

community, and I am quite sincere in making that statement. I trust that any benefits that may be derived from the deliberations of the House will be achieved in conjunction with the other two parties. In my opinion, Western Australia is a State second to none in the Commonwealth, and it is only a matter of putting our heads together in order to make it a place worth living in. May it be prosperous for all time. I welcome the opportunity to take a seat in the House, and I trust that the deliberations of members will prove of benefit to everyone in the State.

**MR. J. HEGNEY** (Middle Swan) [3.49]: I formally second the motion.

On motion by Hon. C. G. Latham, debate adjourned.

### ADJOURNMENT—SPECIAL.

**THE PREMIER** (Hon. J. C. Willcock—Geraldton) [3.50]: I move—

That the House at its rising adjourn till Tuesday next at 4.30 p.m.

Question put and passed.

*House adjourned at 3.51 p.m.*

act as temporary Chairmen of Committees during the current session, namely, the Hon. J. Nicholson, the Hon. V. Hamersley, and the Hon. G. Fraser.

### QUESTION—RAILWAYS, DIESEL CARS.

Hon. J. CORNELL (for Hon. H. Seddon) asked the Chief Secretary: 1, What was the total mileage run by the railway Diesel cars in each district during the year ended the 30th June, 1939? 2, What was the total number of passengers carried by them in each district during the same period? 3, What was the running cost per mile?

The HONORARY MINISTER (for the Chief Secretary) replied: District costs are not segregated, but particulars of the main routes operated are as follows:—

	Mileage.	Passengers.	Running costs per mile.
Perth to Merredin—			d.
(Main line) ..	52,215	13,510	11.02
(via Wyalkatchem) ..	64,598	12,300	11.05
(via Quairading) ..	62,997	10,308	10.93
Perth to Katanning ..	65,599	14,906	11.01
Perth to Bunbury ..	11,853	5,002	11.08
Bunbury to Busselton, Donnybrook and Northcliffe ..	39,685	17,905	10.76
Geraldton to Mullewa and Yuna ..	53,473	10,209	9.31
Total ..	350,420	84,140	10.72

## Legislative Council,

*Tuesday, 8th August, 1939.*

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

### CHAIRMEN (TEMPORARY) OF COMMITTEES.

The PRESIDENT: I desire to announce that in accordance with the Standing Orders I have appointed the following members to

### ADDRESS-IN-REPLY.

*Second Day.*

Debate resumed from the 3rd August.

**HON. C. F. BAXTER** (East) [4.47]: It is pleasing to note that, apart from the customary seasonal maladies from which members may have suffered, nothing of consequence has happened regarding the health of either the members or the staff of this House since we last met. Unfortunately the same cannot be said of those associated with the Legislative Assembly. Two deaths have occurred since Parliament last met, one of which was in exceedingly

tragic circumstances. The late Mr. MacCallum Smith, who served for a long period in another place as member for North Perth, passed away last week-end after an illness attended with much suffering. The late honourable member was respected by all who knew him. He was a man characteristically open in his dealings, a man of large heart. He had done a tremendous lot to further the development of Western Australia. His interests were varied. He owned farms and stations. In the South-West he controlled a very valuable property. He never tired of spending large sums of money on improving the different classes of stock in the State by means of importations from the British Isles. To sum up, he was the type of man of whom there are all too few in Western Australia. He was a man who could ill be spared. We can only trust that someone will step into the breach and carry on the activities to which the late honourable member applied himself so assiduously. All members will join me in expressing sincere sympathy with Mrs. MacCallum Smith in her very serious loss. I referred to the tragic circumstances surrounding the death of one member of another place, the late Miss Holman. It was indeed a terrible happening on the very eve of the general election. Her death followed upon a motor accident and tragic as that in itself was, the worst feature of all was the fact that Miss Holman was in the prime of life. She had served her apprenticeship in Parliament and had become a very useful representative, not only of her own district of Forrest but also of the people of the whole of Western Australia. She was very charitable and never tired of expending effort—and she had great ability in that direction—in doing all she could in the cause of charity. She would go very long distances to entertain people on behalf of charity, and her loss is great indeed. I feel that other members, like myself, will extend sincere sympathy to her family in their sad bereavement.

