

Hon. J. Nicholson: I should be interested to know the reason for the amendment.

Hon. J. A. DIMMITT: A plebiscite was taken in Kalgoorlie which showed that a majority of the garage-owners desired the districts mentioned to be included in the Bill. Before the Bill was introduced, however, a garage in one of the districts changed hands. The proprietor was strongly opposed to the Bill and influenced some of the other garage proprietors to the point that they sent me a telegram requesting the deletion of these districts from the Bill. I consulted the people concerned in the metropolitan area and, rather than jeopardise the passage of the Bill, they agreed to the request.

Amendment put and passed.

Hon. J. A. DIMMITT: I move an amendment—

That the words "whether within the Metropolitan Shop District or within the shop district lastly mentioned" in lines 16, 17 and 18 of paragraph (b) of Subsection 1 of proposed new Section 101 be struck out.

This amendment is consequential.

Amendment put and passed.

Hon. J. NICHOLSON: I move an amendment—

That after the word "to" in line 5 of the proviso to Subsection 2 of proposed new Section 101 the words "undertake or" be inserted.

A traveller may not be continuing a journey; he may have returned to his home town.

Amendment put and passed; the clause, as amended, agreed to.

Title—agreed to.

Bill reported with amendments.

BILL (2)—FIRST READING.

1, Supply Bill (No. 2), £1,200,000.

2, Traffic Act Amendment.

Received from the Assembly.

House adjourned at 5.26 p.m.

Legislative Assembly.

Thursday, 12th October, 1939.

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

MOTION—URGENCY.

Wool Appraisement.

Mr. SPEAKER: I have received the following letter from the Leader of the Opposition (Hon. C. G. Latham):—

I desire to give you notice that at this afternoon's meeting of the House it is my intention to move the adjournment for the purpose of drawing attention to the urgent necessity of impressing upon the Central Wool Board the desirability of establishing appraising centres both at Albany and Geraldton.

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

Seven members having risen in their places,

HON. C. G. LATHAM (York) [4.33]: I do not propose to detain the House very long. At the outset, I acknowledge that the matter is one over which this House has very little control.

The Premier: No control at all.

Hon. C. G. LATHAM: We may have some influence. After all, if Parliament cannot influence the people acquiring our wool, I do not know who can. We have a perfect right to voice our opinion, more particularly because of the unfortunate position of this State, which has no representation whatever on the Central Wool Committee. True, we have a State committee to look after our interests; but it is extraordinary that although many telegrams have been sent to the chairman of the board no reply has been received from him. As the matter is urgent—very urgent from the producers' point of

view, because shearing is progressing at present and the wool will have to be transported to some centre for appraisalment—it seems to me that to be quite right we should lodge our protest now, rather than wait until the wool has been taken to Fremantle. The producers who are demanding that these appraisalment centres should be established have a very good case. During the period of the last war both Albany and Fremantle were appraisalment centres.

The Premier: And Geraldton.

Hon. C. G. LATHAM: Yes.

The Premier: Only two places are mentioned in your letter.

Hon. C. G. LATHAM: We know that Fremantle will be one appraisalment centre, but the main centres should be Albany and Geraldton.

The Premier: You should include Geraldton.

Hon. C. G. LATHAM: It is most important that Geraldton should be included, because shipping facilities are available and the quantity of wool that could be shipped from that port is sufficient to justify ships calling there. Before the acquisition of our wool by the Commonwealth Government, quite a number of our producers shipped their wool abroad and sold it there. They are prevented from doing so now. When they did do so, they naturally sent the wool to the port nearest to their farms or holdings and consequently saved considerable expense. I hope members who may be more vitally concerned in this matter than I, will express their opinions, because I think such opinions might influence the board to accede to the request of so many of the wool producers of this State. It is regrettable that we have no representation on the board, because otherwise we could have made representations direct. The matter perhaps is not of great importance to the wool brokers; it seems to me that more consideration is being shown to the brokers than to the producers. I presume there will be three wool appraisers, or five at most, and if this request is granted it would necessitate their journeying to Albany or Geraldton to do their work; otherwise all the wool will have to be conveyed to Fremantle from Geraldton and the districts north of Geraldton, and from Albany and the surrounding districts, a course that will entail additional expense. I hope the House will express its

self on this matter, because I believe our wool producers are justified in making the request. Western Australia is a land of great distances; and, while we may not be the biggest wool producers of Australia—we certainly are not by a long way—we are controlling vast areas. Albany is over 300 miles from Perth and Geraldton is about the same distance; and if the request is granted there will be a great saving of freight to the producers, who have not had a very happy time. They have not reached the state of affluence which many of the wool producers in the Eastern States have attained, because every penny our wool producers have earned has been put back into the industry. I trust the effect of my motion will be that the Central Board will appreciate the necessity for establishing appraisalment centres at Geraldton and Albany. I move—

That the House do now adjourn.

THE PREMIER (Hon. J. C. Willcock—Geraldton) [4.38]: This matter is no doubt urgent, because I understand that the acquisition of the wool is already in process and there is a possibility of appraisalment commencing very shortly in order to determine the value of the wool purchased by the Commonwealth on behalf of the British Government. I do not think, however, that the House need take long to express its opinion. Already many members have expressed their opinion. Before there was any public announcement—immediately it was suggested that the Imperial Government desired to acquire our wool through the Commonwealth Government—I made representations to the Prime Minister and asked that, so far as Western Australia was concerned, the procedure followed on the last occasion when Australia's wool was acquired by the Imperial Government should be adopted on this occasion. During the Great War when the British Government acquired our wool, appraisalment centres for wool were established at Fremantle, Albany and Geraldton. This proved a great convenience to the producers and the trade generally. As the Leader of the Opposition said, it obviated the necessity for long haulage over the railways, the freight for which represented a considerable amount of money. It created employment in centres away from the metropolis and conferred great benefit on the centres in which the appraisalment occurred.

The Commonwealth Government has appointed a Central Wool Committee to acquire the wool on behalf of the British Government and has vested in that committee the whole authority to deal with the necessary details. Though there is a local wool committee, I gathered from my interview with the chairman that these details will be dealt with by the central committee. I hope that the local committee will pass on to the central committee the representations made here to-day, and let it know that a general feeling—almost State-wide, I should say—exists that the procedure adopted so successfully during the Great War should be observed on this occasion. Facilities are available at Geraldton. There is storage accommodation in which to appraise a considerable quantity of wool, and the accommodation has been increased since the last occasion by Westralian Farmers, Ltd., which firm has erected new stores in the town. I have no doubt that similar conditions exist at Albany. The harbour is there for the direct shipping of the wool to the ports of the world where the British Government desires to have it delivered. The use of Geraldton and Albany will obviate railway and handling charges and conserve the interests of the people at this stage.

I have made representations to the Prime Minister on behalf of the State. When I was in Canberra four or five weeks ago, I discussed the matter at some length with the Minister for Commerce, Senator McLeay and the Assistant Minister for Commerce, Senator McBride, and they fully understand the viewpoint of the people of Western Australia. I have no doubt that the representations made to them have been passed on to the Central Wool Committee. Apparently no decision has so far been given. Perhaps there is some doubt in the minds of the members of the committee as to whether they will inaugurate the former system once more. However, as they will be fully informed of public opinion in this State, I believe that the representations made to them as well as to the Prime Minister and to the local wool committee, plus the discussion this afternoon, should have a considerable effect on the Central Wool Committee when it considers the question. An independent board, created in this manner, should not, in my opinion, make any decisions that are not in accord with the general policy both of

Governments and of people. I do not think the committee would be justified in doing so. If the opinions that have been expressed are correct, and if all the necessary facilities exist, everything points to favourable consideration being given to the request. Certainly there will be some difficulty in refusing such a reasonable request, particularly as the appraisement of wool in those centres was so successful on the last occasion when wool was acquired for the British Government. The question does not call for much debate, but it is as well for the House to express an opinion. Representations have been made that I hope will be successful, and I trust that the procedure that gave general satisfaction in the past will be adopted for the appraisement of our wool in the coming season.

MR. HILL (Albany) [4.45]: I support the remarks of the Premier and the Leader of the Opposition. Although it is my privilege to represent a port, I am not a resident of the port itself, but am one of the producers who have to ship through the port. The Central Wool Committee should realise that the different States have different problems. When I was in Melbourne some 2½ years ago, I had the pleasure of meeting the Chairman of the Melbourne Harbour Trust who, in the course of conversation, said, "We are only a pocket-handkerchief State and one port is most suitable for us, but in Western Australia you have quite a different proposition." I believe that the late Lord Forrest, on one occasion, expressed the opinion that Western Australia should be divided into three provinces, and that the centres of the respective provinces should be Geraldton, Perth and Albany. I have no interest in the port of Geraldton except as one who has the welfare of the State at heart, and I should like to see that port developed as far as possible. If a wool appraisement centre can be established there, it will result in a considerable saving to growers located in that part of the State. One development will lead to another. Albany is fortunately situated. It is right on the trade route: we have shipping calling for lamb— I hope the ships will take fruit also—and we have all the facilities available for handling the wool clip. So far as I can see, very little additional expense will be entailed by the committee if our request for appraisement

centres at Albany and Geraldton, as well as at Fremantle, is granted.

Mr. Fox: What about Roebourne?

Mr. HILL: In Western Australia we have the largest self-governing unit in the world, and 90 per cent. of the trade passes through one port. I assure members, after experience extending over 30 years, that the fact of having such a high percentage of trade passing through the chief port places a severe handicap on producers like myself located in the distant parts of the State. I hope the House will support the efforts already made to get the request acceded to.

MR. DONEY (Williams-Narrogin) [4.48]: The question before the House certainly contains the element of urgency claimed for it by the Leader of Opposition. Quite a number of growers—some hundreds of them in the Great Southern districts, at any rate—have had their clips ready for the past month and are with-holding their wool from rail until the question of destination has been decided. Delay means money to those producers. Money will be saved if the ultimate decision is to make Albany and Geraldton appraisement centres, and money will be lost if Fremantle alone is decided upon. The same factor operates in the Eastern States and, on that account, I am greatly surprised that there should have been so much delay in reaching a decision. I wholeheartedly endorse the remarks advanced by the Premier and the Leader of the Opposition. With them, I consider that the question involved in the motion certainly does call for the freest ventilation of an expression of opinion by this House. The agitation to have Albany and Geraldton recognised as appraisement centres during the currency of the war is not based solely on the reason stressed by the member for Albany (Mr. Hill), namely decentralisation. That, after all, is a somewhat minor consideration at the moment. It is based also and more particularly on reasons of common-sense and economy. I ask you, Mr. Speaker, whether there has been for many years past a time more urgent than the present for the exercise of economy on behalf of the growers? Had it been that the experience of recognising Albany and Geraldton as centres of importance during the years from 1914 to 1919 were unfavourably in question, I could understand the delay in recognising their position to-day. But the two ports

proved, as has been pointed out, a bona fide success, and are likely to prove so again, especially since the equipment as to warehousing and so forth is still available—and available at, I think, immediate call. As to who is against the proposal, presumably it can be no one but the brokers; but that powerful even though silent section is not pretending that the reason for its opposition to the proposal is anything in the interests of Australia, or anything except its particular business interests. The common opinion, of course, is that the reason is purely one affecting the business operations of the brokers. Selfish considerations of that type should certainly not be permitted to succeed in times such as we are passing through now. I am indeed pleased that the Premier spoke to the question. The hon. gentleman's doing so indicates that both sides of the House approve of the object aimed at in the motion. The member for Boulder (Hon. P. Collier) interjected that this Chamber has no control of the situation whatever. We have, certainly, delegated our powers in this respect to the State Wool Committee, in precisely the same way as the Commonwealth Government has delegated its relevant powers to the Central Wool Committee.

The Premier: Oh no!

Mr. DONEY: Then I will put it this way, that our local committee, at all events, is entirely free of State Parliamentary control and is subsidiary only to the Central Wool Committee operating in Melbourne. But even though that be so, it will be strange if the unanimous voice of this House does not still count for something. I have already indicated that I fully endorse the arguments which have been adduced in support of the motion.

MR. WATTS (Katanning) [4.53]: Quite apart from any objection that may be taken to the proposal to have appraisement centres in Geraldton and Albany, there is the fact that we had such centres in the years from 1914 to 1918, and that they were then a success. I know of no reason why they should not again prove a success, operating in similar circumstances. When wool-buying is to be done and buyers come from many places far afield, there is some justification, perhaps strong justification, for holding those sales all at one centre; but when it becomes a question of a limited number of persons, presumably in

the employ of either the Imperial or the Federal Government, making an appraisal of the value of wools, there can be no justification whatever for insisting that the convenience of those gentlemen should be the one and only consideration if the interests of those concerned in the industry are likely to suffer financially.

The district I represent is, of course, closely associated with the port of Albany. It no doubt represents the greater part of the area from which the 42,000 bales of wool or thereabouts that it is estimated should go to Albany for appraisalment would come from; and the suggestion in the motion means a very appreciable saving in transport costs to a large section of the people living in that area, who have for a considerable number of years been carrying on against high costs and low prices. Therefore it is not only a question of the convenience of the appraisers—though that itself is a small thing—but also a question of assisting growers towards financial prosperity. Parts of the Katanning electorate are over 300 miles from Perth, while less than 50 miles from Albany. From this it will be seen that there is ample justification for the request on behalf of growers in the Katanning electorate. If the request were coming only from members of this House, or from but a limited section of the people concerned, then we might not be so enthusiastic about it; but the request, I may be permitted to say, is coming from people all over the district I represent and from numerous people in the districts adjacent to it. There is a strong demand for an appraisalment centre at the port of Albany.

To all that has been said regarding Geraldton I can equally subscribe. Behind that port are vast areas which produce considerable quantities of wool—more considerable, indeed, by a long way than those produced in the hinterland of Albany. The same facilities are available at Geraldton, and the same reason applies as to distance from Fremantle. This reason applies with even greater force. There is no justification whatever, in my view, for excluding either of the two ports from a scheme of this kind. Therefore I am indeed glad that the Premier is so strongly with us not only as member for Geraldton—which might be expected—but also in his capacity, which I may term a superior capacity, as Premier of Western Australia. I feel convinced that

with the hon. gentlemen's support, and the public demonstration which we are now making, and have tried to make in past weeks, it is hardly possible that the Central Wool Committee will refuse to pay regard to the interests of our producers and consider only the interests of those who are concerned in working in other parts of the wool industry. Accordingly, I feel that the motion, though it can have no actual legal effect, should have a substantial moral effect, supported as it is by both sides of the Chamber.

MR. PATRICK (Greenough) [4.58]: I wish to support very briefly the remarks of previous speakers, it not being necessary to repeat the arguments used by them. I am especially interested in Geraldton, representing as I do all the farming portion that sends wool into Geraldton, and also a considerable section of the wool producers in the Murehison district. From a harbour point of view, much money has been spent on Geraldton, and all facilities for shipping wool direct are to be found there. Indeed, there was a time when most of the wool from the Geraldton district was shipped direct, and did not come near Fremantle at all, being shipped to London via Singapore. The question raised by the motion is one of considerable urgency, for it is well known that numerous farmers are holding their wool on their farms, waiting to know where it will go for appraisalment. I understand that the only objection to having different appraisalment centres is that the brokers wish to confine the appraisalment to the present selling centre. The unfairness of that argument is shown in the small State of Victoria, which has at least two selling centres and of course two appraisalment centres. On the other hand, in this huge State of Western Australia we have at present only one selling centre. The suggestion in the motion, if adopted, will unquestionably result in considerable saving to the wool producers by reason of lessened railway charges. Another factor which should carry weight is that most of the war expenditure has been centred in metropolitan areas. The adoption of the proposal contained in the motion will result in considerable decentralisation of that expenditure. Moreover, it will result in considerable employment at both the ports of Albany and Geraldton. Therefore I have much pleasure

in supporting the arguments previously adduced.

Motion, by leave, withdrawn.

QUESTION—RAILWAY FREIGHTS.

Perishable Products.

Mr. SAMPSON asked the Minister for Railways: 1, Do the proposed increases in railway freights as foreshadowed in the Budget, affect the charges levied on the transport of fruit, vegetables, honey and other primary products of a perishable nature? 2, If so, to what extent?

The MINISTER FOR RAILWAYS replied: 1 and 2, Fruit and vegetables are not affected. Freight on honey in less than one-ton lots is increased by 10 per cent. Butter, bacon, cheese, eggs, etc., come under the new "C" class provisions. No increase applies when any of the above commodities are carried by passenger train at parcels rates.

QUESTION—PROFITEERING PREVENTION.

Tea and Sugar.

Hon. C. G. LATHAM asked the Premier: Will he, as soon as the Profiteering Prevention Act is assented to, direct the commissioner to inquire into the reasons for the recent increase in the retail price of tea, and the suggested increase in the price of sugar, with a view to fixing maximum prices for these commodities?

The PREMIER replied: The price of tea is controlled under the Commonwealth regulations, and therefore the State Act will not apply. No notification has been received in this State as to any possible rise in the price of sugar, but information has been sought from Canberra as to whether there is any foundation for current rumours.

QUESTION—POLICE PATROL, CLAREMONT.

Mr. NORTH asked the Minister representing the Minister for Police: In view of a report in the "West Australian" of the 11th inst., of a statement at a meeting of the Claremont Municipal Council that a sum of £8,000, allegedly available for extra police patrol, was transferred to Consoli-

dated Revenue, will he give the House the facts?

