

Legislative Assembly.

Tuesday, 15th September, 1936.

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

ADDRESS-IN-REPLY.

Presentation.

MR. SPEAKER: I wish to announce that, with the member for Kalgoorlie, Mr. Styants, I attended upon His Excellency the Lieut.-Governor and presented the Address-in-reply to His Excellency's Speech. His Excellency replied in the following terms:—

I thank you for your expressions of loyalty to His Most Gracious Majesty the King and for your Address-in-reply to the Speech with which I opened Parliament. (Sgd.) James Mitchell, Lieutenant-Governor.

MOTION—URGENCY.

Grasshopper Menace.

MR. SPEAKER: I have received the following letter from the member for Mt Marshall (Mr. Warner):—

I desire to inform you that it is my intention at the sitting of the House to-day to move, under Standing Order 47A, "That the House do now adjourn" to call attention to the inadequate measures being taken by the Government to cope with the grasshopper menace, particularly in the north-eastern wheat belt.

It will be necessary for seven members to rise in their places to support the proposal.

Seven members having risen in their places,

MR. WARNER (Mt. Marshall) [4.36]: I realise the seriousness of the step I am taking in moving the adjournment of the House to discuss this matter, but I will endeavour to explain my action clearly, without detaining the House unnecessarily, but at the same time showing that I am

justified in the course that I have adopted in calling attention to the grasshopper menace. It is not only in the north-eastern wheat belt where the grasshopper plague is taking its toll, but I shall content myself with dealing with the inadequate measures being taken by the Government in the Mt. Marshall electorate, leaving the members of other districts to voice their views as to satisfaction or otherwise concerning their districts. The grasshopper plague is a far greater danger than the public in general are aware of, and a greater menace than the Government are prepared to admit. I desire to acquaint members with facts to prove that the measures being taken to deal with the pest will prove a hopeless failure, and also that the peculiar attitude of the Government is tantamount to telling the farmers to deal with this national menace, though it is beyond their capabilities to do so. I am not inclined, nor do I desire, to be offensive in any of my remarks, but I do intend to let the House know the manner in which the Government are being criticised by the farmers for sheer neglect in dealing with a matter that may mean a loss of millions of pounds to our State, which loss could be avoided if proper methods were adopted. There is no excuse whatever for the Ministers concerned to say that they are not in possession of the facts. I have before me a file containing copies of inward and outward correspondence dealing with the matter over a period of a year. This matter has been taken up not only by me but also by the member for Avon (Mr. Boyle), the member for Yilgarn-Coolgardie (Mr. Lambert) and also the members for East Province, Messrs. Baxter, Hamersley and Wood. There are numerous letters and copies of resolutions passed by various bodies such as road boards, agricultural societies, branches of the Primary Producers' Association and the Wheatgrowers' Union, and the executives of the two last-named bodies. The correspondence before me and that which has passed through the hands of Ministers, plus the various Press items, prove that the Government are well aware of the position, and yet they treat the matter with such small concern that the Minister for Agriculture has been left with the paltry sum of, I believe, £2,000 to deal with the pest this year. Had the amount been in the vicinity of £20,000, it would not have been too much to expend in the endeavour to cope with the menace. The grasshopper pest might mean the

destruction of the whole of the wheat crop in the Mt. Marshall district, which is the locality wherein is found the infested block of country. It is quite possible also that the pest will mop up the feed on the grazing areas, which will interfere seriously with the grazing in those parts. The Minister for Agriculture is not altogether to blame. I think he is conversant with the trouble, and I believe he knows that the problem is not being attacked from the proper angle. Yet he cannot get the assistance to deal with the pest in the manner that I believe he would like to do. The Minister for Lands is the one who, I think, might have shown a great deal more activity. It is on the abandoned farms that the whole of this plague has been produced. Every member of the Cabinet, particularly the Minister for Lands, is aware of the menace, and I do not think it can be disproved that 90 per cent. of the grasshoppers are bred on abandoned farms controlled by the Agricultural Bank. The inspectors of the Agricultural Bank are also well aware of the position. I believe that the measures being adopted by the Government at present are not sufficient to cope with the pest. Is it possible that the Minister for Lands does not believe in any other method of coping with the pest than that of spreading poison bait? I wonder if he thinks it reasonable to let an abandoned farm, as is being done at present, on a cropping lease, and demand $1\frac{1}{2}$ bushels per acre as rent for the land cropped, and permit the lessee to crop only one-half of the area and leave the other half unbroken, thus providing facilities for the breeding of sufficient grasshoppers to eat out not only the crop that the lessee has put in but also the crops of his neighbours. I consider that this arrangement is iniquitous, especially in view of the fact that we have been confronted with the pest for the past year or two. I suggest to the Minister that a better method would be to lease such properties for cropping on condition that the whole of the cleared land on the farm were broken up. Thus, regardless of whether the lessee cropped the whole area or not, all of it must be broken up. I believe that would be a far better method of dealing with the plague than taking $1\frac{1}{2}$ bushels per acre as rent and allowing the lessee to breed grasshoppers on the portion of the land not cultivated. The position of the farmers in this area, which is so severely

affected, is not enviable. Last year they suffered what was practically a drought, and had very little crop indeed. The little that was grown by them was mostly destroyed by the grasshopper plague then in the district. Those farmers had to help to destroy the plague. The only assistance they received from the Government was a supply of poison. The farmers had to do the labour, cart the poison out, supply their own fuel for the trucks, and do their own farm work; so that all in all they were doing the work of a day and a-half or two days in one day. I know it is not in accordance with the views of any member of the House, which is intent upon securing reasonable hours for those on laborious toil, to make the primary producer work double shifts. Now the farmers in question are faced with the possibility of the grasshoppers eating out their year's crop. I maintain that the method adopted by the Agricultural Bank or the Lands Department, whichever may be responsible, is not the right one. Unbroken land should never have been left around; a farmer with a cropping lease should never have been permitted to put in crop all around. Last season's results in the district were such as to cause many farmers to call upon the Government to assist them to stay on their holdings. This was done with the aid of Federal money, to the extent of £6 per month for a married man and £4 per month for a single man. On that financial basis the farmers are expected to do all necessary farm work, as well as to cope with the grasshopper pest now. They are expected to do the poisoning, as the result of advice given by the Government Entomologist last year. The Government were requested last year to compensate farmers for the work involved in protecting the crops of other farmers as well as their own by laying poison, for which purpose they have to use their own petrol. The plague is there only because of the neglectful attitude of the Agricultural Bank in dealing with the pest on abandoned properties.

Mr. Doney: The same remark applies to abandoned properties held by the Associated Banks.

Mr. WARNER: Yes, if the hon. member pleases. Press reports referring to the plague are misleading; the help given to the farmer is not as stated. In fact, Government help may be described as lacking. The leaving of a two-chain strip alongside grow-

ing crops at this stage is recommended by the Government Entomologist. But that expedient has been proved a failure. More grasshoppers have passed through the poison strip than have been killed by the bait. The Minister for Agriculture knows that the only effective way to combat the pest is to break up the land. In fact, the Government Entomologist mentions this on page 10 of his summary to Leaflet No. 142. He recommends locating, ploughing-up, and exposing all eggs to the elements, birds and so forth, and spraying young hoppers with contact sprays. He states that spraying is the best way. Yet the Government continue with the method of poisoning. The belief that the poisoning method is the proper one is utterly erroneous. I hold in my hand a sample of crop taken from a patch of 275 acres of oats, the outside of which has been sprayed with poison. Plainly, poisoning is not successful. The stalks I exhibit were pulled up four or five feet inside the area, and yet every stool and head is eaten off. That is the result obtained from the use of poisoned bait as recommended by the Government Entomologist. The position is so serious that I consider this method of bringing the subject before the House to be entirely warranted. I plead with the Government to show some reasonable sympathy for those suffering mentally owing to the inroads of the pest, men who are threatened with absolute financial ruin. I have here a map showing that there are 40 abandoned farms around four settlers in my district, and all those 40 abandoned farms are infested with grasshoppers. The four men remaining are supposed to cope with the pest on all the farms abandoned around them. I have here a number of letters showing that the Minister for Agriculture and the Minister for Lands knew at the beginning of the year that the position was extremely serious. I am dealing with facts alone.

The Minister for Agriculture: That is your opinion.

Mr. WARNER: I believe that if the Minister for Agriculture had more funds made available to him, he would endeavour to deal with the pest effectively. That should have been done previously. The only means now of saving the situation consists in spraying. I enjoin the Minister to start upon that method at once.

The Minister for Agriculture:

Mr. WARNER: That is my view, and that of hundreds of practical farmers, and

also, I believe, the view of the Government Entomologist. I have reason to think, however, that the officer in question considers spraying to be more costly than poisoning. I shall give figures to prove the opinion held by me and numerous other farmers that spraying is the cheaper method. However, I certainly do not desire to pit my knowledge against that of the Entomologist. Still, I am familiar with the destructive nature of the grasshoppers in my electorate. Here is a letter addressed by the secretary of the Mt. Marshall Road, Health and Vermin Board on the 28th November, 1935, to the Minister for Lands:—

The grasshopper plague has finished for the time being, but promises to return next year greatly intensified. Their widespread egg-laying has infested every abandoned holding in this district, and it is imperative that these breeding grounds be broken up by cultivation before June of next year; the earlier the better. Owing to the impoverished condition of the wheat industry, it is impossible for the average farmer to cultivate any large area, as he cannot get the fodder or fuel for the purpose so that it will be necessary for the Agricultural Bank or the Government to come to their assistance with an allowance or advance of, say, 5s. per acre, to get this land broken up. This need not be a loss to the Government, as it would certainly provide for fallow on these abandoned properties, which would make them an attractive proposition for lease or sale; and in the majority of cases, if adjoining landholders were notified that these properties could be leased for the working, and the money found for working same, they would lease these to protect themselves from the hoppers and to work in conjunction with their own farms. This board suggests that these abandoned properties be let free of charge, provided that the lessee works the ground. One reason why these properties should be let free of charge is that where morrell ground exists, and this is not suitable for wheat-farming, it would have to be cultivated to break up the breeding grounds, and this extra cultivation would be a dead loss to the farmer, who cannot afford to waste any effort with conditions as they are. It is also necessary in letting these properties to provide that the whole of the cleared land shall be cultivated. Time is an important factor for these arrangements, and we recommend that all farmers adjacent to abandoned properties should be circularised without delay, as arrangements will need to be completed as early as possible so that the cultivation of this ground will be executed in good time by being included in the farmers' programme, and it is estimated that it will take two or three months to complete the requisite arrangements.

I have here also a letter addressed to me on the 4th December last by the Minister for Lands:—

The communication forwarded to you by the secretary, Mt. Marshall Road Board, in re-

spect to the grasshopper menace, is being forwarded to the Commissioners of the Agricultural Bank for consideration and report.

There is much further correspondence which has passed on the same subject. It is available for the Minister for Lands if the hon. gentleman desires to refresh his memory; but I do not wish to take up the time of the House in reading it out. Further, there is ample evidence that the correspondence has been through the hands of both the Minister for Lands and the Minister for Agriculture. All the labouring I could do would not make the position any clearer than it is made by the matter I have brought forward already. I will now summarise the position. As regards the scheme of bran poisoning, farmers are not allowed to take bait to their homestead for mixing. It must be mixed at depots—in some cases five miles away. Bait must be distributed in the early morning to preserve moistness. After it has dried in the sun grasshoppers will not take the bait. This factor necessarily limits the amount of work which can be done. Labour is not available to conduct both poisoning and normal farm work. Also, farmers' finance largely consists of the £6 monthly allowance from the Federal grant, and this must cover all costs of labour, sustenance, and benzine for truck. Poisoned bran and spraying only control the hoppers for the current season. Cultivation of abandoned farms is the plan which holds out prospects of permanent benefit. There are complaints regarding the difficult terms of leases from the Agricultural Bank: refusal of the Bank to allow cropping lessee to graze the area on the farm not under crop; usual terms $1\frac{1}{2}$ bushels of wheat as lease fee, plus control of all vermin and payment of all water, local, and insurances rates, and delivery of wheat at siding. Leases are only for the following year and the succeeding year, which feature makes leases unattractive. The lessee would probably have first preference, provided the property was not sold in the meantime. If the lessee grows oats, he must pay in wheat or its equivalent value. The lessee pays $1\frac{1}{2}$ bushels delivered at siding, plus water rates, plus £5 meter installation fee, local rates, and insurance of all the crop, and also accepts all responsibility for control of vermin and noxious weeds. Fallow cannot be kept clean without sheep, and immediately a farmer attempts to deal with the position that way, he is faced with a grazing charge, which represents from

2s. 6d. to 3s. per head and that usually runs him into about £52 per year. It is calculated that 18 bags of bran, with 52 lbs. of arsenate of soda and 264 lbs. of molasses, will poison a strip of 15ft. x 160 chains, which is equal to four acres. The cost of poisoning under that method, taking bran at its present price, at £8, will represent £14 2s. for four acres, or £3 10s. 6d. per acre. Under the system of spraying with arsenate of soda and molasses, the cost runs out at 8s. 11d. per acre. Irrespective of the fact that the Government Entomologist believes that poisoning is best, we contend that under existing conditions spraying is the only method by which the crops can be saved. I am sure that, irrespective of whether the land is broken up and the pest dealt with that way, drastic methods will have to be employed next year. I believe that the insects were first seen in the Mt. Marshall district in 1932, when they were noticed on McManus's block No. 537. Since then, the pest has spread over a wide area and more especially is it having a disastrous effect on 27 breeding grounds, comprising 37,000 acres north of the line to Beneubbin. That area comprises 23 abandoned farms and four that are occupied. From 27 to 30 farmers are seriously affected and their crops totalling 12,000 acres are threatened. A group attack on the grasshoppers was fully supported by the local farmers and others last year, but owing to the lack of any financial recompense, I do not believe they will be able to repeat their effort this time. Not having been compensated for their work last year, I do not think they will feel inclined to act similarly this year. I think it will be agreed that I have supplied the House with particulars of a nature serious enough to warrant the action I have taken. I trust that members who represent districts affected by the grasshopper pest will support my attitude. I assure the Deputy Premier that this is no small matter but one affecting the State generally. It is a national concern and more assistance is required for farmers who are on sustenance.

MR. BOYLE (Avon) [5.3]: I support the motion and I do not wish it merely to develop into a debate with the Minister for Agriculture. This is a matter concerning which the electors of the Mt. Marshall area and those residing in the north-eastern portions of the Avon constituency are absolutely panic-stricken, and the plague is

rapidly approaching, in Western Australia, the stage it has attained in the Eastern States. I have witnessed what the grasshopper plague means in the Eastern States. If I may remind you, Mr. Speaker, you were with me when I was travelling from Port Augusta to Adelaide on the 28th March last. On that occasion the sky was literally darkened by the grasshoppers, which had reached the flying stage. In Western Australia we have been fortunate in not having had to contend with the plague before on anything like the same dimensions as this year. Unfortunately—I use that word advisedly—with all the ills that are experienced with droughts, comes the grasshopper plague. In the “New York Times” of the 12th July last, a writer, commenting upon the drought in the United States, referred to the fact that with the drought had followed plagues of insects that Nature seemed to have designed to clean up, or finish, by making what was already bad much worse. It is one of Nature’s little ways of making a good price for someone else in another country. That is exactly the position that develops. The following extract appeared in the issue of the “New York Times” I have referred to:—

In the fields the stunted crops are acrawl with insects. When the land produces the least for man, the insect pests flourish, grow more numerous, hungrier and most destructive. Hoards of grasshoppers have hatched in their dry nests and grown to maturity. They assail the frail dwarfed stalks with a light-hearted idiotic malevolence that adds exasperation to impotence. They eat and reproduce and die, leaving the crops devastated in the luckless districts, leaving the crops in the fatter districts untouched to sell for higher prices.

That is just as true of what is happening in Western Australia. I contend that the Agricultural Department have not faced the position as it should have been, in this regard. An amount of £3,000, I believe, has been set aside for combating the grasshopper plague, which undoubtedly will sweep through the richer districts of the State. The grasshoppers do not have regard to electoral boundaries with any degree of respect at all, nor do they care whether they are desired where they wish to go. The denudation will be more efficient in those districts where there are richer crops. I visited the eastern end of my electorate last week. I believe the department have sent about five tons of poison bait to Merredin,

but the haphazard arrangements for dealing with the stuff when it arrived there struck me as futility itself. To-day I spoke by telephone to the secretary of the local road board at Merredin, and found that the farmers had to come in to collect a certain amount of the poison bait on delivery orders from the Merredin board. Let me deal with the position in the Goomerin district, which to-day is threatened with absolute denudation by the grasshoppers. Goomerin is a centre 15 to 20 miles north of Burracoppin, and is along the western side of the rabbit-proof fence. The crops are fairly satisfactory at present. The settlers there are experiencing their first decent crop for three years, and even though the rains they have had have been rather light, the farmers were certainly hopeful, in view of the better prices available for wheat, of recovering some of their losses of former years. Out of 25 returned soldier settlers who had blocks, six only remain in the Goomerin district to-day. Are those six settlers to be faced with the responsibility to poison all the areas around them? It would be an impossibility for those men to contend with the grasshopper plague in such circumstances. It is in the interests of the economic welfare of the State that the whole community shall participate in the fight against a devastating plague of this description. The member for Mt. Marshall (Mr. Warner) expressed the opinion that the farmers were being driven mental because of this latest pest. For my part, I think a lot of the farmers were mental ever to have remained on their blocks throughout the depression. The grasshopper plague is merely the last straw that will complete their undoing. The necessity for prompt and efficient action by the Government is obvious. The method of sending bait to isolated places like Merredin and allowing the farmers to come in and procure an adequate quantity with which to poison sufficient areas on their holdings, will not get rid of the grasshopper plague, which to-day is rapidly approaching the flying stage. Once the hoppers get into newer areas, no power on earth will prevent them from ruining the hard work of the farmers during the last twelve months. The plague will spread without any apparent abatement on the part of the human

element. In this particular matter, I would far rather assist the Government than embarrass them. It is not my intention that any remark I have made shall be in embarrassment of the Government, and I am sure the Minister for Agriculture will receive all the assistance he requires from members on the Opposition side of the House to cope with a plague that has been a national menace here and elsewhere. In Wagga two years ago I was well able to appreciate the results of the ravages of the pest, and I realise what it will be in Western Australia. I appeal to the Government to face the position, and not merely to allocate a few thousand pounds to cope with a pest that threatens the welfare of the whole agricultural area in the eastern districts.

