on the Goldfields? It would have been possible to assist the

men by providing them with material to erect homes of a temporary nature, such as are constructed in connection with big schemes carried out in America. These would at least provide some degree of comfort for the mine worker. The replies given to my suggestions by the Chief Secretary the other day do not indicate any encouraging approach to this question by the Government, not even with regard to supplying houses for Kalgoorlie, a centre which is regarded as being permanent, to say nothing about Gwalia, which is equally permanent. We find an entire lack of appreciation of the conditions obtaining.

Of course, we are told that the demands of the city are much more urgent, as the people living there have to exist under distressing conditions, even worse than those prevailing in the out-back centres. As a matter of fact, however, one of the best ways of relieving that congestion is to provide accommodation in the outback districts, which are likely to expand if better amenities are provided. It was for that reason I asked the Chief Secretary the questions I have referred to. I did so in the hope that the Government and the departments concerned would be seized with the necessity of extending consideration as well to the Goldfields as to the city. My remarks apply still more forcibly to small communities in the country, because the existing conditions there are such as not to tempt the people living in the metropolitan area to leave the city for the country. In Kalgoorlie at present there is a serious shortage of houses, and the time is not far distant when we shall have the "double-banking" that occurred during the previous mining revival. There should be greater alertness on the part of the Government to supply materials to people on the Goldfields who are prepared to erect their own homes.

The importance of gold opens up a new angle, apart from the prospect of its providing employment. International currency experience during the period intervening between the two wars demonstrated that the troubles which arose over currency were due to the fact that no country recognised the necessity of adjusting its currency value to gold and maintaining it to gold on a new basis. Gold, with regard to the requirements of the currency, was very short, and for many years it was a question of each country being forced to make its own adjustments. Then came the period when gold was being produced more rapidly. Even then, so far as the relationships between the countries were concerned, gold was not made use of to the extent that it might have been, with the idea of establishing a suitable currency. A tremendous advantage, however, accrued to those countries which were able to produce gold, provided they did produce it and realised their own opportunities.

We find that immediately before the war South Africa, Russia and Canada were concentrating on gold production. Even during the war we found those countries still continuing to produce gold, and as much of it as they possibly could. In Russia especially there were no controls over and no restrictions placed on goldmining. If those countries realised the importance of gold production purely with regard to their external requirements, surely Australia, the only country which did enforce restrictions and the only country still enforcing them, should have been seized with the extreme importance of gold production. We know that gold has saved Australia on three occasions. Gold attracted population to Australia at the time of its discovery in Victoria to an extent that nothing else could have done. It was found in a time of world-wide depression. The discovery of gold in Western Australia was the salvation of Australia; it was also discovered at a time of great financial depression. The revival of the goldmining industry in 1930 had the same effect. It is from that angle that we should realise the value of gold as a means of putting our Australian currency on a sound and stable basis.

I cannot imagine a better remedy for the tremendous note hoarding we have today than that the Government should be brave enough to say that it will allow the people to buy gold. If that suggestion were adopted, it would quickly be found that note hoarding would cease. It is interesting to recall that it was in 1930 that Australia went off the gold standard and citizens were not permitted to hold more than £25 worth of gold. That order has never been rescinded; it is in operation today. In 1942, when the war pressure was so heavy, production of gold was reduced to a minimum. In fact, gold production almost

ceased. The quantity of gold behind our currency at that time was, in relation to the note issue, down among the decimal points and it is still there. In 1945, with the necessity of providing something to stabilise our currency more evident than ever it was, we are still labouring under the restrictions which have been imposed and are being maintained. These were all imposed by Commonwealth Labour Governments. I wish now to refer to another matter.

When speaking on the Supply Bill, I pointed out that our expenditure was steadily rising year by year. Never in any one year during the past 15 years has expenditure been less than it was the previous year, while revenue is running almost neck and neck with the expenditure, but with a very narrow margin at present. I notice the figures for the present month are in the same strain. The deficit is over £250,000, which is £46,000 more than for the same month last year. When replying to me on the Supply Bill, the Chief Secretary ignored the fact of this steady increase in expenditure from year to year. One would have thought that, even under the conditions that have existed during the war years, some attempt would be made to keep down expenditure or even to maintain it on an even keel, yet we find it has increased year by year during the war period. In last month's figures we find that revenue is down £25,000, while expenditure is £21,000 up, when compared with the same month of last year. Taxation is £9,000 up, but departmental revenue is down £17,000. The railways are down £33,000. The railways, exchange and departmental, have each contributed to the increase in expenditure.