The MINISTER FOR THE NORTH-WEST replied: There is no foundation for the statement referred to. All police patrol work is financed from the Police Department Vote, and the amount provided is determined by the money available from Consolidated Revenue to meet the requirements of that and all other departments.

QUESTION—AUDITOR GENERAL'S REPORT.

Hon. C. G. LATHAM (without notice) asked the Speaker: Can you, Mr. Speaker, advise the House when the Auditor General's report will be laid on the Table of the House? It is now October and the Estimates are under consideration; we should have that report before us.

Mr. SPEAKER replied: The Auditor General has been in touch with me as Speaker and has pointed out that last year his report was tabled on the 19th October. It will be tabled a few days later this year, but the Auditor General hopes to make it available to members before the end of the month.

BILL—SUPPLY (No. 2), £1,200,000.

Message.

Message from the Lieut.-Governor received and read recommending appropriation for the purposes of the Bill.

Standing Orders Suspension.

On motion by the Premier, resolved:

That so much of the Standing Orders be suspended as is necessary to enable resolutions from the Committees of Supply and of Ways and Means to be reported and adopted on the same day on which they shall have passed those Committees, and also the passing of a Supply Bill through all its stages in one day.

In Committee of Supply.

The House resolved into Committee of Supply, Mr. Marshall in the Chair.

THE PREMIER (Hon. J. C. Willecock—Geraldton) [5.3]: I move—

That there be granted to His Majesty on account of the services of the year ending the 30th June, 1940, a sum not exceeding £1,200,000.

The purpose of the Bill is to obtain further supply for a period of two months pending the passing of the Estimates. Under Supply Act (No. 1) authority was obtained for expenditure as follows:—

	£
Consolidated Revenue Fund ..	1,750,000
General Loan Fund ..	450,000
Treasurer's Advance ..	300,000

The expenditure for the first three months of the current financial year from the Supply granted was—

	£
Consolidated Revenue Fund ..	1,745,511
General Loan Fund ..	226,831

The amount now required from the Consolidated Revenue Fund is £1,200,000. There is still a balance in the General Loan Fund under the provision made in Supply Act (No. 1), which is expected to be sufficient to cover expenditure from that fund for the next two months. The Estimates are now before Parliament and members will have an opportunity of discussing the Votes of the departments concerned. In the circumstances there is no necessity for any protracted debate at the present stage, the object of the Bill being to enable the Government to carry on ordinary services until the Estimates have received the formal approval of Parliament.

Question put and passed.

Resolution reported and the report adopted.

In Committee of Ways and Means.

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

THE PREMIER (Hon. J. C. Willcock—Geraldton) [5.5]: I move—

That towards making good the supply granted to His Majesty for the services of the year ending the 30th June, 1940, a sum not exceeding £1,200,000 be granted out of Consolidated Revenue.

Question put and passed.

Resolution reported and the report adopted.

All Stages.

In accordance with the foregoing resolutions, Bill introduced, passed through all stages without debate, and transmitted to the Council.

BILL—MORTGAGEES' RIGHTS RESTRICTION ACT CONTINUANCE.

Returned from the Council without amendment.

BILL—GUARDIANSHIP OF INFANTS ACT AMENDMENT.

Received from the Council and, on motion by Hon. N. Keenan, read a first time.

BILL—TRAFFIC ACT AMENDMENT.

Read a third time and transmitted to the Council.

BILL—STATE FOREST ACCESS.

Second Reading.

THE PREMIER (Hon. J. C. Willcock—Geraldton) [5.12] in moving the second reading said: The Forests Department recently sold by tender sawmilling rights over three large areas of virgin forest in the vicinity of Yornup, Manjimup and Jardee. In each instance provision has been made for the establishment of sawmills, each of which will have a very long life on the selected site, as regeneration and protection measures will be associated with logging operations, thus providing a regular cycle of cutting. In order to provide suitable access from the Government railway lines to the State forests by tramways, to be constructed by the respective permit holders under tramway permits to be granted under the Forests Act, 1918, it will be necessary to resume strips of land approximately one chain wide through a number of private property locations contiguous to the sawmilling permit areas. An adequate supply of good permanent water is a major consideration in selecting sites for the large sawmilling units proposed, and has been a determining factor in fixing the position of the mills. The routes of the proposed tramways are indicated by red lines on the plans, which I shall lay on the Table of the House. The locations from which resumptions are required are coloured green on the plans, which also show in yellow the permit areas over which sawmilling operations are to be carried out. In selecting these routes the department has

acted in conjunction with the permit holders and has been guided by the necessity for making junctions with the Government lines at approved points. Every effort has been made to traverse Crown lands and reserves, and to avoid private property as far as practicable. This is borne out by the following figures:—

Sawmilling permit 677—Yornup:

Total distance from Government line to new mill site, $9\frac{1}{4}$ miles.

Length through Crown lands and reserves, 8 miles.

Length of private property resumptions proposed, $1\frac{1}{4}$ miles.

Sawmilling permit 1192—Manjimup:

Total distance from Government line to new mill site, $16\frac{1}{2}$ miles.

Length through Crown lands and reserves, 16 miles.

Length of private property resumptions proposed, $\frac{1}{2}$ mile.

Sawmilling permit 1193—Jardee:

Total distance from Government line to new mill site, $17\frac{1}{2}$ miles.

Length through Crown lands and reserves, $11\frac{1}{2}$ miles.

Length of private property resumptions proposed, 6 miles.

In the last case two of the resumptions are essential to provide access to the mill from the permit area. Provision for the resumption of land to give access to State forests is contained in Section 22 of the Forests Act, 1918, which reads as follows:—

22. (1) The Governor, subject to the consent of Parliament, may, under the Public Works Act, 1902, purchase, acquire, resume, or appropriate land for the purpose of a State forest or to provide access thereto, and such purchase, acquisition, resumption or appropriation, shall be deemed to be an authorised work.

In the absence of detailed information regarding the effect of the resumption of improvements, water supplies, etc., an estimate of the costs is difficult at this stage, but the question has been discussed with the land resumption officer who estimates the cost at from £1,000 to £1,200.

Mr. Withers: Has the Government to meet that cost?

The PREMIER: Yes, in the first place, but as an offset against this charge one month's royalty on the timber to be cut at the three mills should yield £1,275, and the cutting will continue for about 50 years. With the object of regulating the main sawmilling industry to provide continuity of employment and of timber production, a general working plan dealing with the jar-

rah forests of the State, was gazetted first in 1929. When this plan was gazetted there was recognition of the fact that it was impossible to provide for a sustained output from certain of the more accessible of the State forest areas, where the number and size of mills was considerably in excess of the yield capacity of the forests; but, to offset this overcutting, areas of virgin forest in the Manjimup district were held in reserve. The time has arrived when certain of the old established mills have almost completed cutting mature timber remaining on existing permits, and tenders were called for sawmilling rights over three extensive permit areas in the Manjimup district, which will provide a permanent life for new mills by the association of protection and regeneration measures with logging operations.

The following mills operated by Bunning Bros. are affected:—Muja mill, which has already finished cutting; Argyle mill, which will complete operations by the end of the year; and Lyall's mill, which will operate on a considerably reduced log intake. Bunning Bros. are the successful tenderers for two of the new permit areas and already have one mill operating in the vicinity of Yornup. Access is required to this mill, and the same tramline will serve a second mill to be erected later on the Donnelly River. The other permit area secured by Bunning Bros. is east of Manjimup, and it is also necessary to resume a strip through several private property locations to provide access to the new mill site on this permit area. Nanga Brook mill, operated by Millars' Timber and Trading Coy. will cease operations in 12 to 18 months' time, and this firm is the successful tenderer for the third new permit area south-east of Manjimup. To provide access to the mill site on this area will require the construction of $17\frac{1}{2}$ miles of line, and involve the resumption of a number of strips through private property locations shown on the plan. The companies concerned are expected to hasten the tramway line construction and to work on the new mill sites as soon as the necessary resumptions can be effected, and this is very desirable to provide for continuity of employment and production.

Mr. Holman interjected.

The PREMIER: It will be some time before the change-over can be made. These firms have carried on production successfully for a period of years. Land was

held in reserve because it was known that the permit areas would cut out eventually, and the desire was to give the firms an opportunity to continue their operations in another part of the State where timber is available and accessible. It is a pity that access to these new areas entirely through Government land, is not possible. The difficulty arises from the fact that so much of the land in the South-West is settled. I am informed, however, that there will not be much disturbance or inconvenience caused by the tram lines running along the routes indicated on the plan I shall table. On the other hand, it will be a convenience to some holdings to have communication with the towns from which the lines will commence. The Bill is essential. The cost involved will not be great, and it is necessary that we should have power under the Act to resume these areas.

Mr. Withers: Will there be a time limit for the commencement of operations?

The PREMIER: Yes, subject to cutting out by other mills which the new mills are to replace.

Mr. Withers interjected.

The PREMIER: The land will revert to the Crown and the companies will be given tramway rights for which they will pay an amount to the Forests Department during the time the land is utilised for the purposes of the tramlines. As to what will happen in the future, we cannot say what will be the position in 40 or 50 years' time. The aim of the department is to engage in regeneration and reforestation projects in different areas in succession, so that as time goes on the firms will be able to proceed from one area to another and continue their milling operations.

Mr. Holman: Why should not the companies pay rent?

The PREMIER: They will pay for the tramway rights not only on this resumed land, but also on the land already belonging to the State which they are utilising. The great proportion of the land through which the tramlines will run is Crown land.

Mr. Holman: Will the Government have any guarantee that operations will be continued?

The PREMIER: I do not know about that. I should imagine the companies would want to make their business pay. They have to find money for leasehold and tramway rights, and to meet various other

charges. When the timber is cut the companies will have to pay inspection and other fees if they wish to carry on. If they do not continue operations, the leases will revert to the Crown and can be taken up by someone else. But the firms have shown anxiety and indicated their willingness to engage in this activity provided there is a market for the product. I do not suppose they would want to go out of business, but rather to extend their operations. I should not imagine that after having taken up these areas, paid fees and erected sawmills at a considerable expenditure, they will refrain from continuing their activities. It is to be expected that the mills will be utilised in the production of timber.

On motion by Mr. J. H. Smith, debate adjourned.

BILL—GOVERNMENT RAILWAYS ACT AMENDMENT.

Second Reading.

THE MINISTER FOR RAILWAYS

(Hon. E. Nulsen—Kanowna) [5.29] in moving the second reading said: This is a small Bill and I trust that it will be treated as kindly here as in another place. The measure deals with two vital amendments to the Government Railways Act. Clause 2 proposes to amend Section 58 of the Act, which reads as follows:—

The Commissioner may, with the approval of the Minister, from time to time let on lease, for any purpose approved by him, any land belonging to any railway, but not required for railway purposes, and any buildings, workshops, or other erections thereon. Every such lease shall be granted for a period not exceeding seven years, and on such terms and conditions as the Commissioner thinks fit.

The only alteration that the Commissioner asks is an extension of the term from seven years to 21 years. This extension is very necessary for many reasons. It is necessary where a company or private individual intends to spend much money on a leased area or reserve belonging to the Railway Department. We as a Government encourage industries of all kinds, and we must be able to give longer leases than seven years to such people. For a company or individual to recoup the amount of money that must be spent on the building of a factory or warehouse takes more time than that allowed under Section 58 of the Act. The

short term permitted is really a hindrance to the Railway Department. The leasing of a reserve or of land not being used by the railways is an important matter to the department.

Mr. Sampson: Does the Bill deal with the leasing of a reserve?

THE MINISTER FOR RAILWAYS: Yes, it deals with the leasing of railway land. Individuals are averse to spending much money on such reserves if the lease is limited to seven years. A longer term is necessary to enable the department to do more business and to give individuals and companies the advantages that the facilities provided by the railways afford. Another aspect is that townships have their town-planning schemes, and reserves have been excluded from business areas owing to the term of the lease being insufficient, in the opinion of the local authority, to permit of a company or individual building a decent place in conformity with other business premises in the town. The extension is required to assist private enterprise wishing to lease any reserve belonging to the department. Manjimup is a case in point. I believe that the railway reserve there was excluded from the town-planning scheme for one reason only, namely that the term of the lease was too short. Had the Commissioner of Railways been empowered to make an agreement covering 21 years, the road board would not have excluded the reserve from the town-planning scheme.

Mr. Sampson: On a point of order, is it competent for a Bill to deal with matters not referred to in the heading? This Bill apparently deals with the leasing of land, but the heading relates exclusively to the regulating of the use of lights deemed to be a danger to railway traffic.

Mr. SPEAKER: This is a Bill to amend the Government Railways Act, and Section 58 is mentioned. The Minister may proceed.

THE MINISTER FOR RAILWAYS: Another place has passed the Bill without amendment and I hope this House will treat it just as fairly and generously. The second amendment deals with the power to control the placing of lights in any position inside or outside a railway reserve. This, too, is an important matter. Neon and other lights used for the purpose of advertising conflict

with the signal lights of railways. Members are aware that the lights principally used for advertising are coloured red and green, which are the colours used for the signal lights on the railways. We are seeking power to give the Commissioner of Railways control over lights conflicting with those of the department. This is necessary for the safe working of the railways. In order to protect the travelling public, we must ensure that there shall be no confusion between the lights used for railway signalling and the lights used for advertising. Some people might say that the Commissioner should move the signal lights. That would not only cost a lot of money, but would also cause quite a lot of inconvenience. On the other hand, people might say that the Commissioner should be empowered to mask advertising lights. To do that would be costly. Seeing that the railways from their inception have had the use of red and green lights, we should guard against any possibility of their being confused with advertising lights.

Mr. Sampson: The difficulty is to get new colours.

The Premier: Conflict might lead to a serious accident.

THE MINISTER FOR RAILWAYS: It is vital that the Commissioner should have control of all lights inside or outside the railway reserves, and this Bill seeks to give him that power. In another place, according to "Hansard," the Bill was passed without amendment, and the few comments that were offered were quite favourable. In 1938 Parliament passed a measure now known as the Lights (Navigation Protection) Act. The proposed new section contained in this Bill is almost identical with the provision in that Act. Parliament has accepted the provision for the control of lights likely to be a danger to navigation and similar provision is equally necessary to control lights likely to be a danger to railway traffic. It might be even more important that the Commissioner of Railways should have similar power. I commend the Bill to members and ask them to pass it without amendment as it has come to us from another place, which usually scrutinises all measures very closely. I move—

That the Bill be now read a second time.

On motion by Mr. Seward, debate adjourned.

BILL—WORKERS' COMPENSATION ACT AMENDMENT.

Recommittal.

On motion by the Minister for Labour, Bill recommitted for the further consideration of Clause 2.

In Committee.

Mr. Marshall in the Chair; the Minister for Labour in charge of the Bill.

Clause 2—New Sections 10A and 10B:

The MINISTER FOR LABOUR: I move an amendment—

That in the proposed new Section 10B (1) the words "the names, addresses and occupations of each and every employee" be struck out and the words "the number of employees" inserted in lieu.

Amendment put and passed; the clause, as amended, agreed to.

Bill again reported with a further amendment.

ANNUAL ESTIMATES, 1939-40.

In Committee of Supply.

Debate resumed from the 10th October, on the Treasurer's Financial Statement and on the Annual Estimates; Mr. Marshall in the Chair.

Vote—Legislative Council, £1,848:

HON. N. KEENAN (Nedlands) [5.42]: I congratulate the member for Irwin-Moore (Mr. Berry) upon his forceful and interesting speech, which I understand is his maiden effort in this Chamber. Although I offer him my congratulations on the manner in which he addressed the House I cannot say I find myself in accord with all his views.

Mr. Needham: Perhaps you were expecting too much.

The CHAIRMAN: Order! Will the hon. member address the Chair?

Hon. N. KEENAN: It is a very common error to allege that considerable sums of money can at all times be willingly subscribed for the purpose of war, and that on the other hand moneys of far less amounts are difficult, if not impossible, to obtain when they are wanted for the service of some social need. I do not think that any free citizen in a free community

such as that of Australia, or such a community in any part of the British Empire, willingly subscribes to the devotion of any moneys for the purpose of war. If he does so—unfortunately he has to do it—he does so only by force of circumstances. It is a choice of two evils; either he must be prepared to sacrifice a lot, perhaps all, in war, or else on the other hand to risk everything he holds dear, because everything he has may be lost to him by reason of the success of the assailant. Every penny that is spent in war is a penny wasted and thrown away, but it is wasted and thrown away necessarily. I am aware that the millions of money that were wasted by Australia in the last war have put back Australia's development for possibly a whole generation. We would appreciate that fact if we would think of what the progress of Australia would have been had these hundreds of millions that were used for the purpose of war been used to promote development in Australia. I greatly fear that the present war will bring in its train such a waste of money and resources as may cripple the progress of Australia for many years ahead. On the other hand, if we do not win this war there is no future at all for Australia. So I will commend to the hon. member for consideration the fact that there is no comparison to be made, or that can be made, between the forcible allocation of money for war, and the free gift of money that is wanted for the purpose of some social need. I am sure the hon. member will be of great assistance to this Chamber in matters that are particularly within his knowledge. I am also sure that he will find that all of us in this Chamber, no matter to what extent we may differ in our outlook, consult together for the purpose of using the best result of our wisdom in the service of the people of the State.