THE DEPUTY PREMIER (Hon. M. F. Troy—Mt. Magnet) [5.11]: The claim made by the member for Mt. Marshall (Mr. Warner) that the Government had ignored his representations regarding the problem of the grasshopper plague was not correct. The Government have not ignored his representations, but have taken greater action this year than ever before in the history of the State.

Mr. Warner: But still not sufficient.

The **DEPUTY PREMIER**: There is no limit to what the Government have done or attempted to do. Had it not been for the exceptionally dry season, the driest since 1914, there would not have been any grasshopper plague this year. When the member for Mt. Marshall asks that the Government shall subsidise the farmers to fallow a million acres at 5s. an acre, he is asking the State to provide not less than £250,000, in addition to meeting other liabilities that the Government carry on behalf of the agriculturists. It simply cannot be done. Such a thing has not been done by any previous Government in the State, and the grasshopper plague is not new to Western Australia. The plague has recurred during the past ten or 15 years, and each Government of the day met the situation and coped with it as best they could. This year we have done very much, much more than was ever before attempted in the history of the State. These plagues cannot effectually be countered, and they have not been completely dealt with in other countries of the world. We know that vast sums of money have been spent in South Africa, South America,

North America, and Russia, and no country has yet been able to cope with the plague. Governments have gone to the extent of spreading poison from aeroplanes, and in some countries poison gases have been used. Even those attempts to cope with the plague have not been effective. I have seen the ravages of the plague in this State, and I witnessed the greater damage done by the grasshoppers in South Australia a few years ago. The Government there asked the farmers to meet the situation as best they could, and supplied them with poison. The farmers did very well to meet the situation with which they were confronted. I appreciate the fact that farmers in the eastern wheatbelt have not the heart to meet the trouble that they would have had, but for their experience in the last few years. I know what that means. Settlers have been facing such serious trouble, in addition to which low prices have ruled for their commodity, with the result that the cumulative effects have knocked the heart out of them. Nevertheless, our farmers may be expected to do something, and I hope they will do so. The member for Mt. Marshall was unwise in saying that farmers should do nothing themselves.

Mr. Warner: I did not say that.

The **DEPUTY PREMIER**: The farmer must protect his own crop, and his own assets. If a man's house is on fire, he must not run away and say that it is none of his business. The farmer has a great many things to attend to but, all the same, when it comes to a widespread pest, I still say his duty is to help to combat the pest. It may be that he has to work long hours and without very good prices, but after all, it is only a matter of a few weeks that he will have the pest on his lands. The member for Mt. Marshall (Mr. Warner) quoted a letter which was written to me some months ago and which I passed on to the Agricultural Bank. The hon. member's proposition was utterly impossible; there is no possibility of the Government of Western Australia, in addition to meeting their other obligations, providing £250,000 for this special purpose of combating the grasshoppers. Moreover, I guarantee that no other Government in Australia could give it. Agricultural development is costing this State nearly £716,000 per annum, and that figure by no means includes everything. The Minister for Agriculture will tell members the Government have this year taken very drastic steps to deal

with this and other pests; and he will show also that the authorities, those who ought to know, insist that the steps taken by the department are the most up to date that have been discovered in any country. Four years ago, in 1932, the grasshopper appeared in plague form in Western Australia. Our friends opposite were in office then, and all they did was to advise farmers to use poison bait. Virtually that was all that was done. I do not blame the Government, for they had their own financial difficulties to contend with. In 1934—

Hon. C. G. Latham: There were not so great a number of abandoned properties then.

The DEPUTY PREMIER: Yes, there were.

The Minister for Agriculture: Abandoned properties are not the sole cause of the pest.

The DEPUTY PREMIER: No, they are not the sole cause; not by any means.

Mr. Doney: But they are the principal cause.

The DEPUTY PREMIER: One of the chief causes in Western Australia is associated with the grazing lands.

Hon. C. G. Latham: It is not.

The DEPUTY PREMIER: Some of these properties are owned by grazing farmers, and of course, such properties probably are grazed, but not cultivated. That must make the position far worse. During the last few months, the member for Mt. Marshall has not done anything to bring this matter to my notice. The matter was brought to my notice by Mr. Diver and two gentlemen from the Kununoppin district who discussed with me the question of cultivating some of the properties they had leased, abandoned properties that are leased from the Agricultural Bank. I sent their proposal on to the Agricultural Bank. But that was three weeks ago, and it was then too late to start cultivating, because, despite what some people may say, country cannot be fallowed today. But the Bank has leased a considerable number of its holdings, and this year there was broken up and put under crop no less than 76,000 acres.

Mr. Stubbs: In the Kununoppin area?

The DEPUTY PREMIER: Yes.

Hon. C. G. Latham: Not in that area.

The DEPUTY PREMIER: No, in the wheatbelt; in the Kununoppin, Kellerberrin and Bruce Rock areas.

Hon. C. G. Latham: You mean those agricultural districts?

The DEPUTY PREMIER: Many of those abandoned farms do not belong to the Agricultural Bank, although I admit numbers of them do. What happened in this country was that the Agricultural Bank advanced millions of money to people with which to make farms. Those people made use of the money from the Agricultural Bank, and in many instances all that the Bank now has is a farm abandoned. The farm ought never to have been the responsibility of the Agricultural Bank. It never has been so anywhere in Australia, except in Western Australia. No other bank lends money and takes more risk than other banks would do, and then, if the project fails, allows the borrower to put back the property into the hands of the Agricultural Bank and say, "This is your responsibility." That is what a section of the people tell the Bank today, but I say it should be somebody else's responsibility; it ought to be the borrower's responsibility.

Mr. Stubbs: But the farmer that has gone off the property has not two bob. How can you put the responsibility on him?

The DEPUTY PREMIER: In Federal circles the Agricultural Bank is blamed for having lent large sums of money. The Federal Treasurer, when delivering his Budget, said we had been too generous. Now, because the country has been too generous in advancing money, the Bank has to take all responsibility. The Bank asks for some return for the community on the money that has been lent, especially since that money was derived from the community. In all cases the rent fixed amounts to from one bushel to 1½ bushels per acre, and that from a two-year lease. So it is a very small rental indeed. I have discussed this matter with the Bank Commissioners, and they are anxious to help the community to get this land broken up. No doubt the Commissioners will do anything within reason to get these properties occupied for some useful purpose. Personally, I would gladly see them utilised. In 1934, when this Government came into office, we took steps to combat the locust plague on the outer wheatbelt. The Government tackled the question by consulting the Agricultural Bank, and the farmers themselves were asked to co-operate with the officers of the Agricultural De-

partment and those of the Agricultural Bank. All road boards concerned and farmers individually affected were asked to co-operate, because for its destruction the pest needs wholehearted co-operative effort. Last year, over £900 was spent in provision of poison bait by officers of the Agricultural Department in co-operation with the Agricultural Bank inspectors. Areas were plotted where the pest was known to have laid its eggs. The sketch map submitted in this morning's "West Australian" is simply a portion of that map. We have had full knowledge of the breeding grounds and have kept close watch on the areas affected. The Agricultural Bank has encouraged the breaking up of areas in infected districts involving 228 holdings with a total acreage of nearly 70,000 acres. In all districts, of course, there are extensive breeding grounds in areas impossible of cultivation, and even ring-barked land with a hard surface makes ideal laying grounds. The same may be said of salt-affected land. The Department of Agriculture months ago prepared for the supply of sufficient quantities of poison and material suitable for bait. Over 150 tons of material have been sent out to the infected districts. The Government have not spared the cost. We are committed to an expenditure of £2,000 by our efforts to control by poisoned bait. The Minister for Agriculture received from the ex-Premier (Mr. Collier) a generous vote for the carrying out of this work and when, later, the Minister for Agriculture approached me as Deputy Premier, I gave him another vote for the same purpose. So this year the position has been met to a far greater extent than in any previous year. But there is in the motion before the House the implication that we have ignored the situation in this country. I have every objection to that implication, and I say that if we had not had a dry season this year the plague would not have developed. The Department of Agriculture, in conjunction with the Agricultural Bank officials, have taken precautionary measures against the pest in the event of another dry season. The plague has developed during the past two years and of course it is not possible to know from day to day what a season is going to bring forth. Quite a lot of this country could not be cultivated this year, for the rainfall was not heavy enough. I was out through the eastern wheatbelt early in the year and I saw some country which it would have been

impossible to break up without a heavy rainfall.

Mr. Stubbs: Is breaking up effective?

The DEPUTY PREMIER: The soil must be pulverised. That would have to be done thoroughly, but that was not possible this year for want of sufficient rain. Still, as I say, the Government this year have done more than has ever been done before to get the situation in hand.

HON. C. G. LATHAM (York) [5.28]: I listened carefully to the Minister, and it seemed to me that he was evading the question. He has told us all that the Government have done for the farmer, but whether he has not any knowledge of what has actually been done in regard to this pest, from what he has told us the Government have done we do not gain much knowledge. We have been informed that a strip of only one chain wide has been laid with poisoned baits around the crops.

The Deputy Premier: My colleague knows all about that.

Hon. C. G. LATHAM: If that is all, I cannot believe it will improve the situation. This is a national matter and the responsibility cannot be carried by the farming community. The member for Avon (Mr. Boyle) has pointed out that grasshoppers found in that area this year will spread throughout the State during the summer months. They do not lay eggs until they reach the flying stage. By that time they will probably be at Katanning or up North. This pest is such that we cannot pass it over lightly. The people in the district want to know if the best means are being adopted, and if we are spending our money to the best advantage by laying baits. The local people think that spraying would be more effective than bait laying. If that is so, let us do it.

Mr. Withers: Let us spray.

Hon. C. G. LATHAM: The Deputy Premier talked a lot about ploughing. It is impossible to plough large areas such as are covered by the pest. I understand the grasshopper is as yet in the half-grown stage, hopping about. If we are going to do anything to kill it I believe rolling would be as effective as anything else. It would be cheaper than ploughing. I do not know whether that would kill grasshoppers, because I have never seen it tried, but we have done a lot of rolling in the case of caterpillars.

The Minister for Works: They cannot get out of the way like grasshoppers can.

Hon. C. G. LATHAM: I understand the grasshoppers as yet are small and are so thick as to make the ground black. They cannot get away, as they will be able to do in a month's time. I suppose Riverina is probably the home of the grasshopper. That is where so much devastation takes place. In New South Wales I have seen grasshoppers like a huge snowstorm passing by day after day. They generally land up against a belt of timber, and that is where they lay their eggs. That is not to say that the following year there will be another plague of grasshoppers.

The Deputy Premier: There would not be a plague the following year if there was a heavy rainfall.

Hon. C. G. LATHAM: I do not know if bait laying is the most effective means that could be devised. It is not easy to lay poison along a strip of land a chain or half a chain wide and be satisfied that the job will be done. That is inadequate. Certain areas have been pointed out to me as the breeding ground of the pest. If those are breeding places and if these places were properly baited the pest might be checked at once. I understand that an entomologist or an official of the department went to the district, but the complaint is that he did not consult the local people.

The Minister for Agriculture: That is not right.

Hon. C. G. LATHAM: That is the information which has reached me. I have not met any local authority that is not anxious to assist the Government so long as the work done is of some benefit to the district. The services of local authorities should be used.

The Minister for Agriculture: We are requesting their co-operation.

Hon. C. G. LATHAM: They can do a great deal to assist. In that district, following upon drought and bad prices, the local people have not the finances with which to do the job themselves. I do not mind if the Minister asks for authority to spend £50,000 if he can effectively deal with the pest. We ought to take this matter seriously. Last week-end a Minister was invited to go up, and the local people were waiting for him, but he did not arrive. Probably he could not spare the time, but it would have been a good thing if an officer had been sent up.

The Minister for Agriculture: An officer has been there for a fortnight.

Hon. C. G. LATHAM: After listening to the Deputy Premier it comes to my mind that there must be dual control. There is control by the Agricultural Bank, and by the various departments. I have pointed out before that divided control will mean that nothing effective will be done. I do not know whether the Agricultural Bank has the right to spend money on this pest.

The Minister for Agriculture: It cannot do so.

Hon. C. G. LATHAM: It is a job for the Agricultural Department. Why should the bank do anything?

The Deputy Premier: The claim was made by the hon. member that the pest was appearing on abandoned properties.

Hon. C. G. LATHAM: Undoubtedly these are breeding grounds for the pest. It is no use expecting too much from the local people. A man may have a crop on the corner of his farm. Is he expected to poison in the adjoining properties? He would not be permitted to do that.

Mr. Rodoreda: I do not know who would keep him out.

Hon. C. G. LATHAM: The adjoining owners would keep him out, especially if they had sheep. I do not know what effect this poison has on animals. A responsibility devolves upon a man who starts poisoning in someone else's property. If we could get a cheap enough solution for spraying purposes I might ask the Minister to give some consideration to testing it out. In other parts of the world spraying is done from aeroplanes. The Minister for Lands told us what was being done in that respect. In the southern part of Canada a great deal of that is done, but we cannot expect it to be done here. Let us satisfy the local people which is the better means to adopt. We shall then probably get more co-operation than we are getting to-day. I am glad the member for Mt. Marshall (Mr. Warner) has brought up this matter. It will draw attention to the fact that it is too serious to leave entirely to the people concerned. They cannot possibly deal with it. What is their problem to-day will probably be a problem for the State to-morrow. We had better tackle it while it is in the early stages, rather than wait until the pest becomes too advanced to control. I hope the State will find the money and do the work effectively. I support the motion, and would impress upon

the Government the urgency of the matter and their responsibility towards the country. This is a national matter, and they should see whether it is not possible to correct the trouble whilst we have a chance to do so, and the area over which it appears is still restricted. The Minister for Agriculture always jumps to conclusions. He stated there was a pastoral area in my electorate that was badly infected. That statement is not true.

The Minister for Agriculture: It is very close to your district; indeed, not many yards outside it.

Hon. C. G. LATHAM: I know the property to which he is referring; it is several miles outside the district. Even that I am anxious to see dealt with.

The Minister for Agriculture: It is the worst property in the State.

Hon. C. G. LATHAM: It is being ploughed. A great deal of ploughing was done on it last year in the endeavour to overcome the pest. I do not know what is being done. If we have not the power to deal with the matter let us take the statutory authority and deal with it. We cannot allow it to be regarded as a mere trifle. It has to be dealt with as a national question, and must be taken seriously by the House. I hope that during the week a special effort will be made to endeavour to satisfy the people who have already had a superabundance of burdens thrust upon them, due to the fact that last year was so disastrous from the point of view of drought, and that for so many years prices have been low. We ought to do all we can to assist these people. I support the motion.

THE MINISTER FOR AGRICULTURE
(Hon. F. J. S. Wise—Gascoyne) [5.40]: The member for Mt. Marshall (Mr. Warner) in his motion of censure on the Government has stated that we do not realise how serious the pest is in this State, and that we are not providing adequate means to cope with it. In reviewing the position of the Government and of the department, I will endeavour to show that the hon. member has no knowledge of how serious a pest the locust is. I will also endeavour to show that the Government, the department, and the entomologists concerned in the department have done their utmost to keep this pest in check. I dislike very much any reference by an hon. member

that would cast aspersions upon very efficient officers.

Mr. Doney: No one intended that.

Hon. C. G. Latham: It is a question of finance.

THE MINISTER FOR AGRICULTURE: Aspersions not only in regard to method, but in regard to the way in which the officers have gone about their business generally. I wish to indicate how serious a pest the locust has been right through history. This insect occurs in all tropical countries. There are several species of it. There is not only the form which occurs as a plague, but there are several other forms. There is no other pest which has had such a devastating effect upon human beings, and there are cases on record where people have starved owing to the depredations of this pest. Less than 50 years ago we had the instance of locusts flying over the Red Sea on a front 2,000 miles long.

Hon. C. G. Latham: Is the Red Sea 2,000 miles long?