I desire to deal for a few moments with railway finance, a question about which we have been concerned for a great number of years. We should approach the question from the angle of world experience of railways. Many factors are operating to the disadvantage of the railway systems of all countries. Some countries have adopted one method of dealing with this problem, some countries another. First I want to point out that the troubles we are experiencing in our railways are similar to those being experienced by countries where railways have been built by private enterprise. In support of that statement, I refer members to the financial position of many of the British railways and to the return which the subscribers, shareholders and debentureholders are receiving on their investments. Many years ago it was pointed out that the person who had invested in Home railways had the mortifying experience of seeing 50 per cent. of his capital disappear in a period of 10 to 15 years, quite apart from the fact that he had not received interest on his investment.

When railways were constructed in England, they were built quite regardless of the traffic available, with the result that the railways found themselves competing under more and more severe conditions for what traffic was available; and, in the endeavour to beat each other and give service and supply adequate rates, had to embark upon further and further capital expenditure to bring their operations up to higher efficiency. The result is that many lines in the Old Country for many years have paid no return and their capital value has steadily diminished. Of course, the policy in Australia has been to build the railways by borrowing money and the Government has taken full responsibility; but, whereas the burden has been taken in Britain by the shareholder, who has suffered loss, the burden in this country is taken by the general taxpayer, and the capitalisation of the railways remains or, as a matter of fact, is steadily rising from year to year with very few exceptions, and the loss is being borne more and more by the taxpayers.

In most commercial concerns, it is recognised that it is necessary to provide something in the way of amortisation in order to cope with losses through depreciation and the wearing out of machinery, but nothing like that has been done with the railways. The capital remains at the same high figure, with the result that we find deficits have been more or less a characteristic of railway finance for the last 20 years. In the last five years, during which interest has been over £1,000,000 a year, we have had deficits ranging from £61,000 to the last one—in 1944—of £452,000. During the years 1942 and 1943, when we had the benefit of the Defence traffic, the losses fell to £61,000 and £62,000 from the figures of £216,000 and £300,000 in the two previous years. So it will be seen that today we are more or less back to normal so far as railway finance is concerned.

We have once more entered a period when we are making big six-figure deficits. The percentage of profit over working expenses, however, in all those years has been appreciable. Even in 1944, when the deficit was so large, the profit over working expenses was 2.21 per cent. In 1942 and 1943, when we benefited from Defence traffic, the percentage of profit was 3.6. Over the whole 66 years of operation of our railway system, the average profit over working expenses has been 3.1, yet the interest rate charged to the railways last year was 3.9241 per cent. One of the first restrictions imposed when the war started was that applied to the rate of interest. The Government today is borrowing money at from 2½ per cent. to 3¼ per cent. I would have thought there would be some attempt to give relief to the Railway Department in the matter of interest being charged against it. At present, the railways are being asked to carry out an impossible task, and to carry it out under conditions in which their rates are fixed, with a view to assisting the development of the country, and particularly with a view to helping the primary industries. The best system that could have been adopted was something in the nature of the interest rate charged to that undertaking being reduced to present day figures in order to give the railways a chance of more or less breaking even and making a contribution in the form of a sinking fund to reduce the capital which is being held against them.

If we adopted a percentage of 2½ per cent.—which is the percentage at which much of the Government money today is being borrowed—we could say to the railways, "Earn your 2½ per cent. and anything over and above that will be applied to reduction of your capital." If we reduce the railway capital materially by expedients of that description, we shall have a chance of bringing freights down and saving the amount of interest which at present is levied against our railways. I previously pointed out that the density of traffic on our railways is very small compared with that of more prosperous and highly developed countries and consequently we cannot expect anything but an adverse reflection on the earnings of the railways. It appears to me that the time has arrived when the Government might well consider a change of policy with regard to railway finance, particularly in view of the fact that the present rate for money is likely to remain for some considerable time and it should be quite possible for the Government before very long to embark upon conversion schemes that will bring down the interest rate it is now paying on its old loans to something like modern standards.