Many matters are to be found in the Budget papers, presented by the Treasurer to this Committee, that invite criticism, but that criticism might appear to bear a partly political complexion. I do not, therefore, intend, in the circumstances in which Australia stands and the Empire stands, and that we are facing to-day, to indulge in that criticism. But because I do not wish by any act or any word of mine to impair that unity which is so absolutely essential to command success in the terrible struggle in which we are involved, I must not be

taken to approve without reservation everything the Government does or proposes to do. There is, however, one matter to which I desire to refer, which is not in any sense a party matter, and in respect of which I can look to members on the other side of the Chamber for support equally with members on this side; and that is the Government's proposal to take away the right which is now enjoyed by local authorities to certain parts of the traffic fees. I know of no payment which can be more justified than this payment, because it is simply a payment for services rendered. The local governing authorities construct and maintain the roads which are within their districts and within their control. In return for that, they obtain from the moneys which are contributed by the users of those roads an equitable amount to compensate them for their services. It is so seldom that one can see, and appreciate, value received in return for taxation. When one does see it, it forms a singularly pleasing experience. The payment is, of course, in a moderate and convenient form a revival of the old turnpike system—a system which had in itself many equitable features, although naturally it also meant—and this was the reason for its abolition—a considerable amount of annoyance and also of delays. But that the user should contribute to the upkeep of a public utility which is maintained for his benefit is a rule to which no one can take exception; and it is a rule which is still extant in the case of bridges, as for instance the Harbour Bridge at Sydney and other bridges in Australia and in the Home country to-day. The Government does not support, or attempt to support, the proposal to take away from the local governing authorities the share they now receive of the traffic fees by any allegation that that system is either wrong or inequitable. No allegation of that kind is put forward or suggested. In fact, the Government gives no reason whatever for its action except, of course, that it wants the money.

The Premier: An excellent reason.

Hon. N. KEENAN: If it be a reason. It is a fact that the Government has no legitimate claim whatever to this money. The local authorities, as I stated, render valuable services, and in return for those valuable services they receive this money. But the Government does not render any ser-

vices, nor does it propose for one moment to render any services.

The Premier: Yes, we do.

Hon. N. KEENAN: Of course it is open for the Premier to differ radically from my assertion, but that does not mean that he is right or that I am wrong.

Mr. J. Hegney: Perhaps you are both wrong.

The CHAIRMAN: Order!

Hon. N. KEENAN: Now it is thought to palliate this unquestioned steal by promising to pay out of the moneys received from the Federal authority under the Main Roads Grant some proportion to the local governing bodies for the outlay, or part of the outlay, which they may incur in the maintenance and construction of roads. In the first place I have more than a serious doubt as to whether such payment is legal, or could be legal. The money is made available by the Federal authority specifically for a particular purpose, for the construction and maintenance of main roads, and, incidentally, where there are bridges—

The Minister for Works: Now, be correct!

Hon. N. KEENAN: Is not that so?

The Minister for Works: No. Just roads. Read the agreement.

Hon. N. KEENAN: Has there been an amendment since the bridges were introduced? Since the Government was allowed to spend money on bridges, has there been a further amendment?

The Minister for Works: The agreement does not say main roads at all, but reconstruction and maintenance of roads.

Hon. N. KEENAN: If that be so, I certainly have a wrong conception, for I remember that some years ago representations had to be made that in many cases a road involved a bridge to connect one portion of it with another portion beyond the stream, or beyond some valley, or beyond some drain. It was then suggested to the Federal Government that that should be included in the definition of main roads, so that money might be legally spent not only on an actual road itself but on connecting the two ends of a road where that was necessary. But I have no conception that the Federal Government gave any power to spend on what might be described as by-roads or feeders the money made available under this Vote, money which was undoubtedly meant, in the original instance, to open up Australia by constructing great main roads throughout it, and to en-

able the back portions of Australia to be reached by motor cars and motor vehicles of every description instead of remaining as they were then, a sealed book, because the tracks were such as could not possibly be used except by bullock carts or something of that kind. But if the term used is wide enough, and if it is within the Act's spirit as well as its letter, then the money could be used, assuming this suggested arrangement was made, for the construction of mere by-roads. It is known to everyone who is familiar with the matter that the principal expenditure by local governing bodies in the construction and maintenance of roads is in the construction and maintenance of what I have just termed by-roads. The local governing bodies have very large areas, and they use all possible means they can to carry one main thoroughfare right through, and then they put out feeder roads in every direction.

But in regard to the arrangement which is suggested as an alternative to the reception by these public bodies of what they are now entitled to receive, what is the position of these governing bodies? As things are today, so long as any use is made of roads, so long will there be traffic fees. That is obvious. These traffic fees, it may of course be suggested, will diminish if times become exceedingly bad. However, they still exist. They are still received in some amount. They have fluctuated considerably in the past, and no doubt they will fluctuate in the future. But so long as there is any user of a road, so long as there is any necessity to keep the road in proper repair, so long will the local governing bodies, under the present arrangement, be certain of some income to defray their expenditure.

That, I should think, is obvious to every member. So long as the roads are being used and the necessity arises to repair them and keep them in good condition, revenue must be available to recoup the expenditure entailed. On the other hand, who is there that can say for how long the Federal Government or the Federal authorities will continue the main roads grant at its present figure, or, in fact, at any figure at all? I shall deal later with the financial problems that the future will undoubtedly have for us. At the moment it is sufficient for me to say that no one can predict with any certainty whatever that the present state of affairs will continue.

The grant made available by the Federal authorities amounts now to a sum approximating £750,000.

Hon. C. G. Latham: The amount is nearer £800,000 now.

Hon. N. KEENAN: Who can predict, with any certainty whatever, that the grant will continue in face of the colossal demands that will be made on Federal finance? In those circumstances, why should the local authorities agree to a proposition that is doubtful in the extreme, in lieu of the certainty of the revenue that they enjoy today?

The Premier: But even that is subject to an Act of Parliament.

Hon. N. KEENAN: Everything is subject to Acts of Parliament, not only the particular phase to which I am referring, but everything else. Therefore, we can assume the payments to the local authorities to be included in that category. That does not alter the point I am making to the Committee. At present the local authorities have a certain income. If this doubtful arrangement were legal and an attempt were made to give effect to it, nevertheless the continuation of the arrangement would depend entirely upon whether the Federal Government continued to make the money available.

The Minister for Works: The Federal Government would have to repudiate the agreement if it did not do so.

Hon. N. KEENAN: Do not times of war impose limitations? Before members of this Chamber have lived many more years, I feel certain there will be more expenditure repudiation, not voluntarily, but forced upon Governments, Federal and State.

The Minister for Works: We shall have to pass it on if that happens.

Hon. N. KEENAN: Of course. If the Minister will allow me, I may be permitted to summarise my objections to the proposed deprival of the local authorities of a right, in the enjoyment of which they have carried on for many years past. In the first place, as I pointed out, no good ground can be advanced in excuse for taking away those moneys from the local governing authorities. Certainly no ground whatever has been suggested. Those authorities have not misconducted themselves, nor have they failed to give full value for the money received by them. No public outcry of any

description has been raised against the current system, and so I repeat that there is no ground whatever to warrant action to deprive local governing authorities of what they are now enjoying.

The Premier: Except that they are in a peculiarly favourable position compared with other people in Australia.

Hon. N. KEENAN: I do not know that they are peculiarly favoured. The local governing authorities are carrying out work which is at least of the value of the money they receive. Those bodies are always put to greater expense than is represented by the money advanced to them for the maintenance of roads.

The Premier: They have rateable powers in respect of land.

Hon. N. KEENAN: That is an argument that has been handed down from great antiquity—rob Peter to pay Paul. The Premier suggests that the local authorities should strike additional rates so that the Government can have money now enjoyed by the former, money to which the Government has not, and cannot have, any claim. He advises the local authorities to agree to the Government having that money and says the boards can rob their ratepayers. There is no just or valid reason for taking away from those bodies the funds of which the Government seeks to deprive them. Moreover, this is a unique form of taxation. It does what is very rare in the field of taxation; it gives full value for the money paid by the taxpayer and, in fact, more than full value. Secondly, the Government has no claim on this money. What claim could it have? The money is contributed by those who use the roads, and the first and only persons entitled to receive that money are those who maintain the roads. The Government has no claim to it, and never will have any such claim.

The Premier: Will you let me give you a reply?

Hon. N. KEENAN: I presume the Premier will reply to the debate.

The Premier: Perhaps, if I am here.

Hon. N. KEENAN: I suggest that the Premier is really somewhat premature. There is no good reason to anticipate his early demise.

Hon. C. G. Latham: Or a long continuance in charge of the finances.

Hon. N. KEENAN: The Premier will still be Premier for some little time to come.

In the third place, the gilding of the pill by vague promises of a possible return to the local authorities by way of portion of a grant obtained from the Federal Government, is merely illusory, illegal and useless, because no one can possibly predict with any certainty that the money will be available from the Federal authorities for any fixed period of time. I look forward, when this matter is debated, to receiving the support of members sitting on both sides of the House, especially from those who live in districts where the distribution of this money leads to such convenience and pleasurable effect. As a result of that expenditure they enjoy excellent roads to travel over. Those roads are in part, not wholly, paid for by the traffic fees that are allocated in the usual manner to local authorities.

Now I turn to a question that is not one for party views, but is the concern of all. I refer to the general effect of the Budget. The Premier has been at some pains to create the impression that the burden of taxation in Western Australia is, relatively speaking, light compared with that borne by the people residing in other parts of Australia. He even crossed the Tasman Sea, despite the dangers involved in the passage, and visited New Zealand. It is perfectly correct to say that in the past the burden of taxation in Western Australia was lighter than the taxation imposed in the other States of Australia; and it is perfectly correct also to say that the Commonwealth Grants Commission has in past years commented on the fact that the burden of taxation in Western Australia was lighter than that prevailing in the other States of Australia.

The Premier: And the commission penalised us accordingly.

Hon. N. KEENAN: The reason for its doing so is very patent indeed. The Commonwealth Grants Commission has long since ceased to be a disabilities commission to adjust disabilities which have arisen and are still existing in Australia as the result of Federation. Instead of its being a disabilities commission it is and has been for years only a needs commission. How the adoption of this role was acquiesced in and assented to I do not know; but for some years past the commission has been merely a needs commission. Naturally, as a needs commission it has insisted that any State appearing before it in the role of a claimant,

or to put it brutally, in the role of a beggar, should show that it had exhausted all possible avenues of taxation in order to pay its debts before it came to seek financial assistance from the Commonwealth. It was from that point of view that the commission criticised the burden of taxation in Western Australia. Hence on one occasion the commission actually said that if Western Australia, through its Government, taxed itself to the extent that the other States of Australia did, its needs would be far less, and there would be far less reason for its coming before the commission. The standard set up by the commission in those days in order to arrive at the burden of taxation was the average of the non-claimant States. But that position has entirely changed. I do not propose to enter upon any inquiry into what has produced that change, whether it was some moral uplift on our part or—what is far more likely—the effect of spendthrift Governments. I will not for obvious reasons enter upon that phase. The fact is that the position has completely and entirely changed and proof of that can be found in the reports of the Commonwealth Grants Commission itself. Thus in its report for applications made to it for assistance in the financial year 1939-40, it takes very considerable pains to obtain an Index of Severity of State Taxation for the year 1937-38 for all the States. The year selected was the year in respect of which the Commission had the latest figures. That index was compiled, and it was arrived at by taking the actual tax collections—not the assessments—and making allowances, on a complicated scale which I do not propose to try to explain to the Committee, for motor taxation and also for local government taxation, eliminating—as was very proper—all lotteries taxation. The result of those inquiries was to arrive at a weighted average of all the States of the severity of taxation. Then the Commission reduced that weighted average to a simple average, because it stated that the simple average was the one with which it was concerned. If hon. members, who I understand have all received a copy of the report, will turn to page 114, they will find that simple average set out, and in that simple average they will find that Western Australia is the second highest of all the States of Australia in the order of severity of taxation.

Mr. Sampson: It will soon be on top.

Hon. N. KEENAN: Moreover, Western Australia is considerably higher in the burden of severity of taxation than is any other claimant State.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. N. KEENAN: Before tea I was endeavouring to make clear that, whereas up to a certain point of time the Commonwealth Grants Commission had undoubtedly criticised the position in Western Australia from the point of view that we had not imposed upon us a burden of taxation commensurate with the burden of taxation imposed on the other States of Australia; in 1937-38, by the index that was calculated by that Commission on the facts before it, we were second on the list in point of view of severity of taxation in all the States of Australia. I further indicated that of the three claimant States we were the most heavily taxed. A short study of the amount collected in Western Australia under the head of taxation will readily explain this. The year 1928-29 was the peak year of prosperity in Australia and Western Australia. The national income of Australia in that year was £768,000,000 or, if expressed in the terms of the depressed Australian currency now prevailing, £960,000,000. In 1931-32 the national income dropped as low as £528,000,000 again expressed in what I may term the depressed Australian currency. Since then there has been a recovery, and the amount is about £800,000,000, though of course we cannot calculate the exact figure until the year is finished. It is therefore perfectly clear that the peak year of prosperity for the Commonwealth and Western Australia was 1928-29. Consequently that is the year in which by reason of the immense national income one would expect the largest return in income tax. In that year by way of income tax and dividend duty—they were the only two taxes based on the same ground, namely, profits made by individuals or companies—we collected £644,836. In 1938-39 we collected in income tax and financial emergency tax—the latter being another name for income tax because it is based on exactly the same principle of the collecting of taxation on profits or income—and from the gold mining profit tax, according to the figures appearing at page 11 of the Estimates, the sum of £2,864,223. I have myself calculated the figure to be

somewhat less, namely £2,100,000. But whatever the correct amount may be, it is perfectly clear that, taking the year of the State's highest prosperity and using it as a comparison with the present year or the year 1938-39, taxation has increased by no less than 400 per cent., which is almost inconceivable. Of course that readily explains why nowadays we are the second highest, if not the highest taxed citizens of all the Australian States, instead of—as we were previously—the lowest. If there had been any big increase in population in the meantime, we could understand this extraordinary change, but the increase in population between 1928-1929 and 1938-39 was negligible. Or again, if there had been some marvellous development in our industrial life we could have understood the situation, but so far from that being the case, our two great primary industries—the pastoral and agricultural industries, the main sources of our national income—

The Premier: In those days.

Hon. N. KEENAN: Until the cloud arrived in very recent years, those two industries were the main sources of our national income. In 1927-28 and 1928-29 those industries were both flourishing but in 1937-38 and 1938-39 they were having an exceptionally bad time. I have taken the two years because all assessments that are made in the taxation office suffer from a 12 months' lag. Assessments are made on the previous year's figures. But taking both years, those two great industries were under an exceptional cloud. On the other hand, in 1927 and 1928, as the member for Boulder (Hon. P. Collier) will remember, those two industries were most prosperous. The only fact that explains the two figures representing the proceeds of taxation, one in 1928-29 and the other 400 per cent. higher in 1938-39 is that in the former year—although I have not the exact figures—I am almost certain we must have been the lowest taxed State in Australia—

Hon. P. Collier: We were the lowest taxed State.

Hon. N. KEENAN: In 1938-39 we were the second highest, if not absolutely the highest.

Hon. C. G. Latham: Taxation in Victoria was lower than here.

Hon. P. Collier: Queensland is the highest taxed State.

Hon. N. KEENAN: In 1937-38 Queensland was the highest. So it is hopelessly

erroneous to trifle with the suggestion that the people of this State are lightly taxed and that consequently an increased burden of taxation, as is proposed without any hesitation in the Budget, can be placed upon them.

And now I turn to the comparative capacity of the several States of Australia to bear taxation. Again the Commonwealth Grants Commission has addressed itself to this inquiry. The commission worked from the data for the Federal income tax, making the corrections thought necessary for the central office assessment, and making also a number of other adjustments that also appeared to be necessary. I am quite prepared to admit, and having read as carefully as possible the steps taken, I came to the conclusion that the result was open to some doubt and some inquiry, but although that might be so, it can be taken for comparative purposes, because the same rules were applied all round, as being absolutely correct. The result shows that, reduced to a common average which members will find in paragraph 246 of the report, Western Australia is the second lowest of all six States in the combined table of taxable capacity. The final result is as follows:—So far as severity of taxation goes, Western Australia is the second, if not the highest, in the whole of Australia; so far as taxable capacity goes, we are the second lowest State in Australia. All those conclusions were arrived at on the figures for 1937-38, and the reason was that those were the only completed figures before the commission. Possibly, therefore, if the computation could be brought up to date, we would find that we carry the highest burden of all the States of Australia and that we have the lowest capacity to bear any burden. That, in short, is the picture in a nutshell of this Budget. But I am neither going to dwell on it nor attempt to point any moral. I merely present the facts.

[Mr. J. Hegney took the Chair.]

Now I turn to what is perhaps a more national, a more Australia-wide question that demands consideration by all of us. Before doing so, however, I wish to direct attention to the extraordinary conception that seems to pervade the public mind in the matter of the war we are involved in,

which, of course, is a matter having a supreme bearing on everything we think and do. Yet, to many people, it seems to be entirely unreal and fantastic, as if it did not exist at all, or as if it was something from which we shall suddenly awake to find it was a mere nightmare, an evil dream. Yet the war is not only a reality, but a reality of a most abnormal kind and of the gravest moment for the British Empire. When one remembers that in 1914-18 we—I use the pronoun, as we are all entitled to do, to mean the British Empire—we had as allies France, Japan, Italy, Russia, and, perhaps greater than all the rest put together, the United States of America, amongst the Great Powers, and Portugal, Serbia and Greece amongst the smaller Powers, whereas today the British Empire stands with France and France only as an ally. With France, we stand alone. Possibly Russia, Japan and Italy will be found in the ranks of our enemies. When we remember that with all the aid we had in 1914-18, we won only by the very skin of our teeth, when we take all these facts into consideration and bring them clearly before our minds, then and then only shall we view in proper perspective the stupendous danger in which all of us who constitute the British Empire stand to-day. I believe, and of course we all believe, that we shall win the war in the long end.