THE MINISTER FOR AGRICULTURE: This was a front wide enough to take in Australia in their stride. I did not say the Red Sea was 2000 miles long. We also find records right through the Biblical days showing how this pest menaced the very food supplies of many nations. We knew that one day history would repeat itself. We knew that our food supplies in some proportion would be menaced in this State. Swarms have appeared in the deserts because the deserts are suitable breeding grounds for the pest. It is not a stretch of imagination to assume that what is known as the dead heart of Australia, the deserts of Australia, are potential breeding grounds for swarms sufficient to menace even the forests of our South-West. I wish to show how serious this pest can be, given suitable seasons in our own suitable areas. Never mind whether they are abandoned farms that are affected, or whether the pest occurs within 1,000 miles of abandoned farms. All these places are potential breeding grounds. That may sound alarming, but it is true. It is also true that in our areas, both rural and pastoral, there is scope for sufficient swarms of these insects to devour every blade and leaf in this corner of the Continent. Right through history in every land, particularly in South Africa, very desperate measures have at

times had to be taken to protect crops in certain districts.

Mr. Patrick: Did not they dig trenches?

The MINISTER FOR AGRICULTURE: They took all sorts of measures, erecting a screen in one instance over 150 miles in a given district. The screen was painted so that it would be slippery. The grasshoppers hit it, and fell back into the trench. So the grasshopper has been, in the past, a very distinct menace to the food supplies of many nations. Destruction in a practical sense can only be effected at the wingless stage, at the stage before the insect reaches that degree of maturity when it grows wings and is able to fly away. It must be dealt with prior to that period, and for several weeks after hatching, the locusts cannot fly. We have had the experience in the Department of Agriculture of very many people, including the member for Mt. Marshall, becoming very agitated because we did not do what the member for York said a few minutes ago we should do: endeavour to poison this pest before it was possible to do so. It was said that we should have tackled the matter earlier. It was not possible to do so. After they hatch there is a definite period of weeks before these insects are able to fly, a period during which they are crawling about the ground, and that is the only time it is possible to handle them. During that time they mass and form into armies prior to attaining that stage when they are able to fly away. It is at that stage that they are easily attacked and destroyed, and it is for that stage that we have endeavoured to prepare for their destruction as far as possible. All sorts of methods have been tried to destroy grasshoppers, from spraying from aeroplanes to driving them, with women and children beating them into the trenches. In every country in the world, various methods, some of which we dub antiquated, have been tried to combat this pest, and the method now recommended by the Leader of the Opposition, the method of spraying, has been very well tried. I will show the hon. member shortly just what authorities of the world have to say on the matter, and see whether he will then criticise the methods of our modern entomologists. It was only last year in the Eastern States that deep pits were used in conjunction with poison baits. The gains in that case were small, and the losses

very great, and that has been the experience right through the ages when man has come up against the grasshopper or locust and had to wage war upon him. He may have had some minor success, he may have achieved something, but he has not been very proud of the result when the cost has been assessed. South Africa found it necessary to spend £700,000 in one year to combat this pest, and as long ago as 1926 it spent in three successive years half a million of money in each year in an endeavour to protect the areas which were ploughed from the unploughed areas which are the natural breeding grounds for the insects, and which I regret to say are common in this country. Other countries have not done as we have—provided poison, material, and given other assistance. With one exception they have merely given technical advice. Not even in South Africa has the Government done anything but provide material. There is legislative control in that country, but I would remind members opposite that a large amount of money is involved in giving effect to that legislation, and that money has to be found. In countries where legislative enactments operate, a special tax has been imposed, but I do not think that at this stage in our rural development it would be wise to introduce legislation along the lines of the South African legislation, requiring the imposition of a tax. In South Africa all rural lands are levied to provide a fund to combat the locust. And what is the result? Very little of the money is collectable, and little interest has been shown in certain districts by the farmers themselves in the measures taken for their own welfare. In Russia, which is the most up-to-date country in the world in their endeavour to combat this pest, the pest was considered sufficiently serious to warrant absolute governmental control of all areas and the imposition of a tax. This is a very sound arrangement, but if hon. members desire that this matter should be controlled by legislation in our State, they must realise that that legislation will have to be very severe, and it must be ensured that those who are to benefit from it shall contribute to it, particularly in a place where there is only half-hearted support of protective measures by the people concerned, and a very half-hearted support in many instances by local organisations. I have endeavoured to show the universal distribution of this pest. So far as this State is concerned, it first came

into prominence as a possible plague in 1917, directly as a result of the settled policy of expansion by agricultural development, directly because of the denudation of our country of its trees and herbage, and the growth of railway sidings and cuttings which make splendid breeding grounds for the pest. Unfortunate seasons and low prices, which have forced country out of cultivation and thus created further breeding grounds for the pest, have been other factors contributing to the growth of the grasshopper menace to its present proportions. The position has been carefully watched by the officers of the Agricultural Department, but it was not until 1926, nearly ten years after, that it was shown that this pest was assuming alarming importance. Experimental work was undertaken with a view to combating the menace, and that work has been continued ever since. I am going to assure hon. members opposite, that instead of the Government not being aware of the serious nature of this pest, our own entomologist is quoted as a world authority in connection with his endeavours to combat the locust menace.

Mr. Doney: We are not disputing his knowledge.

The MINISTER FOR AGRICULTURE: I remind the hon. member for Williams-Narrogin that the methods adopted by the Government Entomologist have been seriously questioned, but that officer is possessed of the highest credentials in Australia.

Hon. C. G. Latham: That does not make him an authority on everything.

The MINISTER FOR AGRICULTURE: It is very obvious that the hon. member desires to pose as that. Following that of 1926 the next outbreak of grasshoppers to cause damage was in 1932 when mild attacks in isolated crops were reported. Farmers were then advised as to the best methods of coping with the pest. I think the member for Irwin-Moore was then Minister for Agriculture. And it is on record that everything possible was done to advise the farmer as to the best remedial methods to be adopted. He was advised then as now, that the preparation and laying of poison baits was the best means of control. In 1933 and 1934 there were no serious outbreaks, but in 1935, owing to the dry season, a very serious plague overtook several districts of the State, and nearly £900 worth of bait was distributed through the road boards. It was a very effective means of

killing very many millions of these insects. Many millions escaped because they were not in reach of the poison, not within miles of the crops the settlers were endeavouring to protect. They have since laid, and we have their legacy today in the tremendous swarms in various districts of the State. The Minister for Lands is not exaggerating when he says that it is possible that a million acres of infested land and breeding ground now occur in this State. So as to be ready for this season, immediately following the experience of last year, I gave very definite instructions that the entomologists attached to the department should co-operate with the district officers of the Agricultural Bank in endeavouring to locate where these pests were laying their eggs so that we might be prepared when the natural hatching period approached; and the very map which was published in the "West Australian" this morning was prepared by those officers, and every area where the locusts laid their eggs last year is known to us. Those areas have been watched; the entomologist has had samples sent to him to see whether he could locate a parasite to destroy the eggs. He has located a parasite, and we are very hopeful that with his further researches much good will follow along those lines.

Mr. Patrick: A local parasite?

The MINISTER FOR AGRICULTURE: Yes. So it was possible for the officers of the department to know the very day those pests were about to hatch out. Although many districts have become alarmed not only at the presence of the pest, but the enormity of it, we were fully aware of the fact: yet the member for Mt. Marshall said the Government adopted a peculiar attitude which showed sheer neglect and the adoption of improper methods. I give that a direct challenge. We have not adopted improper methods; we knew the whole time what was going on. The member for Mt. Marshall said there was no excuse for my not knowing the facts. My reply is that that is the position with him; there was no excuse whatever. It may be asked that since this is a national matter, and one in which the interests not only of the State but the Commonwealth are involved, what has the Commonwealth been doing in the matter.

Hon. C. G. Latham: Passing the buck.

The MINISTER FOR AGRICULTURE: That is worthy of the hon. member! The Commonwealth has been in consultation with Dr. Key, the officer who was appointed

by the Council of Scientific Research specifically to deal with the locust problem of Australia. We went to the extent of seeing that this officer, while en route to Canberra, made a survey of districts in this State infected with locusts. Dr. Key spent 10 days in consultation with our entomologist, and having seen the typical breeding areas of the grasshoppers, he was not able to suggest any other method than that which was being employed. The department are also in consultation with the Waite Institute, whose entomological officers are studying the question. I should like to quote Dr. Key's own words over his signature, dated the 27th May, 1936—

I wish to express my thanks for the very great assistance which has been given me by the State Entomologist, Mr. L. J. Newman, who has placed at my disposal his extensive experience of grasshopper control in this State, and given me access to his specimens and files. I have also had the advantage of being shown over typical locust country, and this practical experience has been of great value.

Methods of grasshopper control suitable to the conditions of Western Australia have been carefully worked out by Mr. Newman, and applied with very great success. These methods are not likely to be materially changed as a result of the work at Canberra in which I am to co-operate. Rather will our efforts be directed towards increasing the efficiency of these methods by acquiring a better understanding of the factors which lead to an increase in the number of grasshoppers.

That is a written statement by an officer who has studied the problem in other countries for years, and who has been appointed for similar work by the Commonwealth. As I have mentioned, Dr. Key spent 10 days in this State, whereas normally he would have proceeded direct to Canberra. There, again, we took every opportunity to keep ourselves up to date. We realised that the prospects of a bad season would mean a very serious outbreak of the pest this year. Unfortunately, the meteorological conditions have been favourable to the pest. Instead of having a downpour of three or four inches in that part of the State where the breeding grounds happen to be, the actual rainfall has been very light. Everything has been in favour of an increase of the pest. Before it was possible to assess the season's prospects, I discussed the matter with the ex-Premier and pointed out to him how serious the pest could become. Three months ago I suggested that we should prepare for the worst. I knew that if the department ordered 150 tons of bran, it could not be

secured at a moment's notice. I arranged with the Director of Agriculture and the entomologist to visit the chemical manufacturing and arrange for the supply of a ton of specially prepared poison. Did that show inefficiency? Did that show we were unaware of what might happen? Did it show any lack of desire to do our best in the interests of the people? Did it not rather show that we were looking ahead and preparing for the worst? Three months ago we spent £1,000 to ensure that an adequate supply of material and poison would be on hand if needed. I wish to indicate clearly to members opposite that not at any stage did we lose sight of the importance of preparing for a war against the pest, or for doing whatever lay within our power to cope with it. We made a request at that stage, in anticipation of possible events, that road boards should co-operate with us in the work of carting and distributing the poison and material. I regret to say that some of the road boards found themselves in such a position that they could do very little; some of them had received a very small income last year. That, however, did not deter us. We sent our officers right through the districts and, wherever there was an infested farm, we arranged for that to be the depot for the distribution of the material. There is 150 tons of material in 25 different depots in the country. That quantity of material will poison 10,000 acres if it is applied according to instructions. In this morning's paper one gentleman stated that that quantity would poison about 1,000 acres. We do not want to have the matter misconstrued; we do not want to have the people misled by wild statements. The departmental officials have done their utmost not only to assist in the distribution of material after it has been procured, but have undertaken Press publicity to awaken a sense of responsibility in all concerned. Not a fortnight has gone by without our stressing the seriousness of the matter and seeking co-operation. That is what we are seeking now. The expenditure that was incurred might not have been necessary had the season been different, but the fact that we incurred the expenditure, and months before there could be an outbreak had sufficient poison in hand to treat and bait 5,000 acres, shows that we were alive to the possible seriousness of the position. The farmers, on the whole, were unwilling to distribute the bait. Very many of them were absolutely hostile, say-

ing that the work of distribution was the duty of the Government. I am pleased to say that, owing to the work of the officers of the Agricultural Bank, coupled with visits from my own officers, that attitude has been broken down somewhat, and we now have 25 centres at which any farmer can secure the required quantity of material with which to poison his boundaries. I hope that the farmers will realise that they, too, have a responsibility in the matter, and that it is not altogether a State function. I hope that members opposite will not use this question for political purposes.

Hon. C. G. Latham: That is a beastly thing to say.

The MINISTER FOR AGRICULTURE: I wish to show that the method employed is not only the most economical but the most effective. Let me quote from a work of the Imperial Bureau of Entomology entitled "Locusts and Grasshoppers," which refers to the methods of poisoning adopted. On page 179 it is stated—

The poisoning of insects by internal poisons may be done by two methods, either by spraying a poison on to their natural food or by offering them a specially poisoned bait. In order to poison the natural food of Acrididae, the vegetation is sprayed with a solution of arsenical compounds in water. This method is of historical interest . . . It must now be admitted that spraying has no future before it.

After a complete review of the work of spraying in all countries, it is admitted by this world authority that spraying has no future.

With all its great advantages, it has a number of serious drawbacks that prevent it from competing successfully with poisoned baits, these being both more effective and much more economical than spraying. The data obtained during a series of campaigns in various countries shows conclusively that the use of baits is applicable under any conditions and for any species, and this leaves no room for spraying.

Mr. Patrick: Has any other country tried a parasite?

The MINISTER FOR AGRICULTURE: In all countries a search is being made for parasites. I wish now to indicate what sort of an undertaking spraying would mean. A ton of this material is suitable for 66 acres, not four acres as was stated in the Press this morning. In spite of the present high price of mill offal—bran—2s. 10d. is the approximate amount per acre.

The bait does not dry up as quickly as the member for Mt. Marshall would have us believe. A safeguard against drying up has been insured, as molasses has been added because it is somewhat hygroscopic, and therefore absorbs the dews at night and renders the bait suitable for a period of at least four to six days. Quite apart from the cost of spraying, for which materials would cost from 3s. 6d. per acre upwards, I ask the hon. gentleman what would happen in regard to the water supply in that area. To spray an area for which bait has been provided would require at least 1,500,000 gallons of water, and I submit that there would be great difficulty in securing that quantity of water in any of the infested areas.

Hon. C. G. Latham: You know that the pest is scattered throughout the State. It is not located merely in the Mt. Marshall electorate.

The MINISTER FOR AGRICULTURE: The Leader of the Opposition knows that in the major instances the areas infested are in the dry districts. The farm he spoke of adjacent to his district was an isolated instance, and there was an isolated instance in the district of the member for Pingelly. Those isolated instances are quite beside the point. The majority of the areas affected are in the dry parts.

Mr. Doney: What is the most western point where locusts are to be found?

Hon. C. G. Latham: Why, they are here, around Parliament House. You find them anywhere.

Mr. Doney: And in any number.

The MINISTER FOR AGRICULTURE: I wish again to quote from this authority regarding the work done in this State. It is summed up in these words—

The peculiarity of the Australian position with regard to the grasshopper problem is the relatively very small proportion of land under cultivation, this being mainly concentrated in the better watered coastal districts. Gradually, however, the agriculturist is pushing further inland, where general conditions for the breeding of the grasshoppers, particularly of *Chortioetes* and *Austroicetes*, connected with hard soils, are most favourable. Moreover, the advance of cultivation is connected with certain measures that seem to be practised without any regard to the general well-being of the country. Thus, Newman (1924)—

That is our entomologist—

—demonstrated very clearly how in Western Australia, by the ring-barking of large areas of timber, vast stretches of open uncultivated

country were artificially created, and they proved to supply ideal breeding grounds for grasshoppers.

There is a world authority backing up the very tangible work of our Department of Agriculture and our entomologist. It is only within the memory of living man that this pest has been systematically attacked. I have shown how enormous is the damage it occasions. I have shown how world standards have been adopted in this State to deal with the pest. I have shown how we anticipated this invasion and endeavoured to cope with it in every particular. I ask members opposite to do as they submit they wish to do, namely, to be helpful. Let them not, by destructive criticism and by laying emphasis upon the darker side, cause to be obliterated what might prove to be helpful and tangible facts. I hope that the two or three inches of rain, which would be necessary even now to assist in combating the pest, might speedily fall.

MR. WARNER (Mt. Marshall) [6.14]: As I have no right of reply to the debate, I content myself by asking leave to withdraw the motion.

Motion, by leave, withdrawn.

Sitting suspended from 6.15 to 7.30 p.m.

QUESTION—PORTS, EXPENDITURE, ETC.

Mr. HILL asked the Minister for Agriculture: 1, What was the total loan expenditure on the ports of the State (a) to the 30th June, 1924; (b) since that date and to the 30th June, 1936? 2, What was the total interest debited to the ports for (a) the year ended the 30th June, 1924; (b) the year ended the 30th June, 1936? 3, Can the following information be supplied for the ports of Geraldton, Fremantle, Bunbury, Albany, and Esperance: (a) The total loan liability at each; (b) the total expenditure at each since the 30th June, 1924; (c) the amount of additional accommodation and depth at each as the result of such expenditure; (d) the amount spent on maintenance dredging at each since the 30th June, 1924? 4, What was the original depth at the site of the deepwater buoy at Bunbury?

The **MINISTER FOR AGRICULTURE** replied: 1, (a) £3,733,646; (b) £2,448,080.

2, It is not the practice to raise a debit for interest against the various ports, with the exception of Fremantle and Bunbury. (a) Fremantle, £85,704; Bunbury, £20,409; (b) Fremantle, £128,506; Bunbury, £24,765. The ports of Geraldton, Albany, Busselton, and Esperance are worked by the Railway Department, which includes in its capital an agreed portion of the capital expenditure on these ports. Interest is not calculated separately but the average rate on railway capital for 1924 was 4.128 per cent. and for 1936 4 per cent. 3, Geraldton: (a) £1,009,901, (b) £831,027, (c) £429. Fremantle: (a) £3,412,578, (b) £1,123,600, (c) £90,232. Bunbury: (a) £676,734, (b) £242,579, (c) £81,666. Albany: (a) £272,369, (b) £1,259, (c) nil. Esperance: (a) £79,176, (b) £76,409, (c) nil. 4, The depth disclosed by survey in 1903 was 28 feet.