In the latest report of the Commissioner of Railways, there is a very significant reference to the age of our locomotives and rollingstock. It is pointed out that a large proportion of our locomotives are over 30—some of them 40—years of age. That must necessarily interfere with the earning power of those machines, and the same applies to the rollingstock generally. The other day I obtained some rather interesting figures regarding locomotives. I asked a question on Thursday concerning the new heavy Garratt engines. These engines are hauling big loads at a pretty fair speed, but there are certain figures with which we should be supplied. We should know the operating costs of these locomotives compared with the older locomotives. There are some startling differences with regard to cost. I have taken out some figures for the purpose of comparison. I have figures from the railway report and also those supplied to me by the Chief Secretary. I have here details of six different classes of locomotives, all of them working pretty constantly in our railway service. I have obtained from the report of the Commissioner of Railways the cost of those locomotives, their tractive power, and the dates on which they were placed on traffic. From those figures I have taken out the cost per pound of tractive power. The table I have drawn up is as follows:—

Type of Engine.	Cost.	Tractive power.	Date built or placed on traffic.	Cost per lb. tractive power.
	£	lbs.		shillings.
"E" class	4,463	17,233	1902/12	5·18
"F" class	4,830	21,806	1903/13	4·40
"Msa"	7,500	20,784	1930/31	5·60
"P" class	9,028	24,778	1924/30	7·20
"S" class	16,000	30,685	1943	10·40
"ASG"	18,000	34,420	1944/45	10·40

Members can see the enormous increase in the cost of each of these engines. There is, of course, an increase in the tractive power; but whereas the Australian Standard Garratt has a tractive power of something like twice that of the "E" class, the cost is four times as much.

Hon. L. Craig: What about the operating costs?

Hon. H. SEDDON: That is the point I am coming to. The operating cost is all-important. We can afford to indulge in very heavy capital expenditure provided that, as a result, there is a reduction in operating costs. I ask the Chief Secretary whether he will be kind enough to obtain from the Railway Department and give us, in his reply to the debate, a comparison of the operating costs of these locomotives in order that we may be able to make something like a fair comparison regarding the cost of running these trains and hauling these loads. His figures may put an entirely different complexion on those I have quoted; but it does look significant when we realise that we are getting twice the hauling power but paying four times as much as far as the capital cost of the engines is concerned. There are some other aspects of railway activities to which I would like to refer.

We now have a new Minister for Railways. He represents a mining constituency, and he will be fully aware of the conditions under which many mining communities exist with regard to the provision of transport and the conveyance to them of the necessities of life. With the exception of a few fortunate centres, all food has to be carried to these outback places. When I tell members that on the Laverton line there is a train every fortnight, they will realise the conditions under which the people are living, especially in relation to perishable food supplies. When this system was inaugurated, arrangements were made whereby a road transport system was to be put into operation during the off week. The idea was to enable these people to receive fresh vegetables and meat at least once a week. Members can imagine the condition in which that meat is likely to arrive at Laverton and Morgans on a blazing hot summer's day when it has to be carried by road. Even when it is carried by train, very frequently the condition in which it arrives makes it anything but palatable. I think the policy of the Railway Department might very well be reviewed in the direction of providing a light transport unit in order to cope with the passenger traffic that is offering at present, and, still more important, to provide a system of transport whereby these people could get fresh food supplies reasonably frequently, and in a condition in which they could be eaten.

I recommend that the new Minister for Railways should attend to these problems in order that the people, not only in the North-East Province, but also in his own district, may benefit through better food and through the better conditions under which it is supplied to them. The suggestion was made that rail cars should be run in order to meet this requirement, and there is no reason why, with the advances in the application of producer gas to transport, this should not be taken up and resorted to by the Railway Department. There is no reason why a producer gas unit should not be used to give these people the facilities they deserve, because they are the people who are carrying on their shoulders the tremendous number of people now occupying our cities.

I intended to make reference to educational facilities, and to the way in which the schools are being kept up and equipped, and also to school health facilities and accommodation for outback scholars attending the higher grade schools, but all that can wait until another time. However, those matters all need attention, and I hope the Government will give them that attention. From now onwards there should be greater concentration than ever before on the needs of the outback communities, in order to induce people to return to those areas and take part in the production of the wealth on which this country lives. To do that we should extend to people in those areas many of the facilities enjoyed by their fellow workers in the cities, and we should make their conditions of life as pleasant and healthy as possible so as to induce them to work in those areas rather than follow the lead, which has been given for so many years, of concentrating in the cities.

On motion by Hon. A. Thomson, debate adjourned.

House adjourned at 6.3 p.m.