The Minister for Mines: We shall do as we have always done—win the last battle. That is the main one.

Hon. N. KEENAN: Yes, it is the main one, and it is well to have that belief before us; but I know, as does the Minister for Mines and everyone else who has given the matter proper consideration, that we shall win only by the use of the last ounce of our strength and the very last penny of our resources. Any other anticipation is but a signment of unwarranted optimism.

Now the Budget we are considering to-night is, of course, not a war Budget in the sense of making provision for any operation of war, but it is a Budget of people who are at war through the act of the paramount power of the Commonwealth of Australia. This Budget should be subservient to the needs of the paramount power to carry on the war. But is it? The Budget provides for taking out of the pockets of the people of Western Australia the highest sum ever taken in all its history—millions of pounds

more than was taken in 1928-29 when the member for Boulder was Premier of the State, the year of our highest prosperity. Of course it is impossible for two to pump the well dry; one must stand aside. So far as the present Budget goes, it is the paramount power, upon which is cast the duty and expense of carrying on a war of the most exhaustive character, that must stand aside. It is certain, of course, that the Commonwealth will suffer a very big reduction in receipts by way of Customs and Excise, and to finance urgent wants in this war, apart from loans, it will have to resort to direct taxation. But what is the field left for the Commonwealth? It can exploit only the little left after this State has exacted its demands, unless indeed the Commonwealth asserts that it has a prior right and that its needs and wants must be served before the State has any right to ask for grants for its people. Of course this is what will happen next year and the year after, if not this year. The question I ask myself, and I request this Committee to ask itself is, "How are we preparing ourselves to meet the period of enforced poverty, when the stage arises for the Commonwealth to say, 'We have a prior right to taxation; you will have to exist as best you can on what we leave.'"? We are certainly not preparing ourselves for that day by a Budget such as has been presented to us, a Budget signifying the high-water mark in revenue collected in this State. This is not a war Budget, a Budget brought forward in war-time in which we are highly interested parties, but a peace Budget. We are deluding ourselves in a most unpardonable manner if we believe for a moment that in the years ahead there can ever be a successor of the like magnitude. The onus which lies on all Governments in all parts of the British Empire in these terrible days is one of extreme magnitude. It is the duty of us all to assist the Governments, wherever we may be, in carrying that onus. The onus increases in magnitude by many fold as a result of shutting our eyes to realities, as if the war and the consequences of war had not upset the whole scheme of things, as if we could go on gathering and spending as we have been gathering and spending in the days that are past. We are willing and anxious to assist, but the sphere of assistance is narrowed down almost to nothing when our realities

are not faced. This Budget does not face realities. It is based on the hope that things will carry on in the way we have no right to expect they will carry on. This Budget is based on a dream that may disappear at any time. I have stated both to-night and on other occasions, and will strictly abide by what I said, that neither by act, deed nor word would I in any way affect or impair the unity that is so absolutely necessary in the days through which we are passing. But, as I said at the beginning of my speech, we cannot accept responsibility for things of which we do not approve. We are not going to assail the Government as we might in other days and at other times have done, but we cannot be responsible for consequences that are inevitable and that we foresaw would be inevitable. Apart from refusing to accept responsibility for what we cannot approve, we are here but to help, but to do whatever seems to our conscience and our ability to be possible to be done, and that we will endeavour to do.

MR. BOYLE (Avon) [7.55]: I listened with a great deal of interest to the excellent survey of the Budget by the member for Nedlands (Hon. N. Keenan). It is truly worth a little research work to realise the magnitude of the increased taxation in Western Australia. One wonders whether the Premier based his Budget entirely on the demands of the Grants Commission, or whether he based it on the financial needs of the State. On turning to paragraph 9 of the Sixth Report of the Commonwealth Grants Commission, I find in the introduction that the following formula is laid down:—

Although the magnitude of the effort required of a State was expressed in terms of social services and taxation, that did not imply that the Commission was of opinion that the effort ought to be made through higher taxation or lower social service expenditure. The State is left free to express its effort in greater economy of administration than the average, in less generous provision of social services, in greater severity of taxation, in higher railway freights and fares, or in any combination of these and other methods of adjusting the Budget. It may keep its social services equal to or above the average, provided that it makes a correspondingly greater effort in some other direction. It is necessary to re-state these principles clearly owing to the misinterpretation of the wording of previous reports.

I find on close examination of the Budget that the Premier has followed this out. He has followed the advice of the Commission, and has decided to lessen social services, to increase railway freights and fares, and to increase taxation generally.

The Premier: Necessity is the point.

Mr. BOYLE: The member for Nedlands made a survey of the Budget of 1928-29. I have gone a little further back, namely, to the 1914-15 Budget, for the reason that it was a Budget brought down under financial conditions somewhat similar to those existing to-day, owing to the fact that we are facing war conditions. After examining the figures one can truly say of 1914-15, "them was the days." Let me compare some of the figures. The land tax in 1914 yielded £40,000, and according to this Budget it will yield £112,000; the income tax in the former year yielded £75,000, and this year income tax and financial emergency tax will yield £1,890,000. In totalisator tax the comparable figures are £12,000 and £60,000; in stamp duties they are £60,000 and £275,000; in licenses they are £45,550, and £87,600; in gold profits tax and dividend duties the yield is estimated to be £118,500, but there was no income from those sources in 1914. In that year the Treasurer budgeted for a deficit of £785,000, but to-day the Treasurer is endeavouring to balance the Budget by making this State probably the highest taxed State in the Commonwealth. The total of direct taxation in 1914-15, with a population of 332,000, was £362,550. In 1939-40, with a population of 465,000, representing an increase of about 48 per cent., we are budgeting for a direct taxation of £2,792,700; and to this must be added the hospital tax of £250,000, which of course is not accounted for in the Budget. The figures mean that £362,000 of direct taxation in 1914-15 has grown to approximately £3,000,000 in this year 1939-40—an increase of about 1,000 per cent. So one can look back with a great deal of envy to the opening years of the last war.

Hon. P. Collier: And people were not a bit better off then.

Mr. BOYLE: That is a process of reasoning which will not stand up to examination.

Hon. P. Collier: Your comparisons will not stand up to examination.

Mr. BOYLE: I point out that direct taxation in 1914-15 was £350,000, and that to-day the taxation on a population increased by 132,000 people is £3,000,000: and I am told by the member for Boulder that the statement will not bear examination.

Hon. P. Collier: Your comparison is quite valueless.

Mr. BOYLE: I suppose the next point to be raised will be that money values were infinitely higher in 1914-15 than they were in 1938-39.

The Premier: That is so.

Mr. BOYLE: I would not say, "infinitely" higher.

The Premier: Well, the basic wage is about 70 per cent. higher, anyhow.

Mr. BOYLE: The point I wish to make is that such severity of taxation is imposed on Western Australia largely on account of the reports of the Disabilities Grants Commission. Evidently it is the desire of the Treasurer to fall in with the views of that Commission in order that the disabilities grant to the State shall be as high as he can possibly obtain from the Commissioners.

The Premier: Oh no!

Mr. BOYLE: I find that in the Budget the Treasurer has essentially carried out the Commission's implied instructions to the letter. Certainly the Budget includes an item of expenditure which, I will admit, was far less in 1914-15. That item is the interest charges which the Premier has to meet. Those charges to-day total close on £4,000,000. How on earth this State or any other Australian State will pursue such rake's progress indefinitely is unknown to me. It has been urged by the member for Irwin-Moore (Mr. Berry), in practically his maiden speech here, that there is need for monetary reform. While of course not agreeing with the hon. member in all his conclusions, I say there is necessity for such a reform. The member for Perth (Mr. Needham) mentioned Mr. Stevens, ex-Premier of New South Wales, as having expressed very definite views on that subject; and from this side of the Chamber the question was asked how long had Mr. Stevens been in possession of those opinions and how long had he expressed them. I know that Mr. Stevens expressed those opinions before he went out of office in New South Wales, and I am inclined to think that his exit from office was hastened

thereby. He was absolutely outspoken in his demands, and I think those are demands to which we must all sooner or later subscribe.

Mr. North: Mr. Stevens is on the back benches now.

Mr. BOYLE: Well, there are some fine men on the back benches! That is promotion for Mr. Stevens, I would remind the member for Claremont (Mr. North). Mr. Stevens today, back-bencher or front-bencher, gives expressions to opinions to which an increasing number of people subscribe. In that increasing number is included Sir Hal Colebatch, the pillar of Conservatism. On his return from England, after laying down his office as Agent General, Sir Hal Colebatch expressed views very much of the same tenor. I urge the Premier to offer some resistance to this so-called Grants or Disabilities Commission, resistance in which I am sure the hon. gentleman would have the people of Western Australia absolutely with him. To me it savours of absolute impudence that three men, appointed as Commissioners to travel the States, visit what are called the claimant States—I prefer to call them mendicant States—under the Commonwealth Constitution of to-day. The thing is obvious. One has only to read a report of the Commission to realise the filling and backing and the moving together of incidents and facts for the purpose of impressing three gentleman who are more powerful to-day in Australia than the Prime Minister and the Federal Cabinet of Australia. Those are the men to whom our Government, be it Labour or of any other political complexion, has to truckle for a mendicant allowance. I am afraid that in this Budget our Premier has done his level best to fit in with the three financial autocrats, those representatives of the big finance of the Commonwealth, headed by a man whom we know very well—a man who, in my opinion, is not a friend of the smaller Australian States. Presumably that is the reason why he was picked for his present job.

I notice in the Education Vote an increase of just under £12,000. The total of the Vote is £769,000. The increase of £12,000 is pitifully small.

The Premier: That is on top of £200,000 of increases during the last three or four years.

Hon. P. Collier: What was the amount of the Vote in 1913-14?

Mr. BOYLE: It must have been very small in 1914-15, if one judges by some interjections.

The Premier: It was very small in 1932, as you will see if you look it up.

Mr. BOYLE: I am referring to this year's Budget. Here is an increase of £12,000 for a social service of that particular type. Those of us who represent country electorates are faced with the one problem from one election to the next. I notice the member for Northam (Hon. A. R. G. Hawke) smiles. The comment touches a sympathetic chord in his heart, I can see. But, being a member of the Government, the member for Northam has to submit to majority rule.

The Minister for Works: You yourself were an Independent for only a week or two.

Mr. BOYLE: I must say that the Minister for Works has not indicated any appreciable response in the provision of buildings in my electorate. When one remembers that a select committee appointed by this House to consider the education system submitted a series of 24 recommendations that were rejected by members,—I regret extremely that those recommendations were defeated on a party vote, which should not have been exercised on a non-party question of that description—one has cause for reflection. Naturally I have no intention of adversely commenting upon the vote of this Chamber, because in doing so I would reflect upon members generally. Nevertheless, certain of those recommendations have been adopted practically in their entirety. One set out that better accommodation should be provided for technical education in the metropolitan area. The alacrity with which that suggestion was adopted was truly wonderful. Consider the other side of the picture. There is a school at North Nangeenan—at this moment when I am speaking it may not be there, because the last time I was inside it the building threatened to tumble over, to the imminent danger of the children—and the flooring of the building at one end is four inches higher than at the other side of the building. Were it not for its being buttressed, the building would have collapsed long ago.

The select committee recommended that country school accommodation should be improved until it was at least in a reasonable state. I find that the total sum provided for the North Nangeenan school is £195, which we have been told is subject to the passing of the Estimates and the Treasurer's approval. The member for Canning (Mr. Cross), no doubt as a reward for his services on the Education Select Committee, has received a post primary school in his electorate and the cost of that building is stated to be £15,000. I envy that hon. member. I do not say he should not have got his school, but it is rather galling to see a magnificent building erected for 300 or 400 post primary children on a site within view of the elaborate building in East Perth that cost £82,000. Then again, for the Merredin school, where 300 children are in attendance, the most the Minister can provide is £400, and we have not got it yet.

The point I desire to stress is that every member in this House is fighting to keep men on the land. We must all recognise that, in the history of the State, the value of the man on the land has never been greater than it is to-day. We are doing our utmost to induce the farmers to remain on their holdings, but the question arises whether they will consent to stay there. Will they be prevailed upon to do so when in many instances their children receive no education or, at best, are ill-educated? Will they remain there without any hope in life of their children having a reasonable chance to secure employment? One of the recommendations the select committee made was that for entrance to the State Public Service, examinations should be held in the country districts. I instituted inquiries and ascertained that annually about 100 boys and girls are admitted to the service. How many of those young people are drawn from country districts? I venture to assert that not five per cent. are from the rural areas. Those young people are admitted to the service on the basis of the junior standard examination. The entrance to the Public Service is not on a competitive examination basis: appointments are made by a board. I have no criticism to offer regarding the board, which is in a most extraordinary position. The members of that body are required to select entrants to the Public Service from a panel placed before them. Why not have a competitive exami-

nation for admission to the Public Service which is, rightly or wrongly, considered first-class employment! The pay day of public servants is assured and employment carries with it pension rights. I can assure members that in the country districts the boy who has achieved the distinction of gaining a position in the Public Service is considered to have done something wonderful. The fact is that of the recruitment to the Public Service, 96 per cent is drawn from the sacred block known as the metropolitan area. So long as we persist in that policy, we shall have a service that is not country-minded. That point is important. The Public Service will be entirely city-minded. In the course of my visits to Government departments I find that, helpful and courteous though the officers may be, it is difficult to encounter many possessing any appreciation whatever of the difficulties the country people have to put up with. The select committee suggested that in the choosing of entrants to the Public Service 60 per cent. should be drawn from city folk and 40 per cent. from the country areas. I appeal to members generally to use their influence to rectify the present state of affairs. Some of those occupying seats on the Government side of the House represent country electorates and I ask them to join with me in my protest against the exclusion of country children from entrance to the Public Service. We have a similar grievance regarding hospitals. Back benchers, as the member for Claremont (Mr. North) designated us some time ago, are proud of ourselves and any suggestion from a back bencher is, I find, eminently sound.

The Premier: Are the suggestions entirely original?

Mr. BOYLE: I would not say that.

Mr. Doney: Nor is everything original that emanates from the Treasury bench.

Mr. BOYLE: My most original point was struck when I expressed my recognition of the needs of country districts as against those of the city. That was entirely original.

The Premier: The pages of "Hansard" contain similar expressions of opinion extending over many years.

The Minister for Works: By the way, what district do you represent?

Mr. BOYLE: Really, I think the Minister for Works—

Mr. Sampson: You must allow for the Minister's intelligence.

Mr. BOYLE: I am astonished at the Minister for Works! He knows very well that I represent the most progressive agricultural district in Western Australia.

The Minister for Labour: Now you are spoiling an otherwise effective speech.

The Premier: You are up against Northam!

Mr. BOYLE: I will mention one proposal that was original. I suggested that the Lotteries Commission funds should be availed of for the benefit of hospital buildings throughout the State. Herein is the originality of my suggestion: I proposed that the country districts should receive exactly the same treatment as the metropolitan area. Naturally the proposal carried within itself the germ of its destruction. I claimed that £500,000 should be borrowed and the interest and sinking fund charges should be paid from contributions by the Lotteries Commission at the rate of £35,000 per annum, which would have extinguished the debt, plus interest on the allocation of £500,000, in 24 years. I suggested that the fund should be administered by a trust. What do I find the Government has done? It has allocated about £445,000 for the construction of a hospital in Perth. The argument has been advanced that the Perth Hospital caters largely for country patients, but the figures are against that contention.

The Minister for Health: Twenty-five per cent. of the patients are from the country districts.

Mr. BOYLE: No, 18 per cent.

The Minister for Health: The percentage is 25. I was on the board for many years and should have some idea.

Mr. BOYLE: I am surprised that the Minister for Health does not know the position.

The Minister for Health: But I do know it.

Mr. BOYLE: My advice is that 18 per cent. of the patients are from country areas. However, let us agree on the percentage.

The Minister for Health: Nearly 18 per cent. of the motor accident patients are from country areas.

Mr. BOYLE: I shall bow to the superior knowledge of the Minister. I am aware the Minister does and should know these things. Suppose we admit a percentage of 25: is the Minister for Health aware that key country hospitals in selected districts accom-

modate 31 per cent. of patients who live outside the borders of those districts?

The Minister for Health: Do they train nurses and doctors?

Mr. BOYLE: We do not get them in the country. There are districts without either a nurse or a doctor.

The Minister for Health: What rot!

Mr. BOYLE: People have to travel 40 to 50 miles to consult a doctor.

The Minister for Health: You are exaggerating.

Mr. BOYLE: The position to-day is that £445,000 can be allocated for the building of a public hospital in Perth. That money is to be provided by loan, interest being an appropriation of £20,000 per annum from the Lotteries Commission. How much will be found for hospitals outside the metropolitan area? This is the position: An additional ward to accommodate children is required for the hospital at Merredin. The taxpayers in the district, notwithstanding the bad seasons and their financial difficulties, are compelled to find money for that purpose through the Merredin Road Board. We were informed that no assistance would be provided by the Health Department or by the Lotteries Commission except on a pound for pound basis. On Saturday next the Merredin residents are holding a hospital day—they are literally compelled to do so—and I notice in the local paper that already £100 has been collected from direct giving. We expect to raise an additional £300 or £400 on Saturday. The cost of the proposed ward is £1,000. The people of the Merredin district are literally forced to tax themselves to repay a loan of £3,000 over a period of years. Such appeals as I have mentioned are common to country districts. Recently, the sum of £500 had to be raised by people in the Kellerberrin district towards the erection of a maternity ward. Yet we take in our stride the provision of £445,000 for the erection of the Perth Hospital, and calmly allocate £20,000 per annum from the profits of the Lotteries Commission for interest purposes. Yet not one public body from Fremantle to Midland Junction is compelled to contribute a penny towards that expenditure.