QUESTION—STATE INSURANCE.

Mr. DONEY asked the Minister for Employment: 1, How many persons are covered by policies taken with the State Insurance Department by—(a) the several branches of the Public Service, and (b) others? 2, Regarding (b), what are the respective premiums paid for—(a) clerks; (b) quarrymen; (c) farm labourers; (d) general labourers; (e) timber-getters?

The **MINISTER FOR EMPLOYMENT** replied: 1, (a) The information is not available; (b) Do. 2, (a) Clerks, 2s. per cent. (b) quarrymen, 250s. per cent., including cover for Third Schedule risk; (c) farm labourers, 52s. per cent.; (d) general labourers—rated according to the nature of the industry in which they are engaged; (e) timber-getters, from 90s. per cent. to 600s. per cent.

QUESTION—WIRE NETTING.

Mr. SEWARD asked the Minister for Lands: 1, Of moneys received or due from the Commonwealth Government under the Commonwealth Wire Netting Act, does the State Government, or any other authority, hold any balance so far unexpended or unallotted? 2, If so, how much? 3, Are there any uncompleted contracts for the supply of rabbit-proof netting? 4, If so, for what quantity? 5, What quantity of rabbit-proof netting is held by the Government or Agricultural Bank? 6, How many applications for rabbit-proof netting under

the Government scheme were received during the year ended the 30th June, 1936? 7, How many of such applications were granted? 8, How many of the successful applicants are clients of the Agricultural Bank?

The **MINISTER FOR LANDS** replied: 1, Unexpended, £18,107; allotted, £10,014; unallotted, £8,093. 2, Answered by No. 1. 3, Yes. 4, 84 miles 1,580 yards. 5, Nil. 6, 128. 7, 85. 8, 63 mortgaged to the Agricultural Bank.

BILLS (2)—FIRST READING.

- 1, Electoral Act Amendment.
 - 2, Agricultural Bank Act Amendment.
- Introduced by Mr. Patrick.

BILL—WOOL (DRAFT ALLOWANCE PROHIBITION).

Read a third time, and transmitted to the Council.

BILL—PETROLEUM.

Second Reading.

Debate resumed from the 8th September.

MR. PATRICK (Greenough) [7.37] : Probably hon. members generally will approve of the principle of liberalising conditions connected with the issue of oil leases, in view of the great importance of oil supplies to this country. If oil is going to attract capital from abroad—which seems to be the main idea of the Minister for Mines—it will be an excellent thing. In the oil business new capital represents one of the great difficulties, because undoubtedly at present the whole of that business is in the hands of exceedingly powerful companies possessing millions of capital. Those companies have brought the handling of oil to such a state of perfection that they themselves will not put capital into Australia, and it will be highly difficult to attract capital from other countries. Probably no other industry in the world has been raised to such a high standard of efficiency as this one, not only in respect of the production of oil but also as regards transport—in some instances through hundreds of miles of pipe-line—to the refineries. Further, the companies have raised the marketing of oil to a state of perfection. As we

know, they have their systems for marketing oil even in the smallest country centres. To induce anyone else to bring in capital to compete with those companies will prove a highly difficult matter. The Minister referred to the dependence of Australia on oil, and no doubt it is a very real dependence. In our peak year of 1929 we imported 41,000,000 gallons of kerosene, 13,500,000 gallons of lubricating oils, and 361,000,000 gallons of petrol. Those figures went down during the depression years; but, as we know by the revenue we derive from the petrol tax, they have gradually crept up again, and are now approaching the previous level. Our Australian State railways use no less than £250,000 worth of lubricating and fuel oils per year. Those quantities also are increasing largely, by reason of the fact that Diesel cars are now being used for much of the passenger traffic on railway lines. In mines, and particularly the gold mines of Western Australia, oil enters to a large extent, and has resulted in increased efficiency. In shipping also oil is a factor of decided importance. As the Minister said, if anything happened to prevent our importation of oil, industry would be paralysed in Australia. Then there is the question of defence. It is not only a matter of transport with regard to oil, but also the fact that defence and attack have now become largely a matter of attack and defence from the air; and of course all aeroplanes are run on oil. Therefore it would pay the Commonwealth Government and the Australian State Governments as well, to expend even very large sums of money in discovering some means of obtaining oil locally. Undoubtedly the Commonwealth Government have already expended considerable amounts for that purpose. Prior to 1926 their expenditure totalled £368,000 in Papua and New Guinea alone. I do not think any great results were obtained from that expenditure, but the expenditure was made. Since then the Commonwealth Government have spent an additional £200,000 in searching for oil. That makes a grand total of nearly £600,000 already spent by the Commonwealth Government in promoting the search for oil. Further, they have made extensive inquiries abroad into the question of producing oil from coal. I believe they are now awaiting the results of companies working in England before deciding upon what is to be done in Australia. At present the Common-

wealth is negotiating with the idea of treating shale deposits for oil, a project on which companies in New South Wales have embarked. Oil has been obtained for many years from this source in countries like Scotland. Undoubtedly neither of these methods can be compared from an economic point of view to the obtaining of flow oil. Economically there is no comparison. Still, world conditions are such that it would pay the Western Australian Government to obtain oil from any local source, even if it should be a little more expensive, rather than risk having supplies cut off entirely. We seem to have rather promising indications in this State, according to Dr. Wade. In fact, his reports with regard to Western Australia have been more promising than those referring to any other Australian State. Unfortunately the indications here are not so apparent as were the indications in the great oil-producing countries. In Burma, for instance, today there are to be found relics of old hand-dug wells side by side with modern derricks. In what are now the United States of America and in Canada a thousand years ago the Indians dipped oil from hand-dug wells. The indications in those countries, therefore, were much more apparent than are present-day indications in Australia. Still, that is no reason why we should not persevere, though, as the Minister has said, even if indications are favourable, there is no certainty that we shall get oil even by the expenditure of large sums of money.

The Minister for Mines: There is only one test, that of boring.

Mr. PATRICK: In America the first successful bore was put down in 1859. Then the oil boom followed; towns sprang up in a night, the market was glutted, and there were rapid fluctuations. Right up to 1900, the only real market for oil was in the form of kerosene for lighting purposes. The motor car had not then come into existence, and petrol was of so little value that it was practically run away as a waste product. Today petrol is the mainstay of the oil industry. By-products, such as greases, lubricating oils, waxes, and medicinal oils numbering hundreds now enter intimately into the needs of modern civilisation. That is where most of the work of the refineries has been apparent. When the boom existed in America, a lot of waste occurred in connection with the wells owned by individuals. But they, by the simple process of distilling their oil, were able to supply

petrol for power or kerosene for light. The huge plants of the large refineries were able to deal with the hundreds of by-products from the oil. Despite the tremendous losses of oil in the United States of America, the limit placed upon production by scientists has long since been passed, and production still proceeds apace notwithstanding the wastage. It has been stated by experts that after the oil fields cease to flow, there will remain 50 per cent. of the oil underground.

The Minister for Mines: Yes, in some instances.

Mr. PATRICK: That may apply in many instances. It is suggested that later on those fields will have to be further exploited in order to secure the oil that is still there. The tremendous wastage of oil in America has largely been due to the fact that anyone has been allowed to put down a well. Forests of derricks were thrown up without any control being exercised over them. When the oil was first produced, it was transported in barrels and one of the great accomplishments of the oil interests of America has been the conversion of that transport into transmission by pipe line. It is interesting to note that some of the companies now convey their oil for upwards of 1,500 miles by pipe lines with pumping stations situated every 20 or 30 miles. One can appreciate how the tremendous wastage has occurred and how ultimately the industry has lapsed into the hands of a number of wealthy companies who own the whole of the production from the flow right through to the consumer. The necessity for some adequate measure of control has been regarded as absolutely essential in every country where oil is produced. Mexico provides probably the most spectacular history of oil production with its tremendous losses and its rapid growth and decline. That was because there were no restrictions placed upon the flow of oil and naturally the industry speedily collapsed. I agree with the Minister for Mines that the first discoverer of oil in Australia on a commercially payable basis will make history in this Continent, but at the same time I do not altogether agree with him with regard to the preferential royalty as between the first discoverer of oil and succeeding companies. I would prefer a straight-out monetary reward and to place all on the same basis as regards royalty. There is another

point regarding royalty and the working of an oil well, and that is distance from the coast. Oil discovered near the coast would be far more valuable than that which might be discovered hundreds of miles inland because of the expense that will be involved in providing the pipe line to convey the oil from the latter to the coast.

Mr. Marshall: We can take a risk of that when we find oil.

Mr. PATRICK: That can be regulated by the Commonwealth Government. I remember a discussion with a representative of one of the oil companies with whom I travelled on one occasion. That gentleman said that if oil were discovered in Australia several hundred miles from the coast, we could not compete with, for instance, the Shell Oil Co., who imported oil by boat. The question, however, is so important to Australia that that position would be promptly regulated by the Commonwealth who would probably impose a lower excise levy than the import duty on oil that was brought from, say, Bushire. While I welcome the introduction of the Bill, I would be more pleased if we were dealing with an industry already in existence.

The Minister for Mines: So should I.

Mr. PATRICK: Nevertheless, we are dealing with an industry that has possibilities and I consider that every encouragement should be given to companies to invest capital in the operations, because looking for oil is a much bigger gamble than prospecting for gold. Nevertheless, it is a form of gambling that we should strongly encourage. I support the second reading of the Bill.

MR. McDONALD (West Perth) [7.50]: I support the second reading of the Bill, because I think it represents a step in the right direction, one the importance of which cannot be exaggerated at the present time. If the industry can be established, it will be a matter not merely of bringing wealth to the country but something that is absolutely vital to the national defence of the whole continent. Without adequate supplies of oil, we might be reduced to a very parlous condition indeed. One can well understand the importance that has been placed on this matter by the Commonwealth Government. No doubt their activities have been largely influenced by the representations from the Imperial Defence Committee. The Minister for Mines has taken a step in the right

direction in presenting a Bill, the object of which is to induce large capital to enter the State to search for and develop any oil resources we may possess. The importance of the subject can hardly be exaggerated, and I endorse, from what I have been able to find out myself, all that the Minister for Mines said regarding the urgency for the discovery of oil in payable quantities in Australia. Dr. Wade, who is perhaps one of the greatest, if not the greatest oil technologist of the world, contributed an article to the "West Australian" of the 15th July last. In the course of that article, Dr. Wade referred to the danger of a shortage of oil and he made a brief survey of the world's oil possibilities. He said amongst other things:—

Early in the present year a special committee of the American Petroleum Institute submitted a very instructive report on the petroleum situation in the United States The authors of the report state that: "Prospecting, because of the high rate of the consumption of petroleum, is the continuing business of the oil industry to a degree not paralleled in any other mineral industry The prospecting effort must continue if the needs of the future are to be met. At present the effort is at a rate which costs between 200,000,000 and 300,000,000 dollars annually."

That means that between £40,000,000 and £60,000,000 per annum is being spent in the United States with the object of finding new supplies of oil. Dr. Wade quotes another American authority as saying:—

There is a danger that the United States may not be able to supply its domestic demand at its present rate and at prices approximating the current scale any longer than a period of five to eight years.

In the course of his article Dr. Wade states:—

These are statements which should be weighed carefully in Australia. At present by far the greater part of our petroleum supplies are imported from America. More even than in America the Australian people are dependent upon petroleum for their economic and social welfare. Consider what must happen should America suddenly cease to send petrol and other fuel oils to Australia. What of our motor cars, trucks, omnibuses, aeroplanes, ships, and engines? All moving mechanisms would be affected, for lubricating oils would be cut off also. The results would be nothing short of disastrous. And yet the day is not far ahead when this is what must face us. America realises the position, drilling goes deeper and at greater speed. Soviet Russia knows it, and is spending huge sums in the search for new oil-fields, and is achieving good measure of success. Italy knows it. Do we not remember the statements and conflicts with regard to oil in

Abyssinia at the outbreak of war? Do we realise the position in Australia?

Of course we do realise the position in Australia, and the Bill before us now is an indication that in this State we appreciate the position. As regards the Bill generally, I have very little to say about its form. It seems to me to suit the purpose very well, but I desire to say a few words about the prospect of attracting capital. Owing to the remoteness of the areas in which oil-bearing country is situated, the search for oil, quite apart from the pipeline from flow to sea, which may in itself represent an enormous undertaking, is bound to cost an immense amount of money, and we can only act along lines that will give some hope to investors that if they go on with their search, we will make it sufficiently attractive for them to risk their capital in a venture that the member for Greenough (Mr. Patrick) declared was much more hazardous than goldmining. It is doubtful whether we can get the necessary capital within Australia. I have discussed the matter with the directors of Freney Kimberley Oil Coy., reference to whom was made by the Minister for Mines in the course of his speech. The company have done work that ought to be recognised as beneficial to the interests of Western Australia, and, incidentally, to themselves, for they have spent over £115,000 in the surveys they have made in the past. The company also had the benefit of the services of Dr. Wade, and I am informed that he has located five areas in the northern portion of the State that are regarded as promising for the purpose of boring for oil. The directors of the company tell me that they are anxious, with the information they have already obtained, to assist in securing capital to test out what has been done by the company, with a view to endeavouring to get back some of the money they have already paid out. They also inform me that they anticipate great difficulty in securing a large amount of capital for that purpose, unless the Government can provide attractive terms to those who are prepared to risk enormous sums of money. The Minister has largely done that in the Bill now before us. The old Act enabled anyone to search for oil, and the reward would be a lease of 640 acres, or one square mile. The Minister has provided in the Bill that the reward lease in each province shall be 16 square miles in extent, or 16 times the area pro-

vided in the old Act; also that the reward lease in each province for the second discovery shall be four square miles. I am informed that one oil bearing basin located in the North comprises an area of 135 square miles, and that the basin, which is very like a saucer, must be systematically treated in order that the best economic advantages may be obtained from it. The Minister remarked on the necessity for controlling the derricks or bores that were put down, so as to avoid wastage such as occurred in America. So it is desirable that there should be control over each oil basin, and it is represented to me, and I think with some justice, that it would be a reasonable thing that the first discoverer of oil in each province should be granted a reward lease sufficiently large to cover the oil basin of which he is the discoverer. He would then proceed to develop it on the best lines, and he could also prevent this happening: If an oil basin is discovered of 80 or 90 or 100 square miles, and the reward lease of the first discoverer is 16 square miles, it means that a whole lot of other people who may not have spent a penny in prospecting can come in and plant themselves alongside the reward lease, and so be able to get as great advantages as would be obtained by the original discoverer. I am aware that the Minister has attempted to control these oil fields, and I believe it is possible that he may so regulate matters by regulations under the Act as to bring about a satisfactory result. But I think the House should consider the advisability of making the reward lease sufficiently large to give the discoverer control of the oil basin which he has found. In Papua we have the most recent example of legislation regarding control; because the Commonwealth Government are very anxious to find petroleum there, although naturally not so anxious as they are to find it in Australia. But by a recent ordinance passed in 1934 and amended this year, they have set up the terms on which oil petroleum leases may be obtained. There they provide that the reward lease shall be eight square miles, but under special conditions this lease may be increased not to exceed 20 square miles. So there reward leases may go up to 20 square miles, whereas ours are limited to 16 square miles. I understand that the intention of the Commonwealth Government

was to give substantial reward leases because they appreciated that unless they did so they were not likely to attract the necessary capital. But I am informed that even the Papuan ordinance does not give reward leases nearly large enough to attract capital of sufficient magnitude to undertake the work. I understand that Dr. Wade will be in this State this week, and possibly will be able to give information to the Minister or to any other member of the House, setting out his views as to what should be the proper sized area to be allowed to the first discoverer of oil. Also the second discoverer of oil in every province is allowed a reward lease of four square miles, and there is no further provision for any reward lease after those two in any province. I intend to propose to the Committee that reward leases should be extended beyond the two provided for, and that any person who discovers oil in any province should be given the advantage of a reward lease. Any other person can put up with the 160 acres provided for. But for the purpose of the discovery of oil, I think the House might well decide that attractive terms should be given to those prepared to pioneer the industry. Some reference was made by the member for Greenough (Mr. Patrick) to the fact that oil formations in other countries have fallen into the hands of very large companies. We all know the story of the Standard Oil, and that there is a tendency for monopolies to arise, which may not be in the best interests of the country. I am not concerned with what restrictions the Minister may take to prevent monopolies. I should like to see the fullest possible advantage taken on behalf of the people of the State for the asset which will be passed over to a company that is going to make profit. Let us get our full return by way of bonuses on profits or taxation on profits; all I am concerned with to-night is to discuss and ask the House to consider whether we should not increase the size of the oil areas, because the present size is not large enough to attract capital of the magnitude required. Under the Act the Minister has made provision to meet the case of any possible exploitation of our oil fields by foreign capital. Of course in any event the capital will probably be foreign to the extent that it will come from overseas; but English capital is as good as, or even

better than our own capital. The Minister has provided that no petroleum lease shall be granted to a company which is not formed within the Commonwealth, unless the Government are satisfied that there are exceptional circumstances which justify the lease being granted to a company not in Australia. I think that will safeguard the position as regards the control of foreign interests, which might be adverse to the interests of the people of Australia. I commend the Bill, and I say that the only interest I will have will be directed to increasing the area of reward leases.