The Minister for Health: And yet you were going to fight the election last year on the ground that the Government had not made provision for the Perth Hospital!

Mr. BOYLE: I do not say that Perth should not have a magnificent hospital. The care of the sick poor is obligatory on the Government. I do not see, however, why we should have thrown at us across the Chamber the cry, "Don't raise the question of city versus country." The greatest bluff since Adam bluffed his way through! Do not raise anything that will disturb the equanimity and the comfort of the city dwellers!

The Premier: Who asked you to do that?

Mr. BOYLE: I am not sure that the Premier did not.

The Premier: No fear!

Mr. BOYLE: I think it was the Premier. The remark certainly did not come from the back benches—those members are far too polite. I desire to impress on the House that feeling in the country is very high on that account. There is an urge—I meet it in my electorate and I am sure the member for Northam meets it in his, too—on the part of the people either to get into Northam or to come to the metropolitan area. That is being reflected in a depopulated countryside; it is being reflected in hundreds of abandoned farms. I find the desire of people in the Merredin district is to move into Merredin. On being asked why, they reply, "Because we can get better education there; we can get our children into a junior class." There is a junior class at Merredin, which is taken by the headmaster practically at his own risk. I hope the Government will see that justice is done by making the provision of country hospitals as much a charge on the Budget as any other necessary social service.

Terminal grain elevators were refused by the Government. Members will recall that the ex-Minister for Lands brought down a Grain Elevators Bill making provision for the erection of terminal grain elevators at Fremantle; but because the Minister could not have his way entirely with the appointment of an absolutely unnecessary board the Bill was shelved. I am pleased to say that on that occasion we had the support of every Labour member for Fremantle in the fight we put up against the Government, which seriously proposed practically to supersede the Fremantle Harbour Trust. Whatever may be said in criticism of that Trust, the fact remains that it is one of the best-administered bodies in Western Australia. It has, year after year, I think

without interruption, returned to Consolidated Revenue a sum of from £100,000 to £150,000. Yet under the Grain Elevators Bill it was proposed to override that authority by the appointment of a paid board to administer the terminal grain elevators. Moreover, the power of that board, had it been appointed, would have extended over every wheat bin in Western Australia. We opposed the Bill, which was lost to the Government. To-day, in this time of crisis, there are no terminal grain elevators at Fremantle. That is the block coming to Fremantle. The transport of wheat overseas will become a great problem in Western Australia. Victoria has erected terminal grain elevators at Geelong which are capable of receiving 20,000 bushels of wheat per hour and discharging 64,000 bushels per hour. This means that an ordinary 8,000-ton steamer can be loaded at Geelong in five hours. I venture to say we would have the greatest difficulty in loading a steamer of that capacity in Fremantle in five days. I do not know whether the member for Bunbury can assist me in this regard, but I venture to say that it would take seven or eight days to load such a steamer at Bunbury.

Mr. Withers: No, much less than that.

Mr. Warner: Three weeks.

Mr. BOYLE: That is an unkind suggestion. The fact remains, however, that the elevator at Bunbury falls far short of a job like that. I ask the Government whether it has decided to drop the proposal to erect grain elevators at Fremantle. Are we to have steamers held up at Fremantle waiting indefinitely for cargo? Within the last week a very eminent man visited our State, Dr. Halliday Sutherland. Dr. Sutherland is evidently a most observant man. He went into the wheatbelt as far as Geraldton. I noticed that according to the "West Australian," Dr. Sutherland, on his return from Geraldton, said that in a hundred miles he had observed about six farmers' houses which he could only class as shacks, and he concluded that farming in this State was not of a very permanent character. There is a good deal of truth in his deductions. From the Workers' Homes Board a worker in this State can obtain a home up to a value of £750. I do not quarrel with that, but I do resent the fact that under the regulations of the Agricultural Bank, a farmer is limited to a home of the value of £250. From

these facts may be gathered the relative importance attached to the two classes. No wonder Dr. Sutherland came to the conclusion he did when he saw those shacks, built in many instances of bags. To me, the idea of fixing a limited value of £250 on a home for a farmer and £750 on one for a worker, is extraordinary. I do not object to a worker getting a £750 home. He is entitled to it, and I admit he has to pay for it; but why limit the value of a farmer's home to 250?

Mr. Sampson: A big percentage of the amount would be absorbed in transport costs.

Mr. BOYLE: Yes, I remember paying £14 2s. as freight on timber for a shed. Something in the nature of a crowning insult was given to farmers in the North Kellerberrin district. In an endeavour to have their children educated, they shifted a farm house to a place where it could be used as a school, and were unable to obtain a refund of £6 7s., freight on additional timber they had to buy. There will never be contentment amongst the farmers in this State unless their home conditions are made more comfortable. They have to struggle against all sorts of adverse economic conditions, but their main grievance is lack of proper housing accommodation. I do not think we needed Dr. Sutherland to remind us of that.

The future of the wheat industry has been mentioned. I would remind members that there has never been a period of war during which the price of foodstuffs has not risen, and wheat is no exception. I assure the House that the wheat that will be taken from the farmers by the board will not be sold to the board—at least not with my consent—at less than its cost of production plus a reasonable profit. I urge farmers to take action in that connection. The price should be nothing less than 3s. 4d. a bushel. It is airily suggested that the amount allowed will not be more than 2s. 3d., but nothing under 3s. 4d. will satisfy the wheatgrowers of this State and of Australia generally. Everybody else is being provided for. Measures have been introduced to prevent profiteering. Last night I mentioned instances of profiteering at the expense of farmers and those instances are now being investigated. If any attempt is made by merchants to sell goods above a reasonable price, they will be dealt with drastically. They will be

liable to six months' imprisonment or a fine of £200, or both. There is no suggestion of kid-gloves! But the Government has not seriously suggested that it proposes to ensure that the farmer sells his product at a reasonable profit over the cost of production. I assure members that the wheatgrowers of this State will not willingly see their wheat sacrificed, war or no war. A suggestion has been advanced that bombing in France and England will destroy crops in those countries. I do not think so. Farming conditions are entirely different in those countries. The crops are cut when they are practically green. However, the barns and stacks may be bombed out of existence, and it is obvious that the food supply from Britain and the Allies must come largely from the Dominions.

I am quite sure that the appeals I have made to the Government will fall on deaf ears. They have done so up to date. I do appeal to the Government, however, to realise that Western Australia is not bounded by the metropolitan area. I would ask the Government to remember that the 20 square miles constituting the metropolitan area is merely a fragment of the 963,000 square miles that comprise the State. The country districts are entitled to the same amenities as are enjoyed in the cities. Fifty-three per cent. of the population lives outside this charmed circle, and those people are getting tired of being hewers of wood and drawers of water for the rest of the community.

MR. TRIAT (Mount Magnet) [8.36]: I listened with considerable interest to the two previous speakers—the member for Nedlands (Hon. N. Keenan) and the member for Avon (Mr. Boyle). One is a country representative, and the other a representative of the metropolitan area. I noticed that in some respects the two gentlemen agreed. In others they disagreed. The big question discussed by both was that of taxation revenue. I presume that that is only natural. It is a question prompted by the Estimates. But nobody seems to be able to suggest—and I do not say I can do so either—any remedy for the problem of increased taxation. From what I have learned since I have been here, revenue is difficult to obtain in sufficient amount to supply the requirements of people who have no money

at all, and of people who have no home and no job. People with nothing of any consequence have to be found some sort of a living either by way of sustenance or otherwise. They are the people who are really suffering. Those of us who happen to have positions for the time being and are able to obtain sufficient revenue to buy food and clothing, have not the grouch that those 6,000 or 7,000 people have who must live on sustenance. Those are the people for whom money must be raised. There is a second class, the members of which secure sufficient to meet their requirements from pay day to pay day. Immediately the pay of such men is discontinued they are destitute; they have nothing. These are the two classes for whom we must have consideration. If we do not, we shall not be likely to receive recognition from them in times of stress. They are the people who are really the backbone of the country. They are not in the metropolitan area. As the member for Avon stated, they are on the outskirts, working in the backblocks. Something needs to be done to overcome the difficulty of raising capital, but there is no chance of the population of Australia paying its national debt under the present conditions. The member for Irwin-Moore (Mr. Berry) made the remark that interest is prohibitive, and so it is. Amounts received in salary and wages may appear to be high. A man in receipt of £1 a day or £6 or £7 a week, seems to be receiving reasonable remuneration, but I have had experience of securing both a high wage and a low wage during the time I have been responsible for maintaining a home. I can definitely assert that I was better off when I received £3 10s. to £4 a week than I am now. I had just as much, if not more, for my own use out of the money I received, after I had met my commitments, as I have now. I had the experience recently of having to tell the Taxation Department I could not afford to pay my tax in one lump sum. I did not have to do that a few years ago. That is not on account of the fact that the taxation was excessive, but because of the difference in the purchasing power of the money I now receive as compared with what I received formerly. A pound sterling years ago enabled one to purchase quite a lot of goods, but a sum of 20s. to-day has nothing like the same value. The difference in the value of money, of course, affects the people in all their financial transactions,

and they are being compelled to pay certain sums of money that they cannot really afford. I can safely say that most of the people after the war is over—and of course we all hope it will result in victory for the Allies—will not be in a position to meet their obligations, and the time will come when the slate will have to be wiped clean and we shall have to start afresh. Failing that, the people will not pay because they will be unable to pay. It is impossible to visit any part of the country to-day without sensing a feeling of unrest amongst the people, who simply say that they cannot pay and, as a last resource, will have to go to gaol. When people fall into that state, the position is certainly regrettable. There are ways and means to overcome that difficulty, but the borrowing of money at a high rate of interest will never overcome it.

The people of Western Australia are suffering disabilities because the population of the State is so small compared to the area we are controlling. As the member for Avon (Mr. Boyle) stated, many of the people on the outskirts of the wheat belt are battling along unable to make a living. They cannot sell their wheat profitably for less than 3s. 4d. a bushel. The position in those areas is that, as the war is likely to cause prices to rise, the people are naturally grasping to get sufficient money with which to carry on. Now is the time to tell those people situated in parts of the wheat belt where it is so risky to carry on that, owing to their desperate condition, it would be better for them to get out and leave the growing of wheat to farmers who are in less remote parts and are able to farm at a profit. If we defer the removal of those farmers until a later stage, the task will be much more difficult. On the other hand, if we move those farmers from the marginal areas and place them in other parts, we have to find employment for them. That is the problem facing us to-day—the problem of putting men into work.

The mere building of a few roads or bridges, or the undertaking of clearing will not make any appreciable difference to the position, simply because there must come an end to all road-making and bridge-building, and land can be cleared to such an extent that we have no possible chance of consuming the produce that can be raised. Therefore our duty is to investigate other ways and means. A night or two ago one member said the population of Australia should

be increased because the area of the Commonwealth was too extensive for the number of people living in it. I grant that. If we depend solely upon natural increase, we can expect another 20 years to pass before Australia has anything like an adequate population. The alternative of increasing our population by means of immigration cannot be faced at the present time with any hope of success, because we have such a large number of people out of work. If we could place in work the people who are already in this country, there would be less risk attached to introducing migrants in sufficient numbers to increase the population, but if we bring people here, it is essential that we build up industries capable of absorbing them.

Members who have travelled in the back country—and there is no part of Western Australia apart from North Kimberley that I have not seen—know of the wonderful resources of this State. In my travels in the North, I saw some of the finest deposits of iron ore to be found in any part of the world. At Yampi Sound there is a deposit of 97,000,000 tons above water level and an unlimited quantity that has not yet been estimated below water level that could be worked. Yet that iron ore is lying there and not one ton of it has been converted into pig iron in Western Australia. Throughout the world there is an enormous demand for iron and steel, but the only people who seem to have the right of manufacture in Australia are the favoured people in the Eastern States known as the Broken Hill Proprietary Company. Let members consider those figures, 97,000,000 tons of iron ore above water level, a harbour with a depth of 30 feet of water where boats could be loaded direct, and a rise and fall of tide of over 25 feet. It would be possible, without coal, to manufacture pig iron from the iron ore at Yampi Sound. I cannot claim to be an engineer, but I have read up engineering subjects, and I gather that by hydro-electricity it would be possible to provide sufficient current to operate electric furnaces and convert the iron ore into pig iron. The demand for iron and steel throughout the world is unlimited. If we could convert the iron ore in that part of the State into pig iron, we would have an opportunity to supply all the requirements of the Commonwealth, all the requirements of Eastern countries, as well as the requirements of

Great Britain, which country needs a tremendous quantity. By those means we could build up a population having an industry for its support quite apart from the wheat industry upon which so many people are depending at present.

Talking of wheat, I was speaking to a gentleman who has recently returned from Canada, and he said, "You will never be able to grow wheat successfully in competition with Canada." The first reason he gave for his statement was that the farmers of Canada could grow crops of 50 to 60 bushels or more per acre.

Mr. Patrick: That is not right.

Mr. TRIAT: That is what he told me.

Mr. Patrick: About 16 bushels would be nearer the mark.

Hon. C. G. Latham: That is so.

Mr. TRIAT: He told me that crops averaging 50 to 60 bushels were not uncommon.

Mr. Styants: I think he must have been a Yankee booster.

Mr. TRIAT: No, he is Western Australian born, and has just returned from Canada. In addition, he said that Australian wheat used in the Old Country for flour is blended with Canadian wheat in the ratio of one part to four parts. Therefore Australian wheatgrowers would experience great difficulty in the attempt to compete with Canada. I mention this only by way of contrast to emphasise that in our iron ore deposits we have a commodity that could compete with the production of any other country. We have the deposits and we have people available to undertake the work. That is the position so far as I can judge it. We must increase our population by some means or other in order to consume the foodstuffs that are being produced in the State. We cannot depend upon the people of overseas countries to take all the produce we can export. They are prepared to take a considerable proportion of our wheat surplus, but we are selling it and other products at a loss. I understand that Wyndham meat is sold in London at a lower price than in Western Australia. A bounty is paid on meat shipped from Australia with the object of encouraging the export trade, but I maintain it is not good policy to sell our produce overseas at a loss. If it is to be sold at a loss, let us sell it in this State, because our people would then

be in a position to purchase and consume a larger quantity than they can take at present prices.

Mr. Sampson: But we protect secondary workers by imposing import duties.

Mr. TRIAT: Some people contend that the cost of insurance in Western Australia is a bar to manufacturers coming to this State and opening up secondary industries. That might apply in some instances, but I hope the Government will never consent to reducing the amount of compensation paid to an injured worker, whether his injuries are partial or whether he is totally incapacitated for work. Possibly there are certain reasons that are not recognised and are not operating in other States to account for the higher rates charged here. Industrial diseases carry a rate of £4 10s. per cent. in addition to the ordinary accident rate of £4 per cent., which makes a total of £8 10s. per cent. charged in those cases. The £4 10s. per cent. charged for industrial diseases has not to be borne in other States because industrial diseases do not prevail there to the same extent as here. I do not think any member would say that a man suffering from miners' complaint should not be paid compensation. The provision of compensation for such cases has proved a God-send to many people in the mining districts because they have something on which to live during the time they are prevented from working as a result of industrial complaints. Possibly the charge of £4 10s. has been responsible for making our insurance rate appear so heavy. If the mining companies of Western Australia carry out the policy that has been indicated of putting the mines in better order for working—this can be done by proper ventilation to ensure that the men do not breathe so much dust—it is possible that the insurance rate for mining will be reduced. Obviously, the incidence of miners' phthisis will not be so great if improved conditions are provided in the mines, and if the incidence is not so great, the premium will be reduced. I am sure the Government and members of this Committee do not desire to see these people penalised by having their compensation payments reduced.

Another matter of some advantage to this State is the legislation dealing with price-fixing or profiteering. It is customary for

people to say that the worker is receiving too much money by way of the basic wage, which has gone up 5s. or 6s. a week. It is said that the workers are getting that much more than they received last time the basic wage was fixed. As one who participated in the increase in the basic wage, I say that in most cases the workers derive no benefit from the increase. The rise in the basic wage comes after the cost of goods has risen.

Mr. Watts: It is always six weeks behind the clock.

Mr. TRIAT: Yes, it is always chasing the cost of living, because the basic wage increase has always been preceded by an increase in the cost of living. The worker does not receive the true benefit of the improvement in the basic wage, and is always lagging behind in that respect. The employer himself gains to some extent by an increase in the basic wage, for it represents a benefit to the man who sells goods at a price he has no right to charge. The subject is a dangerous one to tackle when one is representing a mining constituency. The people of the State should be educated to the belief that the basic wage is not of advantage to the individual except that it helps him a little to face the situation brought about by profiteering. I hope the legislation on this subject will be made even more drastic, so that the workers may be given the opportunity to live without paying out all their earnings to the man who sells them the food on which they have to live. I can quote an instance of profiteering in Kalgoorlie. When the price of gold is increased by 10s. an ounce the wages man is entitled to an increase of 4d. per day in his income. When I was secretary of the union some six months ago gold increased in value 10s. an ounce, and wages advanced 4d. a day. Immediately the price of butter was increased by 2d. a lb. in consequence of the increase in the price of gold. I made inquiries to ascertain why this was so, and asked who was responsible for the increase in the price of that commodity. I was told it was due to the action of one firm that handled butter only. It was selling the commodity both wholesale and retail and had increased the price by the amount stated. It is altogether wrong that people on the goldfields should be penalised in this way, merely because the price of gold has increased. I feel sure that as a result of the profiteering legislation, when it comes into operation,

the people of the State will greatly benefit, particularly the worker and the man who employs labour. The cost of living will not soar every now and then as occurs at the present time. It is better that people should enjoy a reasonable wage out of which they can save something, than a false wage that sounds big but means nothing to the worker.

When I spoke about the manufacture of pig iron from iron ore I intended to deal with the manufacture of steel, plates, and pig iron. In the North-West and in other parts of the State is to be found every kind of alloy required for the manufacture of the highest grade of steel. Many of these alloys are exported from the State to other countries for the manufacture of high grade steel. We have supplies of tantalite, recognised as a high-grade ore for the manufacture of tantalum steel. We also have molybdenite in sufficient quantities and scheelite and tungsten for the manufacture of various kinds of steel. With all these resources it is possible for Western Australia to establish its own industries for the manufacture of steel. I remember reading not long ago that some people with technical knowledge had written to the Press stating that it was possible to manufacture pig iron from iron ore by means of charcoal furnaces. That opens up a new line of thought. In addition to using hydro-electric furnaces, people may by the use of charcoal furnaces convert iron ore into pig iron. In that way the iron ore could be manufactured at the source of supply into pig iron, and it would thus be necessary to cart only a smaller quantity of metal. No one would think of carting large supplies of iron ore from Yampi to Collie, for instance, but it would be possible to convey pig iron from Yampi and then convert it into steel. Let us hope that the people of the State will ultimately benefit by the opening up of the iron ore deposits.

I have very little knowledge of taxation in its true sense, but I realise that the taxes are great. For this I do not blame the Government of which I am a supporter. The member for Nedlands, in his references to the subject, quoted figures that were tremendous. The position was due, he said, to the extensive debts that all Governments have accumulated. Taxation, it is evident, must increase for the people of the State, unless the population increases so that the burden may be spread

over a wider area. I would be very pleased if taxation could be reduced. The Government will, I hope, keep to the promise made prior to the election concerning the collection of taxes. The people were told that it was more than likely the Government would bring down a Bill to provide for the collection of taxes at the source rather than in a lump sum at the end of the year, when assessments have to be made and the taxes paid. I feel sure that people would pay their taxes more readily if they were collected at the source at regular intervals rather than at the end of 12 months. I am speaking for myself when I make this statement. If I had to pay the financial emergency tax at the end of the year I would not be able to do it, but as it is deducted every month I do not feel it as much, if at all, as I would if I paid it in a lump sum. I trust the Government will continue to raise its taxation revenue by that system. By that means more revenue will be collected. Many people are not in the position to pay a lump sum, and some of them fail to pay anything. If the tax were collected fortnightly or monthly the ultimate sum would be greater than under the present system, and the burden would not fall so heavily on the people.

The member for Irwin-Moore (Mr. Berry) referred to the payment of interest. Ultimately, when the present war is over, I feel sure that the debts owing by all nations will be wiped out. That was done by other nations after the last war. The member for East Perth (Mr. Hughes) aptly put the matter before us when he said that some of the major countries had repudiated their liabilities by reducing their currency. Australia has not done that and has endeavoured to meet its liabilities. It is, however impossible for the Commonwealth, with a population of 7,000,000, to meet the national debt, or to liquidate any increase in that debt. The people who are able to pay will have to be those who will bear the burden, and eventually they will say they cannot pay, and will refuse to pay. Repudiation is a rotten and a horrible word, but to place a liability upon posterity that it cannot meet is also a rotten proposition. I do not know that the people who are handling the affairs of the Commonwealth have a right to say to posterity, "You will be called upon to repay millions of pounds, although you had no interest in the expenditure of that money." We have no right to say that to posterity. If my father

died and left a lot of debts, and I was not in a position to meet those debts, all I would have to do would be to file my schedule and let it go at that. That is the law of the country. To our children we do not say that. For them we build up a liability they will be unable to meet. I hope that when the war is over the various countries of the world will say, "We cannot meet all our liabilities; let us cut them in half or in quarters, and give our people the right to live."

Hon. C. G. Latham: You are scarcely encouraging people to subscribe to loans.

Mr. TRIAT: I do not think that would be a good proposition. The war is taking place for the sake of the man with a lot of money, besides the freedom which the Australian people enjoy.

Hon. C. G. Latham: Which is the greater privilege?

Mr. TRIAT: Freedom. However, Australian citizens are asked to give their lives without any recompense whatever. On the other hand, the man who has invested in loans demands his money, his pound of flesh. The owners of the wealth of Australia should be prepared, and if necessary compelled, to yield up their wealth for the purposes of the war. If needful, the country should take their money from them, simply saying, "We want it." Our paper money, let me point out, is not worth anything outside Australia. Its only value is what it can purchase in Australia. The Australian who goes to New Zealand is not quite so confident as he was previously about Australian currency, because New Zealand people require Australian money to be changed into New Zealand currency before they will accept it. Again, in Java the Australian pound is worth only 15s. On Javanese money one puts no value simply because one does not recognise it as currency. The money I received in Java was worthless except for what it would purchase in Java. Upon returning to Australia I was keen to rid myself of my Dutch money for Australian money. People are told that the pecuniary tokens they receive represent wealth. That is why we accept those tokens. However, the true wealth of a country is not its money but clothing, food and housing. Who will tell us that Australia will not produce all the real wealth that its population will require for centuries to come? As long as Australia can produce true money in the

form of necessary commodities, all will be well with Australians.

I came down in the train to Perth with a New South Wales manufacturer of shirts. When travelling away from Kalgoorlie he looked out of the window and said, "Kalgoorlie is a wonderful place." I replied that it was. He then said, "I don't know what we would do without gold." I said, "Neither do we in Kalgoorlie." He kept on talking in that way about gold. He was more infatuated with it than I am. He asserted that gold was the only true wealth in the world. I replied, "I don't agree with you. True wealth is what you eat, and what clothes and houses you; what one has to live on." For my part I am quite certain that gold is not as valuable as the wheat and wool and other things we produce in order to maintain our lives. Money is valuable only in the place where it circulates. Australia has nothing to fear so far as wealth is concerned. Our only fear is lack of wealth for our people because of that rotten system which may say, "You have not enough money to do the job." In the future people will have to find money for work just as they find it for war. Credit can be created. I trust the Government will carry on as it is doing. I support the Government's methods of taxation. I feel sure that the first Government to introduce real monetary legislation in Australia will be the Government of this State.

MR. NORTH (Claremont) [9.6]: According to the speeches of the member for Nedlands (Hon. N. Keenan) and other hon. members to-night, there is at present a most decided objection to taxation. Taxation has been quite the question in this Assembly to-night. I was greatly struck with the remarks of the member for Nedlands on the war problems ahead of us. I consider the hon. member was wise in warning us with regard to that subject. But, after all, it is worth while to win this war, because in it we are fighting for privileges that are well worth maintaining. Standing here as what the member for Avon (Mr. Boyle) calls a back-bencher, I am able to express opinions which, in the countries we are fighting, would lead to my being either shot at dawn or sent to a concentration camp. Unpalatable truths can be uttered here, and they are accepted. I can go further. The previous Cabinet, under Mr. Collier's premiership, was broad-

minded enough to invite to lunch at Parliament House one of the most revolutionary reformers the world has ever heard of—Major Douglas. Ministers gave Major Douglas a State luncheon, to which the Leader of the Opposition (Hon. C. G. Latham) was also invited, in order that the reformer might give expression to opinions which his hearers might despise. They accepted the reformer as a great man, and showed him honour. That incident proves what can be done in this free country. Furthermore, even though Ministers want to go home to bed—

Ministers: No!

The **CHAIRMAN**: The hon. member must not reflect on Cabinet.

Mr. NORTH: Here we can bring forward any propositions we care about, and can criticise any action, and get away with these things. In view of the remarks that have come from all sections of the Chamber on the subject of taxation, I wish to bring to the Committee's attention the one country in the world which to-day is carrying on and paying its way without taxation. It is the only country within the British Empire which has the right to rejoice in spite of the war because it is trying to carry out the very idea which our present Cabinet, or its predecessors, did honour to by giving its advocate a luncheon in Parliament House. The country I refer to is Alberta, from which I have some news that may be of interest to farmers and farming members. Naturally I do not advocate even one of the things practised in Alberta for adoption in Western Australia. I would not dream of departing from our orthodox system. Members may be interested to hear some details of what is happening in Canada. Last night we were told a good deal about the need for assistance to farmers in the reduction of their debts and in the improvement of their security values. What is happening in Alberta? I am aware that to the public the Canadian province is entirely taboo! The authorities there are stated to have gone mad! Never a word appears in the Press about their doings, and perhaps it is all for the best, because here in Western Australia we are carrying on in the good old orthodox fashion. I have an article that appeared in the Canadian "National Labour Magazine."

Hon. C. G. Latham: Are you quoting from that?

Mr. NORTH: As a matter of fact, the article was republished in a Melbourne paper, and members may accept what I shall read for what it is worth. The article contained the following:—

Premier William Aberhart and his associates have done even more. They have set up a Marketing Board, not only to conduct the orderly marketing of products within its sphere, but to buy in bulk for manufacturers. The Aberhart Government, without damaging trade outside the Province, has dealt a master-stroke for Alberta industry and its workers by paying to consumers a 3 per cent. bonus on Alberta-made goods purchased by voucher.

The Minister for Labour is fighting now to establish new industries in Western Australia. Despite our orthodox system, members will, I think, be interested in the attempt to cope with the economic position in Alberta. When reference is made in this article to "vouchers" they mean, I take it, that the Alberta Treasury has issued what amount to promissory notes on its own cash. By an extraordinary coincidence the workers accept those vouchers instead of good money. They take them to the stores, and the stores accept them; the banks accept them. By that means nearly two-thirds of the public works are carried out.

Hon. C. G. Latham: I can see our steel works being established.

Mr. NORTH: Perhaps so.

Mr. Tonkin: If those vouchers have a cash value, how do they differ from cheques?

Mr. NORTH: As this article indicates, the vouchers operate as bank cheques, but no interest has to be paid on the issue.

The Minister for Lands: Those vouchers are akin to our own Hall's Creek "skin plasters."

Mr. NORTH: Here is another extract from the publication to which I have already referred—

That brings up the unique institution of Treasury branches. By harvest time there will be about 30 branches and 550 agencies operating throughout the province. Already two branches and 292 agencies are in operation. More than two-thirds of the retail merchants—approximately 1,400—are doing business through these institutions, and accept Treasury vouchers as cash as eagerly as they accept bank cheques.

That answers the interjection of the member for North-East Fremantle (Mr. Tonkin). The extract continues—

Workers engaged in public works, members of the civil service, and others in the Government's employ, accept from 25 to 100 per

cent. of their pay in vouchers, and all the banks clear cash orders on the Treasury branches or agencies exactly as they clear cheques drawn on other banks. The Treasury branches are actually branch offices of the provincial Treasury. Agencies are sub-branches, and several of them operate under each branch. Through this organisation, in spite of the fiercest possible opposition from financial institutions, Premier Aberhart has actually established a medium of internal exchange without borrowing a penny and without going into the banking business. This is the first great successful step towards socialised credit, and it is really going over in a big way. Through it the Aberhart Government has been able to finance extensive road-building programmes and other public works; has put thousands of men to work, and now plans, through the Marketing Board, to give financial assistance to manufacturing industries.

I do not vouch for that information. I do not ask the Committee to adopt any of the measures indicated, nor do I suggest the commencement of a fight against our financial institutions. Merely in a spirit of fair play, I am endeavouring to interest members in the fact that one of our sister States in the Empire is making a real effort in a new direction. Should it win through years hence—as a matter of fact, an election has to be won in a year or two before those in charge of the experiment can continue their efforts—we may be able to learn something for ourselves. With the war before us, it would be most inadvisable to engage upon any experiments in Western Australia at the present stage. I would not dream of advocating such a course. Nevertheless, it must be interesting to us, including members of the Cabinet, to appreciate that the ideas of Major Douglas have not yet been crushed nor has his theory yet failed. Those advocating the principles for which he stands have their tails up and may still win through.

With regard to the agricultural industry, not being a farmer nor a representative of an agricultural district, I have listened attentively to the speeches delivered by country members in the fight they have waged for many years. I have noticed the battle they have put up with a view to keeping their supporters on the land. I was struck by a very interesting article that appeared in this month's "Australian Quarterly" under the heading of "Fresh Fields and Pastures New." The writer points out that, whatever may be said to the contrary, the agricultural prospects in Australia are

likely to be curtailed, and agricultural products in the Old Country to be increased. Vice versa, he contends that it is likely that Australia will experience a much greater increase in her manufacturing industries than previously. He goes on to present facts that interest me, and, I think, may hold the attention of members of this Chamber. He points out that in 1914, 211,000 persons were engaged in farming operations in Australia, whereas in 1937 there were only 190,000, showing a large reduction over the intervening years. On the other hand, he mentions that the area under cultivation in 1914 was 14,000,000 acres, whereas in 1937, 20,000,000 acres were under cultivation in Australia. As an onlooker, and after noting the fight put up by Country Party members, I have arrived at the conclusion that there is a problem quite apart from that of retaining farmers on their holdings. Rather is the difficulty that population will normally decrease even with increased productivity, as I have indicated in the figures I have quoted. If it is possible to increase the area under cultivation and at the same time reduce the number engaged upon farming activities, the problem of members representing rural districts is rather additional to that which they have indicated so far, and which has relation to financial worries and low prices. Possibly in the future, by means of the Collic electricity scheme or some similar undertaking, cheap power may be made available in the country areas, resulting in the establishment of manufactories that would be worked in farming districts. No member wants to see towns in farming districts decline. We want to see them grow and prosper, becoming increasingly attractive to the country people. We want better schools provided in those towns. Yet we find that notwithstanding increasing productivity, we have fewer and fewer people in the country. Some change of policy must be made if we are to keep the countryside populated as we have done in the past, or even more extensively populated.

With regard to the war, I have no remarks to make at all, because I know we shall follow an orthodox policy as long as possible. I have long passed the time since I worried about monetary reform. Unfortunately, I am one of those persons who likes to start a thing and get in early, but where there is a good crowd I drop out and try something else. I know it is my fail-

ing. I know the last battle is the battle that counts, but I am never there. I tried to make a model streamlined motor about 30 years ago; it was the egg-shaped motor now popular. In my concluding remarks I will take a new line of thought. It has nothing to do with monetary reform. I think the time has come when members of Parliament should be more careful in the use of words when speaking on public questions. From going around my electorate and also other electorates, I find that people hold a definite view about politics and about what members of Parliament say. People say we are using too many slogans; the people call them by another name which I will not repeat here. They point out that these slogans do not mean much, and sometimes refer to them as eyewash. I think there is some truth in the criticism. I noticed the other day that Hitler spoke about a new world order. Later on Anthony Eden spoke about a new world order. Elsewhere I read that we were to have free international trade; that seems to follow on the new world order. We are told there is to be a wonderful new world, that we shall have free international trade and that barriers will be removed. We saw that in the paper yesterday and to-day, and probably we shall see it again to-morrow. Then I turn to the "West Australian" and find that Western Australia is putting up a big fight for the establishment of secondary industries. The Minister for Industries is going to Geraldton to start a jam factory and is going elsewhere to start a steel factory.

Mr. Holman: You cannot believe the "West Australian," can you?

Mr. NORTH: Yes, sometimes. I myself have advocated similar action. But we have to be frank. We talk about economic nationalism being the curse of the world and the cause of war, and we say that international trade should be free. In doing so we are talking in conflicting terms, as things are to-day. I am not going to tolerate such talk. I think the time has arrived when we should say just what we mean. Every mother in the State desires to see secondary industries established so that work can be found for her sons; yet we read in the "West Australian" that prominent men—including perhaps Mr. Menzies—are advocating free international trade.

Mr. Holman: Who told you that? The Government of Western Australia?

Mr. NORTH: It is the general policy of the Leaders of the British nation and of other countries.

Mr. Holman: Be consistent.

Mr. NORTH: I think it is. Anyway, I am not trying to be consistent, I am merely carrying on. This is a vital question and I intend to-night to try to get some logic into it.

[Mr. Marshall took the Chair.]

Mr. Holman: Be consistent, though.

Mr. NORTH: It is quite obvious to those who think the matter out that the two ideas are totally opposed to each other. On the one hand we are to increase international trade and on the other we are to increase our local industries. I know our desire is to do both, that is the real objective, but we must face these problems and make a choice, because we are told that if we sell Western Australian goods from Western Australian factories we shall keep out goods manufactured in Victoria and New South Wales and we shall also reduce our imports from abroad.

Mr. Lambert: Yes, but we should reach out for a balance.

Mr. NORTH: That viewpoint is utterly illogical. It will not bear analysis; because we know, as a physical fact, that factories in England could be sending their goods in ships to Fremantle while at the same time we could be increasing our manufactures. The Minister for Industries is aware of that fact. In other words, we should be doubling our total output by the combined means. We should say where we stand. Do we stand for increased economic nationalism and for increased international trade? That is the point I stress. Exporters abroad say they must despatch ships filled with cargoes. Other people say that local trade must be increased, and so they advocate placing a tariff on goods manufactured abroad.