THE MINISTER FOR MINES (Hon. S. W. Munsie—Hannans—in reply) [8.8]: I thank those two members who have spoken, for their generous references to the Bill. Both gave it their blessing. The member for West Perth (Mr. McDonald), expressed the opinion that the reward leases were not large enough. Having regard to the position as it stands, I thought I was going far enough in the Bill, and I really think that Clause 16 does give the Minister for Mines power to extend the area. But I realise that we have not got oil, as I said when moving the second reading, and I have no objection to suggestions either for increasing or decreasing the proposed area. I am not absolutely wedded to the Bill as drafted. My one ambition is to try to get sufficient capital from somewhere in order to see if we can discover oil in Australia. So I am prepared to listen to anything reasonable when we are considering the Bill in Committee.

Question put and passed.

Bill read a second time.

ANNUAL ESTIMATES, 1936-37.

In Committee of Supply.

Debate resumed from the 10th September on the Treasurer's Financial Statement, and on the Annual Estimates: Mr. Sleeman in the Chair.

Vote—Legislative Council, £1,865.

HON. N. KEENAN (Nedlands) [8.10]: I have no desire to offer any unwarranted criticism on the Budget papers which were brought before the House by the Acting Treasurer. I freely acknowledge that the

public accounts that have been presented carry a full measure of detail; in fact, it may be said to a greater degree than has been practised in the past. This enables the ordinary citizen to understand to a large extent in what manner the public funds are collected, and also in what manner the public funds so collected are expended. After all, he will have a much more complete grasp of what is or should be of very great importance to everyone in the State. But notwithstanding that fact, as I shall endeavour to point out, it is possible for some person who reads the Budget papers to form a wholly erroneous idea as to the position of the State. Before dealing with the Estimates either in general or in part, I desire to refer to a very common misconception from which apparently the Minister for Mines was suffering the other evening when he reproved the member for Subiaco (Mrs. Cardell-Oliver) in respect of some statement which had been made by her in her election campaign.

The Minister for Mines: She repeated the statement in her speech in the House, and it was to that I was referring.

Hon. N. KEENAN: As I understood the Minister, the statement was that the late Collier Government had received £3,000,000 more by way of loan moneys than had the previous Government.

The Minister for Mines: No, that was not the statement.

Hon. N. KEENAN: Well, I listened carefully to understand what the burden of the complaint was, but it certainly did seem that the Collier Government had received more, I presume from loan funds, than had the previous Mitchell Government.

The Minister for Mines: No, the statement was that in 1934 we had borrowed £3,500,000 in excess of the borrowings of the previous year.

Hon. N. KEENAN: It was obvious that the statement was in error. But it is not perhaps recognised that whilst that is so in fact, the late Collier Government received moneys to spend far more than £3,000,000 in excess of the moneys that had been received and were available to the Mitchell Government during their three years of office.

The Minister for Mines: No one is contradicting that.

Hon. N. KEENAN: I propose to show how that arises. If you add together the Budget deficit and the loan expenditure you

will find that in the case of the Mitchell Government while three years in office, they obtained from those two sources £9,200,000. I do not propose to give the details of how that sum is made up, because they have already been given in the House, particularly by the present Minister for Justice. On the other hand, the Collier Government received from the same two sources, that is to say from loan moneys and from Budget deficits, during the three years they occupied the Treasury benches, £8,780,000. As those figures have not been previously given, I propose to submit their detail. The Budget deficit for 1933-34 was £788,912; the Budget deficit for 1934-35 was £167,095; and there was a Budget surplus for last year, 1935-36, of £88,378. If we add together the first two deficits they total £956,007, and then if we subtract the surplus of last year, namely £88,378, we get a net Budget deficit of £867,629. During the same three years that Government received by way of loan moneys for expenditure as loan moneys in 1933-34 the sum of £2,664,022, in 1934-35 the sum of £2,784,285, and in 1935-36 £2,454,064, making a total of £7,912,371. If we add to that the net Budget deficit of £867,629, we get a figure which represents a total of receipts from both sources received by the Collier Government of £8,780,000, compared with the corresponding figure under these heads only, that the Mitchell Government enjoyed, namely £9,200,000. It is therefore clear that the Collier Government had £420,000 less to spend than the Mitchell Government had. If we stopped at that point it would be a very fine picture to paint, but it would be fallacious to stop there. Besides the Budget deficits and loan moneys, far greater sums for the purpose of expenditure are derived from revenue, including the Federal Disabilities Grant, and, of course, the distribution, when it takes place, of the surplus revenue of the Commonwealth. For the three years the Mitchell Government occupied the Treasury bench they received from that source, from revenue in all its forms, £25,054,233, made up in the following way:—1930-31. £8,686,756; 1931-32. £8,035,315; 1932-33. £8,332,152; a total of £25,054,233. On the other hand, the Collier Government during their three years of occupancy of the Treasury bench, received from that source £27,846,848, made up as follows:—1933-34. £8,481,697; 1934-35. £9,331,430; 1935-36. £10,033,721, a total of

£27,846,848, or a sum of £2,792,625 more than was received by the Mitchell Government.

The Minister for Mines: No one has disputed that.

Hon. N. KEENAN: If from that excess of £2,792,625 we deduct £420,000, which as I have stated was the excess that was received by the Mitchell Government from loan moneys, and from Budget deficits alone, we get a net figure of £2,372,623 representing up to that point the excess money, over and above what the Mitchell Government enjoyed for expenditure, which was received by the Collier Government.

Hon. P. D. Ferguson: To say nothing of Federal grants.

Hon. N. KEENAN: That is not all. On page 6 of the papers that were tabled, accompanying the Budget, members will find at the bottom a number of items set out as being received by the State Government but not carried into revenue, though carried to trust accounts. These moneys, although they were not carried into revenue, were in relief of expenditure that otherwise would have fallen upon revenue. I would quote, for instance, unemployment, assistance to industries, and the Federal road agreement. The persons who were employed by reason of the expenditure of these moneys would otherwise have looked to the State Government either for sustenance or employment. The amount for the year 1936 was £1,373,669. I have not been able in the time at my disposal to find the amounts in previous years. Moreover, it appears as if they were not kept separate in previous years. When one looks at the figures it is safe to say that during the three years, at least £1,000,000 more was received by the Collier than was received in the corresponding period of time by the Mitchell Government.

The Minister for Mines: I can believe that.

Hon. N. KEENAN: That is a very conservative figure. It means that the Collier Government had over 3½ million pounds to spend in excess of what was received by the Mitchell Government during their tenure of office. Even then the relative positions of the two Governments is not fully exhausted. In addition to these excess moneys, there was a large relief upon expenditure from Consolidated Revenue, due to other causes. For instance, there is the Child Welfare and Unemployment which reached a figure of £617,000 in the days of the Mitchell

Government, and which in the days of the Collier Government was merely a nominal figure. There was a revival of industry, which was common to the whole of Australia and not peculiar to Western Australia, and this revival relieved the State expenditure in that regard. If a comparison be made, I shall be happy to think that the revival in Western Australia was as great as it was in other parts of the Commonwealth. There was an important revival particularly in our mining industry. This led to the employment of a large number of persons who otherwise would have looked to the Government for sustenance or work. How has a sum of over 3½ million pounds been spent by what was known as the Collier Government? I suppose that name has now ceased to apply. That Government carried on during the three financial years which ended on the 30th June last. I admit that a considerable portion of the 3½ millions was spent in belated repairs, possibly half a million.

Mr. Tonkin: And every penny of it needed.

Hon. N. KEENAN: That still leaves £3,000,000. What is there to show for that money?

The Minister for Justice: All the items at the bottom of page 6.

Hon. N. KEENAN: What is there to show for the excess moneys received over and above what the Mitchell Government had to spend when in power? It has only been used to mark time, to keep the wheels turning as one Minister said in the previous Parliament, without any policy to follow, or any end to achieve. The crucial question is, what is to be the outcome, not to-day but years hence? There are young men in the House, and we are all glad to see them here. They have a right to look forward to many years during which they will take part in the political life of the country. To what are they to look ahead? Is it not absolutely certain that a policy of merely borrowing to keep the wheels turning is a prelude to ultimate disaster? It has been well and truly said that borrowing in times of financial stringency is not only inescapable but it would be fatal not to resort to it. But it can never be a settled policy except as a means of reaching some definite end. We on this side of the Chamber are not opposed to borrowing. It is absolutely necessary to borrow at a time when by reason of financial depression employment is curtailed to such a degree as to

produce a collapse in the whole industrial system. Then, it is necessary to borrow. We are also prepared, after the pressure of financial stringency has passed, after we have got through the days when that was the one operating cause, to spend the last penny of our resources in the pursuit of any settled policy or definite plan which can lead this State to ultimate prosperity. Surely the people of Western Australia are entitled to ask of this Government, what is the settled policy which they have and are prepared to propound? What is the definite end they wish to attempt to reach?

Mr. Needham: Did you ever have a policy?

Hon. N. KEENAN: It is not for the Opposition, as apparently members on the crossbenches think, to bring down a policy. We have no mandate to do so. That is the duty of the Government.

The Minister for Mines: One good thing is that we differ from what you did during your three years of office.

Hon. N. KEENAN: It is the constructive man we want, not the person who will merely differ. Anyone in the street can differ; a black fellow in the bush can do so. We want a Government with a policy.

The Minister for Mines: We helped the mining industry and put 8,000 men into it, which is more than you did.

Hon. N. KEENAN: Will the Minister let me speak? It is the bounden duty of any Government which aspires to be a Government and not merely to be occupying the Treasury bench, to have a policy which can be placed before the country it is governing. The Government should be able to say, "If you follow that policy, it does not matter what the cost may be, for we will call upon you to bear that cost; it will lead you to some definite end, and that end will mean, when it is reached, that the greater proportion of your difficulties will be solved." Now I turn to the papers accompanying the Budget statement. There is only one matter which, notwithstanding the great clarity which I admit these papers display, I have been unable to understand. I refer to page 7 where the net public debt is set out as £89,774,871. This does not include the contingent liabilities to the 30th June, appearing on page 8. These contingent liabilities are clearly a debt. They are not loan, but are a debt.

If that be added to the figure appearing on the bottom of page 7, it means that the total debt due by the citizens of this State is £90,678,110. That is a colossal sum for a small and relatively poor community, such as we are, to carry, amounting to over £200 per head of the population, and this consideration forces upon us a realisation of the enormous extent to which we have tapped our resources. That then is the general position to which a study of the Budget papers leads us. While the Budget presents no particular points for criticism, admittedly it is a mere mark-time Budget. We cannot afford a succession of mark-time Budgets when every year our resources are being lessened. I do not propose to refer to any of the sectional departments of the Estimates except those dealing with mining and health, both of which are under the care of the Minister for Mines. As regards the mining industry, unquestionably the mining revival was of inestimable value to this State. It not merely afforded employment, but it afforded employment on so large a scale that if it had been possible to close the barriers of this State, to refuse to allow other citizens of Australia to enter, it might largely, if not wholly, have relieved our unemployment problem; but of course that was out of the question, and so to-day we find that the developments in the industry here have been taken advantage of by citizens from other parts of the Commonwealth. In addition to providing a great deal of employment, the development of the industry has led to the introduction of foreign capital, and that to advantage, because the mining industry is sometimes looked upon only from the point of view of the labour in the mines, though it affects a larger world than that. Indirectly it produces employment not only in the towns to be found in the mining districts, but in the capital itself, and throughout the whole of the State, so that the introduction of foreign capital for the purpose of opening up and exploiting new mines finds some avenue throughout the whole State in which it leads to the happiness and prosperity of our people. Two years ago I sounded the alarm at the danger of this valuable activity being jeopardised by allowing the public to be exploited by those who used the industry for that purpose. I pointed out then to what extent

exploitation was being exercised and suggested certain remedies. These included a proposal that by regulation all mining tenements which had been made the subject of the flotation of a public company should be transferred unless certain conditions were complied with, and amongst those conditions was one providing that the name of any person who at any time had any rights of ownership in respect of a mining tenement should be disclosed, and also that there should be disclosed the amount of money he paid for acquiring his interest, and what he received upon selling it. These suggestions I find are now being put forward by the Stock Exchange of Melbourne, because they recognise that the exploitation of the industry has led to disastrous results. But unfortunately we did nothing, and left the field free and open for those who successfully offered themselves as exploiters of the public. With what result? To-day, if you possess a property which you have legitimate reason to believe is of considerable value, you cannot get public support to open it up. We have disgusted the public, and the public are the only persons able to find money for developing the industry, outside a few large financial houses. There are, I admit, some large financial houses which possess a very considerable fund, and which take up some options, one here and one there; but they are almost like swallows in the spring, rare visitors, and it is the great mass of the public we have to look to to find money to develop this industry. That public has been disgusted by the action of exploiters who have, time and again, foisted utterly false propositions on to the public to obtain gain for themselves.

The Deputy Premier: Most of the money has come from England in late years.

Hon. N. KEENAN: On the whole, there is a great amount of Australian money in the industry. We know well that the most active market in mining shares is in Adelaide, and I do not suppose much of that money comes from England. It may be said very truly that the fact that the market for company promotion has fallen flat does not affect the development of mines now working, and that is so. Nor will it affect mines which are not working but are in the developmental stage and in respect of which financial reserves have been acquired. But it will be highly detrimental to the expansion of the industry. It is not too late for us to impose conditions which would go

very far towards stopping exploitation. We do not know when there will be a new revival of public interest in mining, and we want to safeguard that revival and not allow it to die out as the last died out, simply because it was killed by the flotations put on the market.

Mr. Rodoreda: They are doing it with the oil leases now.

Hon. N. KEENAN: I do not propose to mix oil and mining, though the same Minister is looking after both. I hope it is not too late to adopt some measures which will lead to a revival of public interest in mining. I desire now to refer to one matter which might not appear of very great importance on the surface, but which is of considerable importance to those concerned—the administration of the Old Men's Home. I have looked through the Estimates to see whether provision was made for a restoration to the old men of the allowance of tobacco which was taken from them when the depression was at its height, but have not been able to discover it. There is a matter, however, which goes far deeper than the question of the reduction of the tobacco allowance, and that is that the old men contribute far more than the cost of their upkeep, as is shown by the figures obtained in a return supplied to this House some years ago, and by the fact that other institutions are anxious to get these men on the same terms as those obtaining at the Old Men's Home. Although they contribute the full value of their upkeep, these men have no say whatever in the affairs of the home. I submit it would be wise and proper to create an advisory committee to which these old men could elect a certain number—a majority, I suggest—of members, and that committee should have the right directly to approach and communicate with the Minister on all matters connected with the home. I do not suggest that the advisory committee should be constituted the final arbiter on matters requiring determination by the Minister, but they should be allowed to have direct communication with the Minister and the right to express their views without having to seek some other channel through which to have those views communicated.

The Minister for Health: Do you know of any instance where I have refused to hear their complaints?

Hon. N. KEENAN: I have been told that their requests have met with refusal.

The Minister for Health: Not from me.

Hon. N. KEENAN: The inmates have the right to appeal to a visiting committee, but that visiting committee is regarded as a farce. There may be a few of the old men who view it with a degree of favour, but as a whole, they consider it nothing but a farce, and I suggest therefore it should be abolished. In saying this I do not wish it to appear that I am in any way reflecting on the members of the committee all of whom are persons of high repute, and who also, I feel are imbued with the highest desire to discharge their duties to the best of their ability; but the fact remains that as a committee they are regarded as being valueless.

Hon. C. G. Latham: They do not satisfy the old men.

Hon. N. KEENAN: The committee are looked upon as a farce and therefore should be abolished. There is a strong deep seated feeling among the old men that they are not getting that consideration to which they consider they are entitled. Of course every old man holds that view.

Mr. Marshall: And do not the old women hold the same view?