Mr. Patrick: To carry that to its logical conclusion, there would be no shipping at all.

Mr. NORTH: Yes, that is so. We should get hold of an economist, if we can find one, who can tell us what we should do. I read a bank circular some four months ago putting forward that very proposition, that what should be advocated by our leaders and politicians to-day is not that international trade should be free or that local

manufactures should be increased, but that both should be increased conjointly. How can that be done? We shall no doubt adopt orthodox methods and I shall not bother to touch on that side issue. I do think, however, that the time has come when we should be more careful in our public utterances. We should be more logical and give greater detail. It is not enough to say that we are going to have this new world, this new order. Some practical proposition should be placed before the people not only of Australia, but of the world. If that could be done, if our views could be collated, we would have something better to work for. Some years ago the member for Nedlands (Hon. N. Keenan) and other members emphasised the importance of what they termed a public works Empire policy, which really is what I am stressing at the moment. We should find some means whereby the two objectives can be combined. In the event of members not appreciating my point they will see, if they care to analyse the figures, that we must make a choice in our present situation. The very moment we realise that there are so many millions of pounds' worth of goods made locally, we automatically realise that importation of goods to the same value has been discontinued. Yet everybody knows that in this community, or in any other community, at least a third of the people could be consuming a great deal more than they are consuming to-day, and could consume, in fact, those very goods the importation of which is discontinued, together with the goods locally produced. But under our present system we cannot both import and produce locally. That is a problem for the economist to solve.

Mr. HILL: I move—

That progress be reported.

Motion put and negatived.

MR. SAMPSON (Swan) [9.31]: When I compare the State public debt of £93,711,000 at the 30th June, 1938, with that of £95,472,000 for this year, I am not surprised that the Treasurer should look rather worried at times, because the position is becoming very serious. I notice that the Budget provides for a deficit of £31,288. That is so near to budgetary equilibrium that I am sorry a little greater effort was not made to balance the ledger, to do which I had always thought was every Treasurer's

ambition. Indeed, it should be an obligation on the part of Treasurers to make their figures balance. In the circumstances, to do so this year would not have been difficult.

The Minister for Mines: Do you remember the last time that was done?

Mr. SAMPSON: When the figures were balanced? Yes, I can recall that.

The Minister for Mines: When was it?

Mr. SAMPSON: I want to remind the Government that it is looking for a lot of trouble when it suggests the withdrawal of traffic fees from local authorities. That is a most unwise and unjustifiable proposal. Of all the authorities in the State, there is none that carries out its duties with greater thoroughness, economy and capacity than the municipal councils and road boards; and I hope the Treasurer will find it possible to review the proposal to withdraw traffic fees from the local authorities. I do not think for a moment that the Treasurer suggests there has been wastefulness on the part of those authorities, or that they could have done more with the money, or expended it more wisely than has been done. We must not forget that this country is one of comparatively few people. There is a population of less than half a million—462,000 odd to be fairly exact—and the distances over which roads must be provided are relatively very great. If the Treasurer decides to take away from the local authorities the traffic fees and, I presume, hand them to his Ministers to spend, he will not be able to produce results equally satisfactory to the public. Furthermore, local authorities will be discouraged by that sort of treatment. There is absolutely no justification for such action. It is wrong to say that because something is done in Victoria—a comparatively small State—or in any other State, it should be done here. I do not understand what has influenced the Premier to come to this decision.

The Premier: I can understand you. You have always been a road board member with no national outlook at all.

Mr. SAMPSON: I do not think the so-called national outlook is very useful when each year the financial outlook is more dreary, the debt greater and taxation heavier. In the midst of this very unsatisfactory and disconcerting state of affairs we can derive satisfaction from the fact that an excellent profit has been made by the Government Electricity Supply Department. For the year just

closed there was a surplus of £34,232. That is a gratifying circumstance, and indicates that in some directions the Government may satisfactorily handle public utilities. The year's results are by no means exceptional. The Electricity Supply Department has experienced good results every year. Good returns have been made year after year in spite of our having had a plant not capable of generating the power required. To-day, I am glad to say, the enlarged plant provides for ample generation. Nowadays much is heard about the price of gold; and, quite properly, the Government does all it can to encourage the development of that industry.

However, there is one industry for which little, if anything, is done. I refer to the fruit industry. There is need for consideration to be given to providing assistance for fruitgrowers. The Railway Department does not supply the facilities necessary for the transport of fruit. Refrigerated trucks should be provided, and help given to the industry such as is given in British Columbia and California. No help in the way of orderly marketing has been provided for primary producers. Year after year we have appealed to the Premier and the Ministry generally to give us assistance in the way of orderly marketing. An effort is now being made to obtain aid for the treatment of fruit by turning it into jams and preserves. Good fruit is necessary for jam-making; to make good jam is quite impossible unless good fruit is available. I suggest that the department might consider the matter of supplying buds for the reworking of trees, so that instead of having so many apricot trees of the early variety we could have more apricots suitable for jam-making and thus make available a supply of good jam. This applies also to many other fruits. Unfortunately orchards have been established in some districts that are unsuitable for the growth of certain trees, and because of the absence of expert advice people who have adopted this means of making a living have failed. I should like to know whether the Government is prepared to assist in this direction. The cost would not be very great, and considerable help could be afforded to those people who are endeavouring to obtain a living from the land. We must not overlook the fact that although the people who secure a living from orchards and gardens do not obtain much money, they are a highly

important section of the community; and the number engaged in the small industries is rapidly increasing.

The Agricultural Bank can give consideration to the question of providing small loans where the security is such as to render an advance of money a safe proposition. I assure members that it is exceedingly difficult, if not quite impossible, for orchardists to obtain a loan. The industry is regarded as being so unprofitable that financial institutions are extremely loth, and in most instances disinclined, to provide any financial assistance whatever. Yet help is given to most other industries. Encouragement is extended to most activities that make for the development of the State, but this does not apply to the small farmer. I should like to direct attention to various districts' need of water. The country that supplies the water is not permitted to partake of the supply. Even water from the big Canning Dam is not available to the settlers beyond whose locations the open conduit or pipes pass.

Mr. Holman: But you spoke against it.

The CHAIRMAN: Order!

Mr. Holman: But you spoke against it.

The CHAIRMAN: Will the member for Forrest kindly keep order?

Mr. Holman: I still say that he spoke against it.

The CHAIRMAN: Will the member for Forrest kindly keep order? The member for Swan may proceed.

Mr. SAMPSON: I feel that this is a matter—

Mr. Holman interjected.

The CHAIRMAN: Will the member for Swan resume his seat? I warn the member for Forrest that I shall not again call him to order. He must learn to respect instructions from this Chair; and when he is called to order, he will kindly keep order and not persist in being objectionable. The member for Swan may proceed.

Mr. SAMPSON: I feel this is a matter that might fairly receive consideration. The settlers in the vicinity of the main or conduit would, of course, pay the customary charges. Numerous requests have already been made to the department, but the decision has been against granting supplies. I do not know whether any principle is involved, but I do know that residents along the Wungong pipe-line are supplied with water, subject to the usual conditions being

observed; and I should like to see an extension of the same policy for the benefit of the settlers along the Canning Dam pipe-line. To me there appears to have been discrimination. For this, some reason might exist; but if so I have been unable to discover what it is. I should be glad to hear, on behalf of people located along the pipe-line and conduit, whether the Government will give favourable consideration to this request.

Touching again on orchard work, orchard products, and small farms generally, there is a phase to which attention has never yet been seriously given, so far as I am aware, and that is the matter of ensuring to these producers reasonable wages for their work and a reasonable living from their holdings. In other industries the Court of Arbitration decides what shall be paid. This is calculated on the cost of living, and hours and other conditions of labour are determined. Why should not this obtain in the industry of fruitgrowing and other small-farm production? I see no justification for not extending consideration to the people engaged in this industry. The consideration that I have sought in the small matters I have mentioned, is I feel, well justified, and if the Premier can see his way to approve of the requests, it will prove a good proposition for the Government. Those who want water should have it; those who want expert advice should have it. Why not? It is provided in other walks of life. Why not have experts in the department to assist and advise about the different diseases? There is one trouble that is affecting citrus fruits, namely water-spot or water-rot, and no one seems to know what to do about it. I hope the few matters I have mentioned will receive consideration.

MR. SEWARD (Pingelly) [9.48]: I do not intend to occupy much time, but there are a few observations I desire to make. The Leader of the Opposition, in the course of his speech a few nights ago, stressed the necessity for exercising a close scrutiny over State expenditure. The Leader of the National Party, in his speech a little later, deplored the difficulty experienced by the average member in ascertaining exactly the financial position of the State simply from a scrutiny of the Budget papers. We must recognise that in view of the uncertain situa-

tion caused by the war and, as was so ably pointed out by the member for Nedlands (Hon. N. Keenan) to-night, the necessity for having all our resources available to further the war, so far as the application of that money may be necessary, we have a strict obligation at a time like this to ensure that all expenditure is closely supervised and that funds are used as beneficially as possible. When comparing the position of the State at the outbreak of war in 1914 and its position to-day at the outbreak of the present war, we note highly important differences. The Premier stated that our resources to-day were greater than they were in 1914. There is no certainty about that. In 1914 the public debt of Western Australia amounted to £30,276,000, which worked out at £85 per head of a population of 320,000. With a population of a little over 140,000 in excess of the 1914 figure, we had at the end of 1938 a public debt amounting to £93,000,000, £202 per head. That was a huge increase in the public debt in so short a space of time. Nevertheless, it was not unexpected, because Western Australia has developed considerably since 1914, and has scope for further development. Turning to our trade figures we find that in 1914 our exports were valued at nearly £10,000,000, whereas today they amount to £23,000,000. Whilst our public debt is more than three times as great as it was in 1914, our production is somewhat under two and a half times as much.

We hear a great deal about making available the credit of the country. It must not be imagined that we have been drawing upon our credit in only a slight degree; in fact we have been drawing upon it to a marked degree all down the years. If we take our banking figures we find that the deposits in banks in Western Australia in 1914 amounted to £7,298,000, whereas the advances slightly exceeded that figure, being a total of £8,000,000. To-day, with deposits of £20,000,000, we find that the advances made equal £28,000,000; so that our advances amount to £8,000,000 more than do the deposits. That has been rendered possible by bringing in new capital from the Eastern States, and it indicates that capital has been made available for the development of the State and the expansion of its industries. We must also remember, when looking at the expenditure, that the future is uncertain. When war broke out in 1914

an immense field of money was available to us that we knew nothing of. I refer to the loans that were raised within Australia. I think I was in Australia when the first loan was floated; but, if not, I remember reading about the grave doubts expressed as to whether the loan would be successful. I forget the amount involved; but I know the loan was so successful that further loans were launched. Altogether, £232,000,000 was raised in Australia for war purposes.

Mr. Needham: At very high rates of interest.

Mr. SEWARD: I am not discussing that point, but the raising of the loans. Of the total raised, £176,000,000 is still outstanding. All these resources have been tapped, and are not available to the country to-day. I would point to the urgent necessity for conserving our resources. The matter of interest was mentioned by the member for Perth (Mr. Needham) by interjection, and was also referred to by the member for Irwin-Moore (Mr. Berry). The latter hon. member deplored the amount of the interest bill. I agree with his remarks, and I think everyone holds the same view. We have to pay £4,000,000 a year interest out of a comparatively small income. This represents 33 1/3 per cent. of our revenue, and is indeed a huge interest bill. Instead of taking into consideration the effect of that interest bill, we should seek to ascertain the cause of it and endeavour to find a way to obviate it. Last year, the member for West Perth (Mr. McDonald) advocated the appointment of a public finance committee to advise Parliament on the expenditure of money, especially of large sums. The advance in our public debt and the manner in which we have spent large sums of money and the huge amounts that have been written off as a total loss would, if investigated by such a committee, produce evidence that would convince many members of the soundness of the proposal. The interest bill is £4,000,000, which represents an average rate of 3.59 per cent. Governments cannot afford to pay more than 3½ per cent. for their money. When we look through the returns accompanying the Budget, we find that out of the public debt of £93,000,000 we are paying on more than £38,000,000, over 4 per cent. and sometimes 5 per cent. That is one of the main causes why the interest bill is bearing so heavily upon the State. Disparaging remarks are frequently made about

banks and on the advice they give. At the time when the loans were being floated at from 4 per cent. to 5 per cent. interest every banker warned Governments that they could not pay that rate of interest on borrowed money. Events have proved how correct they were. Since that time a great deal of writing down of interest has been done. The advice that was given at the time was very sound.

Mr. North: What interest do you recommend? Three per cent.?

Mr. SEWARD: When I was in a bank many years ago, anything from 2¾ to 3¼ per cent. was regarded as an ample rate of interest. This position, I maintain, is one of the big disabilities from which we are suffering. We are paying too high a rate of interest on the money we have borrowed. It appears from the returns that millions of our public debt have been written off as lost, and yet we have to go on paying interest on that money every year. I am amused when people advocate the writing-off of our interest bill. I have yet to learn that anyone who has money invested in Government securities has voluntarily offered to forego his interest. The loans are made up, for the most part, of small amounts, and the lenders are entitled to interest on their money. People talk about writing off interest, but it is quite a different matter to ask people to whom interest is due to forego the receipt of it.

The Premier has budgeted for a deficit of £31,000. With the member for Swan (Mr. Sampson), I hope he will do better than that and will balance his budget. I trust his figures are based on sounder grounds than those on which he has based his railway figures. He proposes to stop the loss that has regularly been made on the railways for some years. Everyone will agree with that policy, and will assist in every way to accomplish so desirable an end. If only a resolution is required to stop that loss, I wonder that resolution was not taken many years ago. When we look through the railway reports we do not find any backing from the Commissioner for the accomplishment of the objective of the Premier by the means he has proposed. In 1930 railway earnings totalled a little over £3,500,000; but they fell disastrously between that year and 1934, coming down to £2,919,000. From that low level they gradually recovered to the present level of £3,677,000. In looking for the reason

for this gradual improvement in railway revenue, I cannot do better than quote the Commissioner of Railways. Hon. members will recall that a few years ago the department was perturbed at the loss of patronage it was suffering, mainly owing to unfair competition of motor traffic. The department set out to rectify that position. Certain action was taken, and in the railway report for 1934 we find the following in regard to passenger traffic:—

Following a reduction in suburban fares made two years ago, there has been an increase of £2,337 as compared with the year before the reduction.

This shows that it was the reduction that brought about this desirable increase in railway earnings.

Referring to timber traffic the report states—

Local timbers increased by 90,000 tons. This improvement was due to decrease in the freight rate for export timber, which had the effect of enabling timber merchants to obtain substantial orders for Western Australian hardwoods.

Dealing with timber matters I wish to mention that quite recently I had occasion to approach the Railway Department for a reduced freight on a certain product that is being railed from a factory in my own electorate. This product, a tanning product, is shipped to England, where it has to compete mainly with products of European countries which have depreciated currencies. As the result of those depreciated currencies, their competition is most keen. The managing director of the factory to which I have referred approached the Railway Department with the object of securing a reduction in railway freight from the factory in the country to the port of shipment. The railway freight amounts to about 30s. per ton. The managing director can bring his product down to the port in his own trucks for approximately 10s. per ton. Through the department he brings it down not in trucks but in trainloads, and unfortunately a trainload was somewhat damaged because of torn sheets having been put over the trucks. I thought he had a specially legitimate claim in respect of an industry competing overseas with countries having depreciated currencies. However, he was unable to secure any reduction in freight from the department. I am seriously afraid that unless a reduction is granted, the factory may have to shift to the south.

Before leaving the timber industry I wish to mention a matter I raised last year, in regard to which I have never received an explanation. In view of the fact that the Premier in introducing his Budget made reference to the unfavourable—shall I say?—position of our timber industry, I desire to repeat that when the Commonwealth Government called tenders for 17 different parcels of sleepers, 14 being for delivery at Port Augusta and three for delivery at Parkeston, out of the total of 17 contracts Western Australian firms were able to secure only four, three going to Bunning Bros., and one to the State Sawmills. The successful tenders came from Melbourne, Sydney and Newcastle. Surely one might expect Western Australian timber firms to be able to compete successfully with Eastern State sawmillers. That has not been the case, and in view of the fact that our timber industry is falling back, an inquiry is obviously needed to ascertain what is wrong with the industry and to put it back on a sound footing.

Reverting to the Railway Department, we find that in his next report, for the year 1935, the Commissioner states—

The cumulative effect of the review [of services and rates] and of the earlier reductions made is estimated to reduce railway revenue by £150,000 per annum. I am pleased to report that the expectation that this amount would be recouped by additional traffic bids fair to be realised.

Regarding passenger traffic the same report has this to say—

For the third year in succession there was a substantial increase in both passenger journeys and earnings. The improved train service and cheap fares had the effect of inducing the public to make greater use of their own utility.

Turning to goods traffic, the following appears in the report—

In the "class" traffic there were substantial increases—"C" class by 16,000 tons, "First" by 17,000 tons, and "Second" by 5,000. They were materially affected by the reduction of rates whereby "Third" class was abolished, "Second" was reduced to "First," and "First" to "C."

In the 1938 report we read—

The increase in passenger mileage was due to the introduction of Diesel electric rail cars on various country lines.