Hon. N. KEENAN: With advancing years these old people become more prejudiced, but you do not without good cause find such a large body of men as those in the Home, who consider that they are not getting a fair deal. It has to be borne in mind that the old men are paying the full tariff for what they get, and in those circumstances they demand that they should have some say, a limited say even, in the condition of affairs at the Home. This seems to be perfectly just and legitimate. If I am not already taking up too much of the time of the Committee I should like to refer at some short length to the legitimate prospects which are before this State in the immediate future in relation to its two most important primary industries, the agricultural and the pastoral industries. It would be idle for us to shut our eyes to the fact that the immediate future is ominous in regard to both those industries. Whilst the prices for wool and wheat are for the moment satisfactory, and so far as I can judge from what I read—I have no knowledge otherwise—those prices are likely to be maintained, we are faced with the position that the volume of production has been seriously reduced. In the matter of our pastoral industry, it would be idle to fail to recognise that not within the memory of living man has there been a drought of such widespread area and such

long duration as the drought now affecting this State. With a drought over a less widespread area, although it may be of the same intensity and even of the same duration, nevertheless when it came to an end, as all bad things as well as good things must some day come to an end, it would be possible to replenish the flocks which had been lost from the areas not affected by the drought. But the present drought is so widespread that if we draw a line from west to east about Geraldton, we can say that all the territory north of that line, with a few exceptions, has been stricken by the drought. Even when the drought breaks, as it must break, there will be no possibility of replacing the flocks lost by taking others from areas not drought-stricken. This means that the period of recovery in the pastoral industry will be a prolonged affair, because the pastoralists will have to build up their flocks from the small percentage saved from the present drought. That constitutes a very serious outlook for the State because the wool of Australia has always been the barometer of prosperity in Australia. When wool has fallen in value or volume, immediately there has been a repercussion of this calamity in the national purse. Therefore if the wool industry in future proves to be as restricted in volume as I am unfortunately led to believe it will be, we must seriously take that into account. We cannot afford to ignore it. Turning to wheat, there again the price is satisfactory, but due to many causes which I do not wish to discuss here to-night, cumulative causes, the area under crop has been reduced considerably as compared with what it was in former years, and even the reduced acreage, in parts at any rate, is unfortunately in danger during the present season. We heard to-night of another danger which threatens the wheat crops, but leaving that entirely out of account, the position is that although the price is good, we cannot look forward to such a harvest as will return this State any large amount such as it would have done in past years, if by any stroke of good fortune the present price had ruled in those past years. The problems ahead of those two industries are of so crucial a character that they require most careful consideration. If those industries were to suffer any permanent disaster, who would dare to say there is any future worth talking about before this country? I do not propose to-night to at-

tempt to discharge the duty of considering at any length the problems which face those industries, because I anticipate that when we reach that portion of the Estimates which peculiarly deals with those industries, the whole matter will be ventilated. Before resuming my seat I should like to take the opportunity to address the Committee at some brief length on the matter that has arisen from the recommendations made by the Commonwealth Grants Commission for the disabilities grants for this year. There are three claimant States—South Australia, Tasmania and Western Australia. It might be interesting to give the amount of the grant last year in respect to each of these States, the amount of the claim made for the present year and the amount now recommended by the Commonwealth Grants Commission. The figures are—

	Last year's Grant.	This year's Claim.	This year's Recommendation.
	£	£	£
Western Australia	800,000	1,500,000	500,000
South Australia ...	1,500,000	2,000,000	1,350,000
Tasmania	400,000	800,000	600,000

I understand from what I have read in the Press that it is the intention of the Commonwealth Government to give effect to the recommendations of the Commission. The recommendation for Western Australia amounts to 33½ per cent. of its claim; for South Australia to 66½ per cent. of its claim, and for Tasmania to 75 per cent. of its claim. As compared with the grant obtained by each of those States during the financial year which closed on the 30th June last, a perusal of the figures shows that the grant recommended for Western Australia for the present year represents a reduction of 37½ per cent., the grant recommended for South Australia represents a reduction of only 11.3 per cent., and in the case of Tasmania the grant recommended for this year represents an increase of 33½ per cent. on the grant paid last year. It would of course be highly invidious for us to take up any position setting out the treatment that had been offered to the other claimant States as any ground for complaint. I admit that we are debarred from taking up that attitude, but nevertheless those figures are illuminating. The basis of the claim by the claimant States, as I understand it, is the financial disability suffered by each of the States by reason of the Federal tie. It is said in some sense to be made to correspond to the loss, direct and indirect, which we

suffer as the result of Federation. In effect, the argument of the States is based on a comparison of the position as it would be if they had not entered Federation, supplemented by the duty that, inasmuch as they have entered into the partnership, the partnership as a whole should come to the aid of a distressed partner who is suffering from special causes of disability. That duty finds expression in the Federal Constitution. Now I have had no opportunity through any personal or direct contact to learn the viewpoint of the Commission, but from the published reasons which accompanied their present recommendations, the Commission alleged that in the first instance they dealt with and determined what they called the comparative deficit. Then they found a sum which would reduce that comparative deficit to a normal deficit and that amount is set out in their figures under the heading of comparative deficit. The amount for Western Australia has been assessed at a figure of £744,000, and if no adjustments were to be made, it is clear that that would be the amount recommended for the grant, because that is the amount which in the opinion of the Commission—arrived at for reasons which it is difficult to discover, but I presume for some reasons—is necessary to bring about a normal deficit for this State. But adjustments are made under three heads, firstly, the standard cost of administration; secondly, the scale of social services; and, thirdly, the severity of taxation. On account of what is termed the cost of administration shown in 1934-35 as compared with the previous year, the Commission recommend that £20,000 be added to the comparative deficit. How they arrived at that sum of £20,000 it is wholly impossible to appreciate. What is the standard cost of administration? In what way is such a standard arrived at, having regard to the different conditions prevailing in all the States? It is common knowledge that the administrative costs of the Federal Government are far in excess of the administrative costs of any State and very far in excess of the administrative costs in Western Australia.

The Acting Premier: Of course they, having the money, are the judges.

Hon. N. KEENAN: One of the principal elements in all administration costs must be the salaries of the officials employed, and a State official doing exactly the same work as

a Federal official receives, as we all know, and know only too well, far less than does the Federal official for his work. In fact, let us instance the Patents Office as a very scandalous example of the statement when it passed away from the control of the States and became a Federal office. The Federal authorities multiplied the expenditure not by 100 per cent. but by 1,000 per cent. Therefore I suggest that the Commonwealth cost of administration cannot be taken by the Commission as the standard, although *prima facie*, being Australia-wide, it should be the standard. But whatever may be the standard which the Commission worked to, at which, as I say, I am not able to make even a guess, they allowed for relative economy in 1934-35 from their standard a sum of £20,000. The Commission also erected a maximum standard for social services, and again having regard to the particular state of affairs which rules in Western Australia, I am at a loss to know how that standard is arrived at. Applying that standard, however, the Commission say that the requirements were exceeded by a sum of £188,000 in the financial year 1934-35. That is to say that the State Government incurred expenditure to the amount of £188,000 on this particular head over and above the standard which they had erected, and accordingly they subtract that £188,000 from the comparable deficit of £744,000. Next the Commission dealt with the aspect of severity of taxation. I am prepared to admit that it is only a fair rule, in case of an eleemosynary grant, that the person claiming it should prove that he used his own resources to the fullest extent before coming to look for charity—and that applies whether the claimant is a person, a party, or a State. Only for the moment, I assume that it is correct to look upon this grant made on account of the disabilities we suffer as the result of Federation, as in the nature of charity. I am not, of course, prepared for a single moment to assent to that proposition: but viewing the grant thus, the Commission have found that in the year 1934-35 the index of severity of taxation showed an increase over the previous year sufficient, in their finding, to make the taxation reach a normal standard. That is an actual clear finding on their part. They have erected a standard of severity of taxation, applied their own tests, and have found that in the year 1934-35 this State complied with that test and that the sever-

ity of taxation for that year was of normal standard. As I said, in the cases of the other standards it is most difficult, if not impossible, to arrive at any idea how the standard has been reached. But whatever the standard was, whatever means the Commission adopted to reach it, the fact remains that they clearly state, in the reasons accompanying their report, that for the year 1934-35 the normal standard was reached. But they go on to say that on account of extravagant loan expenditure by Governments of Western Australia in the past, taking into account the fact that the Commonwealth bears some moral responsibility, which the Commission do not attempt to define, in respect of that loan expenditure, and also, as they allege, taking into account the disabilities which Western Australia suffers as the result of the Federal tariff policy, taking all these things into account, they recommend that the comparable deficit be reduced by a sum equivalent to 5 per cent. of the taxation. They work out that sum at £120,000. One may well ask what would have been the amount which would have been deducted from the comparable deficit but for taking into account the moral responsibility of the Commonwealth in the matter of excessive loan expenditure in years passed by, and but for taking into account the disabilities we suffer under as the result of Commonwealth tariff policy. Of course it is impossible to say, because the Commission give no idea of how much they allowed for one or the other or for both of those heads. It is sufficient to say that most computators would have assessed the adverse effect which the Commonwealth tariff has on the financial fortunes of Western Australia at a figure far in excess of the total amount of the comparable deficit. Assume for a moment that it was so, then there would be no comparable deficit left at all. In another part of their reasons the Commission set out certain matters by which we can find the figure at which the Commission assessed the disastrous effect which the Commonwealth tariff policy has on Western Australia. In that part of the matter accompanying their recommendation, they say that Western Australia has, however, a larger tariff burden than any other State, and that on this account they have reduced the extra effort required by Western Australia in taxation from 7 per cent. to 5 per cent. Now, as the Commissioners have assessed this 5 per cent. at £120,000—which

appears from their report—it is a mere matter of arithmetic to arrive at what sum they allowed for the disabilities we suffer by reason of the Commonwealth tariff policy; and that gives as a result the sum of £48,000. Such a figure is too entirely ludicrous to warrant any discussion. But to enter upon these considerations would mean that I would have to proceed to challenge the whole basis of the recommendations, and I do not for a moment imagine that the members of this Committee would have sufficient patience to allow me to accomplish that task. I therefore reserve to myself and the people of this State the right to challenge the whole basis of those recommendations. For the moment I shall deal only with the plain inconsistencies which are to be discovered on the face. The gravest inconsistency arises from the one feature which the Commission put their finger on as being the cause which warrants them in reducing the amount that the State receives. That feature is the non-severity of our taxation. And yet in their report, as I have pointed out, they stated that severity of taxation in the year 1934-35 reached the normal figure. Therefore, in what sense are we to take what the Commissioners have advanced in their report as being matter for serious discussion? So I turn to what are called the supplementary reasons which have been given by the Commission for the recommendations they have made to the Federal Government and the Federal Parliament. Those supplementary reasons are that the reduction recommended in the grant for Western Australia is due, firstly, to considerable improvement in her relative financial position, and, secondly, the fact that the Commission do not accept the view that Western Australia is entitled to any grant or any assistance from the Commonwealth for or in respect of the North-West portion of this State. Dealing with the first reason, the Commissioners point out that the Budget deficit for the year 1934-35 was £170,000, as compared with a Budget deficit for the year preceding of £790,000. The Commission attributed that improved position to, first of all, increased taxation; secondly, better wool prices; thirdly, increased employment and increased activity in the goldmining, the timber, and other industries. Indeed, the Commission are of opinion that the position obtaining today in Western Australia, except for some temporary, as they choose to call it, drought

conditions, is just as good as the position obtaining in most of the other Australian States. They add, as a sting to that statement, that they are writing from the purely economic point of view. Now as to the expression of the considered opinion of the Commission to which I have just drawn this Committee's attention, with the knowledge we have of the real facts existing here in Western Australia, and the supreme danger that is hanging over two of our main industries which I have dealt with tonight at short length, and other factors which we have to take into account and which also stand in our path, with all that knowledge does it not appear a contemptuous argument to tell us that we are from an economic point of view in as good a position as any other Australian State? And does it not prove conclusively that this Commission is so biassed in its views that it is absurd for us to imagine for one moment that we can receive equitable treatment at its hands? To put it in plain language, what is the reason the Commission put forward as the ground for reducing the amount of the grant? It is this, that because we raised our taxation revenue to a figure which was nearly if not quite as much as our small numbers in Western Australia could bear, and because we had some measure of success in finding employment in our industries for our unemployed, and because of the fact that we endeavoured to raise our means to the highest point to which we could raise them, and also endeavoured to live within our means, for those things we are to be penalised. Notwithstanding that the disabilities we suffered under remain exactly the same as before, we are to be penalised by having the grant which was made last year reduced by £300,000 this year. What is the lesson which this reasoning of the Commission inculcates? Surely it is that if we had done none of the things we did do, things which anyone else would praise and would hold up as reasons for encouraging us and giving us more support, if we had allowed everything to go to the bad, then we would have received more than we received last year. As for ignoring the loss which Western Australia incurs by maintaining a steamer service to the North, as mentioned by the Commission, and also by maintaining in the North, for the purpose of endeavouring to keep the industries there alive, certain State works, surely the Commission must have shut their eyes to the fact that throughout the length

and breadth of the State, in the past and today and for many days in the future, it will always be a question of making necessary provision for a scattered population over a huge, wide area. It is not merely the North that presents that position: it stands out in bold relief throughout the whole State. And that is the position which we say requires assistance. We are facing the most difficult problem that any Government could face—the problem of supplying essential services to a scattered population over a wide and in many cases a desert area. Now I have dealt with the recommendation of the Commonwealth Grants Commission, but practically only on the surface, because until the opportunity is afforded to read the evidence and to read the reasons of the Commission, it will be impossible for me or for any other member of the Chamber to express any definite opinion. But I have made this reference principally with the object of rendering it perfectly clear that in any action the Government may contemplate, and whatever action the Government may take or propose to take for the purpose of resenting and defeating this injustice, they can rely on the solid support of all who sit on this side of the Chamber. We have, of course, our differences and our political parties; and possibly sometimes our political differences become too embittered. I do not for a moment pretend that I am not one who sometimes is guilty in that regard. But it only needs an incident of this character, it only needs treatment of this nature by the Commonwealth authorities, to cement and obliterate all those differences and to make this Chamber a united Chamber determined to exercise every power and every authority it possesses to assert the rights of the people; and I hope that we will not stop short of whatever we can do for the purpose of obtaining those rights.

MR. NULSEN (Kanowna) [9.15]: A surplus is very gratifying under our fiscal conditions. It is better to show a surplus, so long as it is not too big, in preference to a deficit, which has to be paid out of Loan funds, and, under the unification of our financial system in Australia, it is not possible to borrow if we experience a deficit, or even if we show a profit. In consequence, it is better for everyone concerned to have a surplus so that we shall have money to

spend in the ensuing term, rather than to have a deficit. Unfortunately, many people, including the workers, think that if the Government record a deficit, they are let down, but I can assure them it is not so. The people do not seem to understand the position and, in consequence, they consider that if the Government have a huge deficit, it means that more has been done for the unemployed. The sincere desire of the Government is to place part-time workers on full-time work. Everyone would support that desire; but I do not think, under our present social system, it is possible of achievement. I am inclined to think that the number of unemployed must increase rather than decrease under our present system. The Government have carried out splendid work throughout the State. When the Mitchell Government vacated office, they left their successors a mass of belated repairs to be undertaken in connection with various public utilities, especially the Railways. Many thousands of pounds have been spent in that direction. The Labour Government have been generous in the provision of water supplies, which I regard as one of the most valuable assets of the State. In my electorate £180,000 is being spent at Norseman on a scheme that will provide water for a large area and will help to open up the country from Spargo southwards. The whole credit for that work is due to the Collier Government. I endeavoured to interview Sir George Pearce to ascertain whether there was any possibility of securing a small grant of money from the Federal Government for that purpose, but Sir George Pearce almost refused to see me and I regarded his manner as insulting. The water scheme at Norseman is nearly completed, and I am sure the expenditure will be well justified. The Government have provided State batteries in various parts. The battery at Laverton has crushed more stone since it has been constructed than did the old battery during the whole time it was in existence. A subsidised battery has been provided at Mt. Monger which is proving advantageous to that district, and repair work that has been carried out in various directions has been enormous. Schools have been erected throughout the State, and that has been largely owing to the increased prosperity on the goldfields. Jetties and roads have been constructed and one of the most

important tasks undertaken has been the reconstruction of the Agricultural Bank. Much criticism has been heard regarding the latter undertaking, but it was a matter that had been long delayed.

Hon. C. G. Latham: Are your farmers satisfied with what has been done?

Mr. NULSEN: No, but we do not expect people to be perfectly satisfied when something new has been done.

The Deputy Premier: They were not satisfied with what you did.

Hon. C. G. Latham: And they won't be satisfied with what you are doing.

Mr. NULSEN: In other directions, the Government have launched operations that have absorbed many of the unemployed. Many complaints have been received from the unemployed but if they only knew it, their condition is far better in this State than is that of the unemployed in any other part of Australia. The Labour Party are not satisfied with existing conditions, and they desire to provide full-time work. I have already indicated that, in my opinion, under our present system, that is a matter of utter impossibility. While it may be possible that the number of unemployed may be decreased in Western Australia, I do not think it is possible to secure a decrease in other parts of the Commonwealth. I attended the opening of the new girls' school at East Perth. There has been a lot of criticism regarding that wonderful building, especially from members representing country electorates. I contend the erection of the school was perfectly justified. I was only sorry that I did not hear the name of the former member for East Perth (Mr. J. J. Kenneally) mentioned in connection with the work. He was really responsible for the undertaking. If there is any blame, it should be attributed to Mr. Kenneally's efforts.

Mr. Patrick: He would not have submitted the proposal if it had not been justified.

Hon. C. G. Latham: The present Chairman of Commissioners of the Agricultural Bank is the man who started that work.

Mr. NULSEN: I was referring to the criticism.

Hon. C. G. Latham: I give the credit to the Minister for Education.

Mr. NULSEN: Many came into the matter, including the Minister for Education, but I think it was the strong advocacy

of Mr. Kenneally that secured the provision of the school. First he obtained half the amount necessary, and then the balance. Certainly credit is due to Mr. Kenneally.

Hon. C. G. Latham: Then you suggest that the East Perth electors are very ungrateful.

The Deputy Premier: Electors always are.

Mr. NULSEN: The Leader of the Opposition can place that construction on it if he likes. Taxation in Western Australia is the lowest compared with all the other States of Australia, and that is one of the grievances entertained by the Federal Disabilities Commission against this State. The wages paid here are the second highest in Australia and the only State where wages are higher than here is controlled by a Labour Government. The mining industry is prosperous and particular as regards production from the inception of the industry may be interesting to members. In this State we have produced 41,739,830oz. worth £177,299,506 at par. In Australian currency that quantity of gold is worth over £192,000,000. Although we have produced all that gold in Western Australia, we have still a long way to go to catch up to Victorian production, which represents over £306,000,000 worth. The production in the other States has been worth the following amounts:—Queensland, about £89,000,000. New South Wales, a little over £65,000,000; Tasmania, just over £9,000,000; Northern Territory, a little over £2,000,000; and South Australia just under £2,000,000. In all, Australia has produced over £662,000,000 worth of gold. Members can see what a wonderful part gold has played in the development of Australia. The peak year for production in Western Australia was 1903, when we produced 2,335,425 fine ounces, valued at £9,920,248. Dividends paid that year totalled £2,024,152, and the number of men employed in the industry was 20,716. The average yield per ton was 21.15 dwts. Since then the average yield has been gradually reduced until in 1935 the average yield was only 6.8 dwts. In that year the State produced 649,049 ounces, valued at £5,702,149, and the dividends paid represented £1,125,000. The men engaged in the industry totalled 14,692, and the average yield per ton of ore treated was 6.8 dwts. It will be seen that the yield was under one-third; the amount of gold won under one-third, and yet the dividends paid repre-

sented over one-half. In 1936 the gold produced in Western Australia was valued at £6,356,089, or an increase in value of £1,227,079. I mention these figures with a specific object. I claim that it behoves the industry to cater for those employed in it. I repeat the request I made to the Government last year, when I urged that an extra 5 per cent. on the net profit on gold be added, and set apart for the men who suffer from occupational diseases as a result of their work in the mines. I claim definitely that the working man's capital is his health, and when he loses that he loses everything. The Miners' Phthisis Act as it stands is reasonably sound, but the provisions of the Mine Workers' Relief Act are not nearly adequate. In my opinion the mine worker who is found to be suffering from early silicosis should be removed from the industry and be compensated to the extent of at least £400 or £500 so that he may be able to go into business and make good without losing his health. In the event of that individual developing miners' phthisis, he would come under the Third Schedule and then secure assistance under the Mine Workers' Relief Act. I notice that the member for Murchison (Mr. Marshall) attended a meeting of the A.W.U. at Kalgoorlie to deal with the question of safety in mines. Those members who have had experience on the goldfields are quite sympathetic with all those proposals that were brought down. So much was made perfectly plain. I have been on the goldfields for a long time, and I do not think that too much has been done for the miner, who takes the whole of the risk, who works in the bowels of the earth digging out the gold, whereas the man who puts his money into the mine takes no personal risk at all. So I agree with the member for Murchison in most of his proposals, and I will give him all possible assistance in the carrying of them through. For the pastoral industry, the drought has been and still is disastrous and devastating, the worst that Western Australia has experienced in the pastoral industry. I am inclined to think it behoves the Government to give some consideration to the assisting of the stricken pastoralists. Generally speaking, they are a very fine class of men, but in some instances the rents they pay are very high. A few members are inclined to say that a pastoralist's rents are infinitesimal; but it is going to be a long time before the industry gets back to normal conditions. The pastoralists have had a terribly bad

time, and the least the Government can do is to grant them relief in their rents. It will be a long time before the pastoralists can stock up to usual capacity, for, in order to give the land a chance to recover, they will have to stock up very lightly at first. Also in some instances erosion has taken place, and the land thus affected will never be the same again. When it comes to re-stocking, the Eastern States have a considerable advantage over Western Australia. In Western Australia the pastoralist has to stock from within the State or, alternatively, bring his stock thousands of miles, which is very expensive. In Queensland, the Country Party are asking the Federal Government for 75 per cent. of the money required to purchase sheep for re-stocking the north-west portion of that State. However bad the position may be, over here it is much more acute. Nobody here is asking the Federal Government to do anything for re-stocking, but in Queensland, as I say, the Federal Government are being asked to put up, interest free, 75 per cent. of the money required for re-stocking, while they are asking the banks for the remaining 25 per cent. on the usual terms. Pastoralists as a rule ask for very little, and their standard of life is high. My sympathy goes out to them because of the dreadful time they are having. The Federal tariff also has affected them greatly. The price of wool to-day is from 7½ per cent. to 10 per cent. higher than it was this time last year, but owing to the lack of competition from the Japanese the price is still lower than it would otherwise be. I am sorry that Australia has taken the stand she has since New Zealand, which is just as patriotic, perhaps more so, as is Australia, has not put in any terrific charges against the Japanese.

Hon. C. G. Latham: New Zealand does not supply the same class of wool as does Australia.

Mr. NULSEN: Then what about South Africa, which is just as patriotic as Australia, yet is not demanding anything special from the Japanese? This business in Australia was merely a big move from Bradford to get a monopoly which she has been wanting for years past. Here is an extract from an English paper:—

AUSTRALIA'S GENEROUS GIFT TO LANCASHIRE.

London, Wednesday.

Under Secretary for Dominions (Lord Hartington), addressing Retford Conservatives, regretted that the recent Australian tariff meas-

ures had not met with greater gratitude. The Minister added that Australians knew that the British textile trade was experiencing anxiety, and Lancashire was still despondent. Australia, of its own accord, without being asked, had imposed almost prohibitive duties on American and Japanese goods in order to help Lancashire. It was a generous and free gift. At least £11,500,000 worth of goods would be imported in the first year from Lancashire in excess of the previous years. It was wonderful that a Government 12,000 miles away should ask its people to undergo considerable risks and losses to help a distressed section of the Old Country.

If members will look back over a few years they will find that the same thing did not apply; when they were not satisfied with our trade in Australia they blackmailed the Australians, and in consequence the reciprocity is not just, and I say definitely that the Federal Government did not go into the matter as thoroughly as they should have done.

Hon. C. G. Latham: Did you say the British Government blackmailed our trade?

Mr. NULSEN: Lancashire did.

Hon. C. G. Latham: But we are talking of Governments.

Mr. NULSEN: We gave them a free gift of £11,500,000.

Hon. C. G. Latham: That is of trade. That does not apply to Bradford only.

Mr. NULSEN: At all events, it seems to me they had a very fine understanding through the High Commissioner. However, I think the 1935 prices should be really the basis laid down for the price of Australian wool in the future; that should be the immediate basis, and if the woolgrowers of Australia get less than the 1935 prices, it should be the responsibility of the Federal Government to make up the difference. The wool industry in Western Australia is very important and has been so from its inception. From the figures I have been able to get, we have produced £79,480,803 worth. So that industry has played a very big part in the development of Western Australia. The wheat industry looks pretty well just now owing to the drought season in North America and the serious losses in the Argentine. The surplus of 625,000,000 bushels was reduced to 260,000,000 in July last, and the surplus of that has been still further reduced. The depression in the industry has been caused through bad years and low prices, and in consequence has brought stocks back to normal. After thorough investigation, it seems to me the prices this year will be good while the prices next year will also

be fair. The enhanced price of course, is attributable to war scares and depression prices, and virtually the Argentine wheat market going right out of Europe. The wheat depression is not yet over. I want to tell the farmers of the State that they should profit by past experience. I think they have been very foolish to have all their eggs in one basket. Mixed farming is the only chance of dealing with adversity and I do not think they should stick exclusively to wheat, but should make their farms carry sheep as well.

Mr. Marshall: They will want a good water supply for that.

Mr. NULSEN: Well, the present Government are doing all that is possible with the small amount of money available. Now I wish to go down to the mallee for a while. The writing down that has taken place in the mallee district so far as I know is not sufficient. I say most earnestly that those farms should be written down a little more. That would give the whole of the farmers a chance to survive. Even as it is now, a few will survive. The psychology down there is much better than it has been for a long time, and farmers are doing everything possible to give the scheme a trial. I have here two or three letters from farmers and I think perhaps the best way of expressing their feelings is to read what they say themselves. Here is a letter from Mr. R. Sime of Salmon Gums:—

“Canty Hall,”

Salmon Gums, 4/7/1936.

Mr. Nulsen, M.L.A.

Dear Sir,

Re our talk in the Gums last week regarding sixty or ninety years' purchase of the Esperance farms:

As I said to you in the Gums Mr. Wardle's scheme was fairly good up to a point, but on reaching the 10th year, it is my considered opinion that the scheme will collapse, as few, if any, of the settlers will be able to live up to the conditions laid down.

In my opinion there are only two ways to get over this, either by a further writing down or by extended purchase terms. Mr. Nulsen, this is how I think Mr. Wardle should have finished off his scheme: After first arriving at a valuation of a farm, he should have first drawn out all stock and machinery loans, and entered them as short term loans, say, ten years. Secondly, all clearing, fencing, dam and house building loans listed as a development loan, repayment spread over a period of sixty or ninety years (ninety if possible). By that method he would have arrived at a fair rent for each farm. This would have changed the whole scheme and given the farmer a sound chance to make good.

Land rents would have to be included in the fixing of yearly rent.

Now, Mr. Nulsen, if that was done this is my mind's picture of the Esperance district: Well-staffed farms, good iron stables, etc., well-fenced paddocks, ample water supply, well-stocked sheep farms, and above all, happy, contented families who would have no thought of leaving the farms and looking for work elsewhere.

What is the other side of the picture in trying to make land owners of us too quick? Simply a hand-to-mouth existence thrown back on the Government every time a bad season comes along, and, as far as I can ascertain, that has always been the history of land settlement in Western Australia.

By the way, I was talking to Mr. Machin on Saturday, and he thought this ninety years' business all right. He tells me that in New Zealand farmers had their land on these terms, and when he was in that country all farmers were a happy contented lot.

Well, Mr. Nulsen, I hope you will see your way to bring this matter before the Commissioners, as personally I think it is our only hope.

I am enclosing two drafts showing Wardle's plan as it applies to myself at ten years, and the same plan extended to sixty years, and paying more than double the purchase price of the land.

Crops are looking fairly well down here, but sheep feed is very slow in growth.

Yours faithfully,

(Sgd.) R. SIME.

Wardle's Scheme—Sixty years purchase—

	£	s.	d.
Machinery and stock, £321 at 5% (this loan to be repaid in 10 years)	16	1	0
Land rents (60 years), £532 at 5%	8	17	6
Development loans: Clearing fencing, dams and house ...	1,796		
Add interest at 2 per cent. for 60 years ...	2,160		
Loan ...	£1,796		
Interest ...	£2,160		
	<u>£3,956</u>		

Wardle's scheme at 10 years:

1st—Interest on £2,117 at 5%	105	17	0
2nd—1st interest, on principal ...	100	0	0
3rd—Land rents (2,130 acres at 5s., 30 years purchase) ...	17	15	0
	<u>£223</u>	<u>12</u>	<u>0</u>

4th—Rent to be found on the 10th year ...

Road rates, vermin tax, etc., not included.

Above applies to my own farm.

I received the following further letter from Mr. R. Sime:—

Dear Mr. Nulsen.—I trust you have been able to make use of notes I sent you. As chairman of the union, I have a further request to make. In reading statements made by the group settlers in their present fight

with Agricultural Bank commissioners, I see that the settler who has done most to help himself is, like us down here, the loser. It is with relation to the anomalies in the valuation of certain farmers I refer. I think you should in your speech in reply, stress very hard the point that although a promise was given by Mr. Donovan and Mr. Wardle that all anomalies would be gone into, nothing had been done, and certain settlers in the district had been unjustly treated; more so, when you take into consideration that all the work that goes to constitute these anomalies had been done throughout the recent years of depression when most settlers were sitting back drawing their sustenance, and doing as little as possible for it. I make this statement: It is the solemn duty of the Labour Government to see that all who are concerned in above get common justice, as Mr. Millington when Minister for Agriculture made this statement not once, but many times, that the settler who went ahead and developed his farm would get every consideration when it came to a writing down. Now, I ask you has that been so? No, and I say this, that seeing some of us followed his advice and got caught, it is his duty to see that we get common justice, namely, that all land cleared without a loan throughout the depression be classed as uncleared land, then everything would be in order. It also seems very hard to me to think that all this trouble with group settlers and wheat farmers is needless and could be wiped clean out by the simple method of giving 90 years terms, and after all what is that to a country? The genuine statesman would, I am sure, think along these lines as it would mean a progressive country instead of this continual nagging which gets us nowhere. Re Mr. Murray, sheep expert. As you know he has been down here for two weeks, and visited most farms carrying sheep. Personally, I think if his opinion of the district was asked and acted upon it would I am sure open up a new and more practical road to the rating of this district. See what you can do about it. Trusting this will be in time to be embodied in your speech. Yours, etc., R. Sime.

Settler Waller writes as follows:—

The capital value on properties, £1,615: proposed new moneys for fencing sheep, house, etc., £360; total £1,975.

The first five years' interest to be paid at 5 per cent. per annum, less 50 per cent. reduction, amount payable on above debt per annum, £49; at the end of 5 years amount to be paid each year would be £98.

With road rates, land department fees, etc., would bring total money to be paid the first five years over £50 per year, and over £100 per year at the end of five years. I consider the capital value is far too high to give a reasonable chance of success.

I have received a letter from Mr. A. E. Evans, of East Circle Valley, dated 3rd September, 1936, as follows:—

Dear Sir,—I wish to point out three anomalies in my valuation. The house is valued by the

bank at £100. My valuation is £30, the house being unsafe and unfit for human habitation. A mare nine years old, with a valuation of £20, has an enlarged hock and will never work again. My dam is 700 cubic yards capacity. The bank only paid the contractor £30 for sinking, yet I am billed for £50. I wrote Mr. McCallum in July about the house, asking him to reconsider his previous decision, refusing my application for a house on J. Lugg's abandoned farm at Red Lake. So far he has not had the courtesy to answer.

From these letters it will be seen that the farmers are not satisfied with the valuations. I recognise that everyone is trying to get the best he can for himself. I know the district well, and am satisfied that the valuations are really too high for the farmers to make a success of their operations. There is also a grievance with respect to the unimproved value of the land. It was intimated by the Minister for Lands that probably the values would be written down in accordance with Dr. Teakle's analysis, namely, the first-class land not to exceed 5s. an acre, the second-class 3s. 9d., and the third-class 1s. The Minister suggested that probably the values would be reduced to those figures. We understood he meant a minimum of 5s. for first-class land.

Hon. C. G. Latham: I thought you said it was to be a maximum of 5s. for first-class and a minimum of 1s.

Mr. NULSEN: I quoted the three prices. The third-class land is largely poison land.

Hon. C. G. Latham: I thought there was no poison land there.

Mr. NULSEN: There is quite a lot. The new rehabilitation scheme has been very beneficial to the district generally. It is a pity it was not brought in four or five years sooner. Unfortunately, under the scheme, good farmers, those who have done most of the work and have created the assets, are penalised very considerably compared with those who have done no work and have received assistance from the Government. The scheme is not fair to these men, and it is both unjust and inequitable. We should protect the good men. They should be looked after, but are not receiving justice.

Hon. C. G. Latham: What have you done with that heap of State implements you had down there?

Mr. NULSEN: It is still there. The Agricultural Bank should put these people on a definite business footing, such as is being done by some of the financial institutions.

Hon. C. G. Latham: You do not expect that from the Agricultural Bank?

Mr. NULSEN: I have written down more values in that district than the Government have. I am satisfied to have done it in order to get the people concerned back to a condition so that they may deal with me again. I have written off no less than £10,000. From a business point of view it behoves the Government to get the settlers back on a business footing as soon as possible, so that they may become an asset to the State and pay something towards their upkeep.

Mr. Sampson: Unless that is done, their position will be hopeless.

Mr. NULSEN: Yes.

Mr. Sampson: Whether the attempt is successful or not is another question.

Mr. NULSEN: Whilst we have 51 per cent. of dissatisfied settlers, I do not know how we can discriminate between them. If we can get 51 per cent. of satisfied settlers, we shall have a chance to deal with the other 49 per cent. Under present conditions it seems impossible to satisfy them.

Mr. Sampson: They are having unbelievably hard times.

Mr. NULSEN: I am not reflecting on the Agricultural Bank Commissioners. A big task confronts them. No doubt in time they will realise the position and try to restore the settlers to a basis whereby they can again deal with the State. I know Mr. McCallum personally. There is no straighter man than he, nor a man who works harder and is more sincere about his duties. He is doing his very best. My reflections are upon the position generally. If it is impossible for the Bank to relieve the position at once, we shall have to give them time in which to do so. I hope they will see the light and enable these men to become an asset to the State and work through on their own merits. If one-hundredth part of the money that has been spent on group settlement had been spent on the Esperance plain, we would have a prosperous area there to-day. The Esperance pine forest has proved successful. The experiments there are likely to be of great help to the State in the future. I would like to read a letter I have received from the secretary of the Esperance Pine Forests Ltd. It is as follows:—

The recent forfeiture of the company's lease at Esperance marks the termination of our

efforts to bring the Esperance Plain under cultivation. While regretting the company's inability to reach its objective, I would like to express our thanks to yourself and other members of the House who trusted the company's integrity and rendered it very considerable services during the years 1926-32. In this connection I would be much obliged if you, as opportunity offers, would convey our thanks to Sir John Kirwan; M. F. Troy, Esq.; C. G. Latham, Esq.; H. Millington, Esq.; H. Seddon, Esq., and others who have shown goodwill and interest in the company's efforts.