In other words, the increase was due to cheaper and faster traffic. Those quotations, taken from the Commissioner's

reports, should be sufficient to convince hon. members that it is not by increasing rates on the railways we shall raise revenue and bring about a balancing of the figures, but by reducing rates and giving the people that cheaper transport which they can obtain under the improved traffic facilities existing to-day on the roads. Especially at a time like this, as so often pointed out here, when country people cannot possibly be expected to pay higher rates than they have to pay to-day, that policy is necessary. Present rates are due for reduction, because the people have not received that benefit which they were led to expect from the passing of the Transport Co-ordination Act. That Act was supposed to bring about cheaper and speedier railway traffic, but all it did was to shut down on the motor traffic, without the Railway Department being asked to bring its service up to the standard of modern requirements.

Now, briefly, as to proposals made by the Premier relatively to the Financial Emergency Act. The hon. gentleman said it was intended to give relief to the lower-paid wage earners. Probably everyone will agree with the Premier that the lower-paid man is entitled to have his burden reduced as far as possible. In order to give effect to that intention, I notice, it is proposed to reduce the 4d. rate to 3d. and the 5d. rate to 4d. It is only fair, however, that when there is a proposal to interfere with rates of taxation the House should be given some proof that the existing rates are inequitable, and that they ought to be altered as proposed by the scheme of reduction which I have just outlined. I remember that a few years ago a motion was moved by the member for East Perth (Mr. Hughes) to reduce certain rates of the financial emergency tax, and that the motion was stoutly opposed by the Premier, who stated that its passing would throw the incidence of the tax out of gear. If that was so, the hon. gentleman was quite right in his refusal; but if an alteration is to be made in that tax to-day, we are entitled to know that the section which is to be altered pays more than its due share. Recently I asked the Premier what amounts were collected under the various headings of the tax from 3d. to 1s. The Premier replied that the information was not available, and was not even recorded. If that is so, I reply that

it is not fair to ask this Committee to agree to either an increase or a decrease of any particular section of taxation unless we have information showing how such a step will affect other sections of taxpayers. I do not say for a moment that I am not perfectly willing to amend taxation which presses unduly on any particular section; but hon. members are entitled to know what amount each particular section is contributing, so that we may be sure that the relief is being granted to the proper class, be it the lowest or the highest.

During the past few days quite a number of references have been made to our primary industries. I shall not deal with that phase at great length. The pity of it is that apparent prosperity should be restored to the primary industries by such a regrettable circumstance as a war. I did not refer to "prosperity," but merely to "apparent prosperity" because the slightly enhanced prices ruling to-day are certainly due to the outbreak of war. The point I wish to emphasise is that it behoves Parliament and the Government to take active steps at this juncture to work out a scheme to ensure that when the war ceases—we hope it will not last for any lengthy period and, in fact, that it will soon terminate—there will be no immediate retrogression of the primary industries to the hopeless position in which they were at the outbreak of hostilities. If some such step is not taken, there is very little hope for agriculture. A levelling up of prices must be accomplished by some means, and I confess the problem will tax the best brains in the Commonwealth. I urge that action be taken immediately to institute the necessary inquiries in order that a scheme may be worked out. There should be no slipping back when the war ends. One illustration that lends point to what I have in mind is that during the Great War, as mentioned by the member for Avon (Mr. Boyle), we had one handling authority and one pool dealing with our wheat. I do not want a repetition of what happened when the last war ended. The Wheat Pool was terminated and so was B.A.W.R.A. That must not happen again. I urge the necessity for the rehabilitation of the agricultural industry in order to give the farmers some reasonable prospect. Had it not been for the outbreak of the present war, our primary industries would have faced the greatest crisis in their history.

Many instances have come under my notice during the last few months of the banks informing their clients—many of them were not in a hopeless position by any means—that they could not be carried on after this year. I do not blame the banks altogether for what has happened, but they must accept a certain proportion of responsibility because, as several members have mentioned, they certainly did force money on farmers during good times. That applies particularly to one institution. Apart from all that, writing down became absolutely essential. When that action has to be taken, the man on the property should have the advantage of the writing down, which should not be passed on to the individual who takes the property over from him. The fact remains that had it not been for the war, many farmers would not have been able to carry on after the end of the current year. Should the war terminate immediately, that is the position that will confront them. Surely the farmers have experienced hardship enough without permitting them to suffer a repetition of what happened formerly.

There are two other items to which I shall make reference before concluding my remarks. Action has been taken that does not tend to assist our primary producers. Under Commonwealth legislation, wheat has been acquired by the Government and practically speaking the same applies to wool. Notwithstanding that fact, thousands of bales of wool in country districts are still being sold to private buyers. Even since I have been in town this week, I have perused a telegram, the effect of which was that private buyers are still operating in the country and purchasing hundreds of bales of wool. That is not fair. Goodness knows, whatever price may be paid for the wool—I do not think anyone knows what the price will be because the Commonwealth Government has not yet issued an official statement—there will not be much in it for the wool growers. No third party should be allowed to enter into a transaction and participate in whatever profits there may be. The wool growers themselves have earned the right to any profit that may result from the purchase of their output by the Commonwealth, and action should be taken to prevent a continuance of these country sales. I appreciate the fact that we cannot prevent any grower from doing what he desires with his own wool. I can quite understand the attitude of some

who may be inclined to effect sales because they do not know what price they may receive from the Commonwealth Government or even if the wool is actually to be taken over by that Government.

As was pointed out so eloquently by the member for Nedlands (Hon. N. Keenan) there is one major duty confronting us today, and that is the prosecution of the war to a successful conclusion. I fail to understand some of the methods that are being pursued. For instance, in my electorate requests have been received from a number of young fellows—some are employed in offices, some are farmers and others are farmers' sons—for information regarding the possibility of securing instruction in military matters. They have a rifle club and competent men are available to instruct them in military work if only encouragement were afforded them. Goodness knows, there is any amount of work to be done. We do not know whether we shall be forced to fight for our lives next week, or when we shall be confronted with that necessity. In 1914 we had plenty of time, and nearly a year elapsed before our men were in the front line. In the present instance, we do not know when war will come to our doors. To many of us it appears that the military authorities are taking things altogether too quietly. Men are available for training and if they are required to leave their farms and businesses in order to enlist, everything will be thrown out of gear. Quite a lot could be done in the country towns and on rifle ranges in preparation for more active military work. If that were done, the subsequent training would be simplified and expedited. Of course, I am not suggesting that they should be sent away. I hope those men will never have to shoulder rifles, but if they are called upon to do so, some preliminary training now would give them a better chance properly to defend Australia. It is better to go in for some training now rather than experience a rush when the crisis develops. I shall not say any more regarding this question, but I certainly hope that the necessary action will be taken by the authorities. I hope, too, that the Government will get into communication with the Commonwealth Government with a view to the rehabilitation of the primary industries, so that when the war terminates, there will be no slipping back to the hopeless posi-

tion we have known up to the past few weeks.

Vote put and passed.

This concluded the general debate.

Votes and items discussed as follows:—

Votes—Legislative Assembly, £2,971; Joint House Committee, £4,700; Joint Printing Committee, £5,315; Joint Library Committee, £265—agreed to.

Vote—Premier's Department, £18,830.

Mr. SAMPSON: I would like a statement from the Premier on his departmental Estimates.

The Premier: These Estimates deal only with routine matters.

Vote put and passed.

Votes—Governor's Establishment, £2,512; Executive Council, £5; London Agency, £11,045; Public Service Commissioner, £1,715—agreed to.

Vote—Government Motor Car Service, £2,804.

Mr. J. HEGNEY: We know there is to be increased taxation, and I suggest that the department responsible should exercise stricter supervision over the Government motor car service. I have received many complaints about cars provided for the use of officials being used by their sons after office hours. The Premier, who is in charge of this department, should ensure stricter supervision.

Mr. THORN: I agree with the member for Middle Swan. I am not referring to motor cars used by members of the Government but to Government cars used by Government officials. I see Government cars passing my home on Saturdays and Sundays loaded with persons of both sexes taking a joy-ride into the country. We are being asked to do our best to effect economy and restrict expenditure, yet we find this sort of thing going on. Some members are loth to bring forward a matter of this kind because they are afraid their remarks will not be received cordially by the service; but it is a fact that cars are being used for private purposes. I have a small book containing the numbers of the cars, but I do not intend to mention the numbers to-night. That was not my idea in rising to speak. We as members have not many privileges, but the public think we

get almost everything for nothing. It is my desire to disillusion them. If I wish to travel in my electorate, which is a very big one, I must do so at my own expense.

Vote put and passed.

Vote—Printing, £71,525:

Item, Salaries, £40,000.

Mr. SAMPSON: I wish to say a few words upon the quality of the work turned out by the Government Printing Office. I think it is deserving of praise. The office is up to date, and its products, including "Hansard," in my opinion are a credit to it.

Vote—Tourist Bureau, £6,887:

Mr. SAMPSON: I notice there is a small increase of £249 in this Vote. We have heard that on account of the war we shall have no tourists. It must not be forgotten, however, that tourists from the United States will not have an opportunity of visiting Europe at present. Thousands of such tourists looking for enjoyment overseas, could be attracted to Western Australia if we took advantage of the opportunity that is offering. We should make it our business to bring under their notice the delights of Western Australia—our caves, our countryside, our goldfields and so on. By doing so we could bring into the State hundreds of thousands of pounds.

Mr. HOLMAN: During last week we had a number of visitors from the Eastern States who had been attracted here by the Tourist Bureau. It fell to my lot, as member for Forrest, to meet them and even to take them over Parliament House.

Mr. J. Hegney: Did you collect an honorarium?

Mr. HOLMAN: No. I paid an honorarium. In my opinion, the attractions of Western Australia are not given sufficient publicity. I recently visited Melbourne and found that every publicity was given there. We have not taken the opportunity to show the people of Australia what we have to offer the tourists. I congratulate Mr. Morrison of the Tourist Bureau on the manner in which he gave information to tourists who recently came from the Eastern States. In Mr. Morrison we have an officer who is to be commended, and the rest of us could well emulate his example. The vote to the Tourist Bureau should be increased.

Mr. STYANTS: There is one feature of this vote with which I wish to deal and

that is the necessity for the Government's supplying suitable transport for the tourists coming to this State. When I was in New Zealand a few months ago I discovered that the Dominion Government had bought out all the transport services to the various tourist resorts. It would be well for this Government to consider buying out the existing services to our tourist resorts or providing State transport service to places of importance. The Government was warned many years ago, when buses first went on the road between Fremantle and Perth, that if it wanted to undertake national transport services, that was the time to buy out those catering for such traffic. However, the Government missed its opportunity. I hope, however, that it will not now fail to provide transport to all our tourist resorts of importance.

Mr. BERRY: I should like to see something done to encourage tourists from Singapore. Because of the war, officials in Singapore who have leave every three years will be more or less constrained to come to this part of the world to spend their six months' vacation. As such people may have £1,000 or more to spend, it would be very much to the advantage of this State if we could persuade them to come here. Again, any publicity given to Western Australia in the Malay States may result in an increase in the number of children coming here to be educated. I do not suggest that my advent in this country was of any particular advantage to the State, but I assure members it was on account of the publicity given to Western Australia that I was persuaded to come here, and my three children were educated in Perth. If some consideration were given to this matter, great benefit would be likely to accrue to the State. I am sure people could be induced to visit Western Australia, which has many attractions, Perth being the prettiest city in Australia. In the South-West we have magnificent forests, which in themselves are a great attraction, particularly to people from Malaya. I am very keen on fishing, and that is a sport which, I am sure, would provide enjoyment for many tourists.

Vote put and passed.

Votes—Literary and Scientific Grants, £11,150; Treasury, £29,900; Audit, £16,650; Compassionate Allowances, £3,631; Govern-

ment Stores, £17,380; Taxation, £33,800—agreed to.

Mr. TONKIN: May I discuss the Workers' Homes Board, which is the next vote, Mr. Chairman?

The CHAIRMAN: No. There is no appropriation in these Estimates for the Workers' Homes Board. Some years ago I think the Treasurer agreed to put a small amount on the Estimates in order to permit a discussion on this particular matter but that has not been done in the present instance, and a discussion on the Workers' Homes Board can take place only on the general Estimates or the Loan Estimates.

Mr. TONKIN: Then can you tell me why Division 21 appears in the Estimates?

The CHAIRMAN: If the hon. member will glance at the bottom of page 41 he will observe that the expenditure is rebated from the Workers' Homes Fund, and no money is appropriated from Consolidated Revenue, which is what we are dealing with now.

Mr. TONKIN: I am sorry, Mr. Chairman, but I asked if you could tell me why "Division 21" appears in the Estimates? If what you say is correct, why are the Estimates not numbered Division 20, and then Division 22, omitting Division 21?

The CHAIRMAN: I did not compile the Estimates. That is a matter for the Treasurer. This vote does indicate to the Committee exactly what is happening with relation to expenditure, but it is not expenditure of money from Consolidated Revenue, and therefore I can allow no discussion. A discussion in such circumstances has not been permitted for some years. I can remember an argument taking place on this very question.

Mr. TONKIN: Are we permitted to discuss only matters in connection with which there is a vote?

The CHAIRMAN: Members may discuss only departments for which appropriations have been made from Consolidated Revenue. There are other items besides this one which cannot be discussed under the Estimates.

Mr. TONKIN: Could I have discussed this matter at the commencement of this division, under the heading of Treasurer?

The CHAIRMAN: Yes, under the general Estimates.

Mr. TONKIN: Let me be clear about this. We have been caught before, and I

do not wish to be caught in the future. On page 35 there is a heading "Treasurer." Could I have discussed this matter when that page was under consideration?

The Premier: Yes.

The CHAIRMAN: The hon. member could have discussed it under the heading of "Treasurer" and under the heading of "General Estimates"; he could have discussed the whole administration of the Premier's Department, including the Workers' Homes Board, in a general way, but when we come to the division there is no appropriation from Consolidated Revenue, and that precludes discussion.

Mr. TONKIN: I take it that you rule that the only time at which a discussion on the Workers' Homes Board could have taken place would have been during the general discussion on the Estimates.

The CHAIRMAN: During the discussion under the heading of "Treasurer" or under the Loan Estimates.

Mr. TONKIN: Now, Mr. Chairman, you are further confusing me. Could I have discussed the matter under the heading of "Treasurer" if I had spoken about it on the discussion of the Estimates?

The CHAIRMAN: The hon. member could have discussed the matter during the general debate under the heading of "Treasurer."

Mr. TONKIN: I thought you told me I could only discuss it under the heading of "General Estimates."

The CHAIRMAN: No.

Mr. TONKIN: I must have misunderstood you. I would have been in order had I discussed the matter when we came to the Treasury division of the Estimates?

The CHAIRMAN: Yes.

Mr. TONKIN: Then I shall not be caught next year.

The CHAIRMAN: I point out to hon. members that no money is appropriated from Consolidated Revenue for any of the three departments, Workers' Homes Board, Agricultural Bank or State Government Insurance Office. Therefore those departments may be discussed only during the general debate, under the general heading of the Treasury or under the Loan Estimates.

Mr. HOLMAN: Shall I be in order in asking a question regarding workers' homes and a certain person at Whittaker's Mill?

The CHAIRMAN: The hon. member cannot question or discuss the Worker's Homes Board. No money is provided for workers' homes from Consolidated Revenue, and therefore that matter cannot be discussed at this juncture.

Mr. SAMPSON: It is remarkable that certain sums of money are provided to pay for salaries, telephones, postages, stationery and a multiplicity of other details, and at the foot of the statement there is shown a net increase of £855. Surely this money must be provided previous to collection! Surely the Treasurer must approve of those figures!

The CHAIRMAN: Order! The hon. member cannot proceed to discuss this vote. I have already informed members of that. The hon. member may take an opportunity to discuss the matter at a later stage, but he cannot do so now.

Mr. SAMPSON: Very well, I will bow to your ruling, though it appears to be extraordinary.

Vote—Superannuation Board, £2,270:

Mr. McDONALD: How far does the Premier propose to proceed with the Estimates to-night?

The Premier: Only to the end of the Treasurer's departments.

Mr. McDONALD: With the member for North-East Fremantle, I should have liked to say something about workers' homes. I was waiting for the opportunity.

Mr. Needham: And other members, too.

Mr. McDONALD: Will the Premier report progress after this vote has been dealt with?

The Premier: At the end of the Treasury departments.

Vote put and passed.

Vote—Miscellaneous Services, £635,311—agreed to.

Progress reported.

House adjourned at 10.43 p.m.

Legislative Council,

Tuesday, 17th October, 1939.

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

ASSENT TO BILL.

Message from the Lieut.-Governor received and read notifying assent to the Profiteering Prevention Bill.

PERSONAL EXPLANATIONS.

Hon. J. Cornell and the Inspection of Machinery Act Amendment Bill.

HON. J. CORNELL (South) [4.35]: Under Standing Orders 383 and 385 I wish to make a personal explanation. In the course of my remarks upon the Inspection of Machinery Act Amendment Bill I inferred that to-day internal combustion engines, 16 inches in diameter or under, were not subject to inspection, and that it was proposed to reduce the size to 12 inches in diameter. What I meant to say, and should have said, was that irrespective of the size of the cylinders, those engines were subject to inspection to-day, but that it was not necessary for a man to have an engine-driver's certificate to drive an internal combustion engine of 16 inches in diameter or less, and that the Bill proposed that an engine-driver's certificate should start in connection with the 12 inch diameter instead of 16 inch as heretofore.

Hon. C. F. Baxter and the Inspection of Machinery Act Amendment Bill.

HON. C. F. BAXTER (East) [4.37]: I, too, wish to make a personal explanation. The debate on the Inspection of Machinery