The only thing I am sorry for is that the company did not obtain the necessary capital to carry on. I am quite sure they were on the right track.

Hon. C. G. Latham: Cannot you persuade the Government to establish an experimental farm down there?

Mr. NULSEN: I am glad of that suggestion from the Leader of the Opposition. The farm would be of great benefit to the State. I believe the hon. gentleman is serious in making the suggestion, though he may not look serious.

The Deputy Premier: I put that proposal up to the Migration and Development Commission.

Mr. NULSEN: The possibilities of the plain are not understood. In years to come people will say, "How have past Governments left this plain uncultivated so long?" Now I have a little to say regarding small race clubs. Present taxation falls very heavily on small clubs, and they have no chance of getting on their feet. The Government should give them a chance. I have here two letters from race clubs, one at Esperance and one at Norseman. I shall read only the latter, which is dated the 13th July last—

At the last meeting of the committee of the Norseman Race Club, I was requested to bring to your notice what we consider excessive taxation on race meetings held by country clubs. On our annual meeting held in May last we showed a profit of approximately £5 after forwarding the Taxation Department a cheque for £18 18s. 5d. We are only a new club, and had hopes of improving the course and erecting permanent buildings on our grounds from the profits derived from our meetings. This object will no doubt be defeated if we continue to hold our meetings for the benefit of the Taxation Department. Could you suggest any way in which relief could be obtained from these exorbitant charges?

Some relief should be given to small racing clubs pending their becoming firmly established. In my electorate there are three

such clubs. Norseman and Esperance must be regarded as new clubs, because the original buildings and fixtures went right back. The Esperance Club has moved its course nearer the town. It will take a good deal of re-establishing. In addition to the amount of £18 18s. 5d. mentioned in the letter I read, the Norseman Club had to send along a further amount of 30s. or so, reducing the profit correspondingly. May is the club's best day, and the next meeting may show a loss. So the club has no chance of getting square. Next as regards employees along the trans-Australian railway. I am perhaps the only member who travels on that line, and my sympathies go right out to the employees. The accommodation provided for them is not by any means extravagant. The conditions under which they live are certainly not fair, because these people are extremely isolated, with consequent heavy disabilities. Large families are the rule among them. I know of one family numbering 13, and of one numbering 11. Six, seven and eight children are average families. Therefore those people are a real asset to the State. I regret to say the children lack opportunities, not getting the same facilities as are available to children in Kalgoorlie, Merredin, Perth, and other large centres. Everybody knows what things are like out along the railway in winter-time—windy and cold. In the summer it is as hot as Hades, with flies galore. Conditions are very hard indeed on the employees. These facts, however, do not affect the Western Australian Government, because the men are employees of the Commonwealth. However, let me say that 40 hours per week are more than sufficient work for men so situated.

Hon. C. G. Latham: Those men would not pay State taxation, would they?

Mr. NULSEN: Yes, they would.

Hon. C. G. Latham: Are they not in Federal territory?

Mr. NULSEN: No. It is true that they have an advantage in that they pay less taxation to the State of Western Australia than they would have to pay to the South Australian or any other State. The tea and sugar train goes out twice a week, and those running it are most courteous and do everything possible for the people along the railway. They must be given all credit for putting themselves out to help those people. Let me point out that the trans-Australian railway workers and their families in West-

ern Australia are far better entitled to refrigerators and other comforts of the kind than we are here in Perth, since we can walk into a shop and get any food we require. Those unfortunate people have no such opportunities. I have here a letter dated the 17th June last from an employee on the trans-Australian railway, which reads as follows:—

Enclosed herewith please find particulars from the "Adelaide Advertiser" in connection with the controversy which existed in connection with the Arbitration Court and the Public Service Arbitrator's jurisdiction. No doubt you have seen the fullest particulars, being interested, as we know, still, and all, the attached is good reading. What a wonderful victory at the last hour! The whole of this service is much delighted at the victory, and everyone is most eagerly now awaiting the arbitrator's visit through the line, and in this connection all portions of the line are definitely opposed to the arbitrator travelling through by any other means than the Studebaker rail car, totally unaccompanied by any union, and more so, railway officials; the latter are purely and simply camouflage agents, and when carried out by special train, to the worst degree, inasmuch as the train time-tables are amended to make sure the train passes a certain section of the line through darkness to avoid inspection and questions, and the fact that railway officials attend these inquiries intimidates the employees to the extent that they will not tender evidence in view of the victimisation which follows. I have seen the most glaring things done to avoid places and employees being seen by the judge on previous inquiries, and unless our wish of rail car travel can be arranged, all the good work already accomplished will be utterly ruined. The travelling would be all daylight and employees, whether out at work on the line or at home, could be interviewed. There are officers' quarters available for night resting, which are equipped with beds, mattresses, pillows and cooking utensils, and at all depots and sub-depots there are rest camps fully equipped as far as bedding is concerned, and attended by caretakers.

On the previous inquiry by the so-called Judge Brockman, he never put a foot off the train here, or spoke to an employee. Let's hope it can be improved on this time. I would be pleased if you can and will impress upon our worthy members to do all they possibly can to accomplish our request with a view to having the inquiry carried out in the form of justice.

Members can see the position in which the people on the Trans. line are placed. They do not seem to be fairly treated in some respects, and although they are rather delighted with their latest award, they are still dissatisfied with their arbitrator. I desire to say a little about centralisation. Western Australia has been founded upon

centralisation, and over 47 per cent. of the population are resident in the metropolitan area. Queensland was developed on the port zone basis and there only 31 per cent. of the population reside in Brisbane. South Australia has a little over half the population of Queensland and yet there are 13,000 more people living in Adelaide than there are in Brisbane. The policy of the Labour Party is definitely in favour of decentralisation, but everything seems to drift towards the Lord Mayor and his satellites.

Mr. Wilson: I would not say that.

Mr. NULSEN: I do, although I do not wish my words to be taken in the wrong spirit.

Hon. C. G. Latham: It is natural, because the Labour Party have no policy.

Mr. NULSEN: Even the tendency of the Railway Department seems to be in favour of centralisation. The railage on crude salt from Esperance is 22s. 1d. and if the salt is refined the charge is 33s. 1d. If, therefore, the people of Esperance endeavour to create an industry, they will be penalised to the extent of 10s. per ton. Refined salt does not weigh any more than crude salt.

Mr. Fox: Will the crude salt occupy more space?

Mr. NULSEN: I cannot say; it may. That shows how the railway authorities tend to encourage centralisation. From a trading point of view, the extra charge on refined salt is not justified and a freight charge of 22s. 1d. should provide a sufficient margin to allow fair competition with salt refined at Fremantle. The present charge is an injustice to Esperance, where the people are not asking for any concession in respect of salt consignments for any particular market. They merely ask to be able to take advantage of what they are entitled to. Then take the position regarding felspar. The Londonderry mine is producing 140 tons a week for export. The mine is 149 miles closer to Esperance than to Fremantle and yet Skayhill, who owns the show, finds that it pays him to send the felspar to Fremantle because he gets an extra 15 per cent. concession as against the charge to the natural port of Esperance. The prosperity of Perth to-day is due, more or less, to the prosperity on the goldfields. We notice the beautification of Perth in rapid progress. There are the reclamation

of the river foreshore and the creation of islands, parks and gardens.

Hon. C. G. Latham: And riverside drives.

Mr. NULSEN: A lot of money is being spent in that direction.

Hon. C. G. Latham: And the Government are providing trolley buses where a tram service already exists.

Mr. NULSEN: The whole of the money is attracted from the goldfields to the city, where big buildings are being constructed, all owing to the prosperity on the goldfields, because the agricultural and pastoral areas have experienced a distressing period so that the prosperity does not emanate from those sources. On the other hand, there is no question of beautification schemes at Esperance despite the prosperity of the hinterland.

The Minister for Agriculture: Why gild the lily?

Mr. NULSEN: It needs the expenditure of some money to make the port more beautiful and to provide additional comfort for visitors. It behoves the Government to give consideration to making money available so that the natural pleasure resort for the hinterland may be developed and the miners may enjoy their holidays in added comfort. If £2,000 could be spent at Esperance, it would make a great difference from that point of view. The Australian shipping companies are the greatest offenders with regard to centralisation. They go to extremes in flouting on all occasions the interests of the outer ports. Although Esperance is 568 miles closer to Adelaide than Fremantle, the companies want £2 3s. to go into Esperance as against £1 13s. for the extra 568 miles to Fremantle. Is that just? Is that the way to help the outer ports and the people who live in the hinterland? The Australian shipping companies are all too generously protected by the provisions of the Commonwealth Navigation Act, and I consider it is up to them to provide a monthly service. I suggest that the companies provide a monthly service to include Esperance, Albany, Fremantle and Geraldton. If the companies will not provide that service, then it behoves the State Government either to put a State ship on the run or else to charter a boat for that purpose. Albany has also suffered considerably, and so has Geraldton. Bunbury has not suffered to any degree because of the export trade in timber. If the regular

monthly service were provided that I suggest, it would mean at least another 1,000 tons of produce going through Esperance monthly. That would make it cheaper for the people residing in the country and would give the port an opportunity to develop. Goods that should normally enter through the port are being sent via the trans-Australian railway, and the Commonwealth railway facilities seem to be run to the detriment of Esperance and the railway between that port and Coolgardie. There is no excuse regarding Esperance because every facility required is to be found there. There is a new jetty with a depth of 37ft. 6in. for berthing purposes, and all the necessary facilities are available. So the first essential is that we should have a regular service and if we do not get that it behoves the Government to assist us. There is an oil tank established that will give the railway 10,000 tons per annum; so that in addition to another 12,000 or 15,000 tons will keep that railway occupied, and probably justify past expenditure. I was going to have something to say about the monthly revenue, but it is getting late, and I know the member for Murchison is waiting patiently to speak.

Hon. C. G. Latham: Not he, not tonight. You keep going.

Mr NULSEN: Very well. As I have said in the House before, production has been solved, but the problem now is distribution, and until we have an alteration in our monetary system we shall not get back to prosperity. Fifty years ago the problem was how to produce enough, but to-day the problem is how to get rid of what we have produced. The only obstacle is money. While money is master instead of servant we find we cannot get back to the state which we previously occupied. Providence has been particularly good to us, but man has made a terrible mess of things, and it seems to me that the economists are really in a fog. I do not know why.

Hon. C. G. Latham: Are they ever in anything else but a fog?

Mr NULSEN: I do not know. The monetary system has been evolved rather than created, and so the economist has not had any work to do until now, when we have production in plenty, and so the economist scarcely knows where he is. At the present time we are not equal even to the animals, for they know how to participate in the plenty. The poor emus are coming

in for it now, and so we are proceeding to destroy them.

Hon C. G. Latham interjected.

Mr. NULSEN: That is so. It seems to me the financial expert today is labouring under delusions, or does not know exactly where he is. I remember reading an article written by Beverley Nicholls, who stated definitely that Germany was asked to pay in reparation more gold than there was in America, the British Empire, or indeed the whole of the world, and asked to pay it in a given time. It seems to me that the experts really do not know the position of finance; either that, or they were asking Germany something physically and utterly impossible. The big Daniels to-day say we will not return to prosperity until after ten years' time. I definitely say that under the present monetary system it will be a thousand years before we get back.

Hon. C. G. Latham: Then you and I need not worry about it.

Mr. NULSEN: No, but at the same time here we are living in the age of plenty, and yet not allowed to participate in that plenty. I know very fine men and women who are not allowed to eat what they produce. Members of Parliament say it will be a long time before we get unemployment reduced to a minimum. It seems to me it is not going to be too long before there will be a considerable increase in unemployment. Actually our present prosperity is really only artificial. Although if ever there was a State or country where the unemployed should be able to get work, it is in Western Australia.

Hon. C. G. Latham: Hear, hear!

Mr. NULSEN: I consider the system of unemployment is the outward symptom of an incurable economic cancer. Machinery has improved so rapidly that it is now impossible for everyone to get work. Only the other day I was reading an article on America. It carried a suggestion of standardising millions of acres and working them by pressing a mere button, while having a robot concealed in some building and giving orders.

Hon. C. G. Latham: We might have to work under those conditions.

Mr. NULSEN: We can see from that article that even in agriculture, if those suggestions are put into operation millions of acres will be worked merely by the pressing of a button. Either rationalisa-

tion has gone too far, or alternatively it has not gone far enough. I saw a picture recently of the Iron Knob in South Australia where an excavator was working on a sort of tractor. They put a few shots into the ore body and loosened up the material whereupon the excavator went in and took up six tons. There were 12 or 14 men working there where, under ordinary conditions, there must have been a couple of hundred. Until we realise the monstrous paradox that lies in the penalising of the workers for not working when there is no work to do, we shall not be conscious of what is going on around us. The age of leisure so long dreamed of by philosophers has actually arrived.

Mr. North: Do the average Government make hostile changes?

Mr. NULSEN: No, we find the changes take a long time. Edison stated that it took 25 years to change the opinions of individuals. So it seems to me it will take many years before we can change the ideas of people to-day.

Mr. Marshall: I change ideas almost daily.

Hon. C. G. Latham: You never had any to change.

Mr. NULSEN: The changing of gold is also out of place. Gold, after all, is only a psychological fact. We could do without gold. It is needed only for means of exchange.

Hon. C. G. Latham: If you have any you do not want you can send it along.

Mr. NULSEN: Under the present monetary system I want all I can get. You can read McKenna or Keynes, you can bury yourself in the lore of social credit, but it all means a world of plenty developed by machines. The result is that to-day we have millions of men working, yet unable to participate in the fruits of their work. We are told that we are living in an age of plenty. I have read of cargoes of coffee being dumped into the ocean and of fields of wheat being destroyed. We rejoice in the downfall of another country. We have rejoiced in the droughts in America and in Canada, because we hope to find markets for our goods as a result of their misfortune. This is a world of plenty, and yet we are not permitted to participate in it. We are not permitted to pick up fruit which has fallen under the trees. Rather is it

allowed to rot. The capitalistic system has worn out its usefulness.

The Minister for Employment: It never was a system; it always was a hotch-potch.

Mr. NULSEN: Well, it was developed through evolution. We have been told that the war was the cause of existing troubles. I deny that statement. The war may have accelerated the arrival of our troubles, but it was not the cause. The old system was created in a time of scarcity, and is now worn out. How criminally crude the existing system of ethics is may be demonstrated by an extract from a work of Beverley Nicholls dealing with one of the unemployed, without any money, seeking to purchase a loaf of bread. The passage runs:—

Ethical gentleman: You can't have this loaf of bread unless you pay for it.

Unemployed: But I haven't any money.

Ethical gentleman: Then you must work and make some.

Unemployed: All right, let me work.

Ethical gentleman: Let you work? Certainly not! My machines do that much better than you can.

Unemployed: But if I am willing to work, wouldn't that be the same thing?

Ethical gentleman: Not at all. I am not interested in what you are willing to do. And what you must do, before you can have this loaf of bread, is work.

Unemployed: But you told me you don't want me to work.

Ethical gentleman: Of course, I don't.

Unemployed: Then what am I to do?

Ethical gentleman: Work!

Unemployed: But how?

Ethical gentleman: Don't ask me! I'm worried enough already with all these loaves of bread on my hands, and nobody to buy them.

Unemployed: We'd take them off your hands all right if we had the money.

Ethical gentleman (exasperated): Well, then, go and work!

That is the brutal predicament of millions of men today. They are willing to work, but they cannot get work in order to purchase a loaf of bread and cannot have it because machinery has taken their places. It seems to me that almost automatically a system of superannuation must be brought into operation and that a very small contribution will have to be made. We cannot say that men shall be retired at the age of 45 and that there shall be no further use for them. Possibly then a scheme of superannuation of some sort will have to be adopted. I maintain that there will be any number of young men who will be able to produce all the real wealth and all the necessities required by those over the age of 45.

Hon. C. G. Latham: They would be very unwilling to keep us, you know.

Mr. NULSEN: I do not think so.

Hon. C. G. Latham: I think they would.

Mr. NULSEN: I think that times will change. Today we are living in an age which is very different psychologically from that of 20 years ago.

Hon. C. G. Latham: But the young people are not as tolerant as they were.

Mr. NULSEN: In business I consider they are more generous and extend greater consideration than they did three or four years ago.

Mr. North: Do you find your present ideas better understood in the back blocks than in the city?

Mr. NULSEN: I do.

Mr. North: There the people have more time to consider them.

Mr. NULSEN: Yes. Remember the problem is a world of plenty with the plenty denied to men; firstly, because they have not the money token to pay for it; secondly, because those tokens can be obtained only by work; and, thirdly, because the work does not exist. I cannot see any reason why any private firm should have a monopoly of the means of distribution. That is what it means. The banks and the big financial institutions are ruling the world by controlling the real wealth of the world, and utilisation of the real wealth of the world should supersede the present system of distribution. Thus, it seems to me that the nationalisation of all credit is inevitable. I have a scheme that has been put up by a farmer, Mr. J. R. Clarke of Wyalki. He has made a very good job of it, and I congratulated him upon it because he has taken into consideration the most important aspect of the trouble, namely, the means of distribution.

Progress reported.

House adjourned at 10.37 p.m.