The Lieut.-Governor's Speech has been referred to as an annual record of the State's development and therefore something that will be of great value in future years. In those circumstances, it is only natural for us to desire that the record should show the exact position of every industry referred to in the Speech. In this connection I

draw attention to the following statement in the Speech:—

Although the State has demonstrated a remarkable capacity to withstand the effects of low prices for wool and wheat—

But has the State shown a marked capacity to withstand the effects of the low prices for wool and wheat? To what portion of the State is reference made? The State finances—the finances of the Government—have suffered considerably, but, looking beyond that aspect altogether, great suffering has been endured by the community in general. While a certain section of people has not suffered very much, all have shared in the general hardship because the position of the wheat industry affects the livelihood of every person in the State. When one speaks to those directly concerned, not alone the wheat farmer but all those connected with enterprises allied to the wheat industry, he finds that there has been considerable suffering, and that those engaged in such industries have had to reduce the number of their employees.

Hon. G. W. Miles: One man had to pay a bushel of wheat for three cups of tea.

Hon. C. F. BAXTER: One-and-a-half bushels of wheat have been valued at the price of an 18d. packet of cigarettes and two tins of cigarettes have had the value of a bag of wheat. The next matter to which I wish to refer is very important and is one concerning which we have experienced a good deal of trouble. The Speech reads—

My Government intends to submit to Parliament legislation to combine the financial emergency and income taxes. Greater effect must be given to the principle of taxation according to ability to pay, after making allowances for the usual statutory deductions.

The reference to the intention to combine the two taxes is at absolute variance with what has been said on every platform in Western Australia and in other places, where the statement has been made that the intention was to abolish the financial emergency tax. I do not propose to deal with that matter at length because a Bill will be introduced at a later stage. I do, however, wish to issue a word of warning concerning the reference to taxation according to ability to pay. That can mean only one thing, as members who have been in the House during the time we have been fighting the imposition of the emergency taxation, session after session, are aware.

Members know perfectly well that this is only a move to extend further exemptions to the people who so strongly support the Government. I have gone into the matter thoroughly and I assure members that it will be difficult to arrive not only at the number of persons who should be granted exemption as a result of the merging of the two taxes, but also at the amount that will be lost through those exemptions. To arrive at what rates will have to be applied to taxpayers to make up the amount so lost will also be difficult; because clearly the Government, in view of its present financial position, cannot forego the money obtained from the emergency tax. However, there is time enough to deal with that matter at a later date when the Bill comes before the House.

The Speech makes reference to the position of the wheat industry and that reference amounts to a statement that the Government is prepared to support the Commonwealth Government and the other State Governments in agreeing to a scheme for an international agreement evolved as a result of an international conference. I commend the Government for having taken a step in the right direction. I can perceive now that at last this Government—doubtless because of its new composition—is prepared to foster an industry that is so important to this State and the people of this State. It is very gratifying indeed to discover that such is the position. I did think that when we lost Mr. Troy as the responsible Minister for this State, the amounts shown as assistance to farmers would not include sums not actually paid out by way of assistance to farmers. The Speech states—

Assistance rendered through the Agricultural Bank to enable settlers to continue their farming operations was as follows:—Industries Assistance Board £152,404.

That is all right; that is assistance which has been given. The next item is "Refunds of interest, £22,279." That, of course, represents interest that settlers have been unable to pay. That money has been allowed to remain in their hands in order that they might carry on their farming operations; it is not money that has been paid out—it is money that the Government could not collect.

Hon. J. Cornell: It has not been wiped off.

Hon. C. F. BAXTER: No, it has been charged up. The next item is "exemptions enabling settlers to obtain advances against stock accounts £30,381." That is no cost to the Government either. So refunds of interest are set down at £22,279 and exemptions for advances against stock accounts at £30,381. This means that instead of the assistance rendered being £205,064, the amount is really only £152,404, the amount advanced by the Industries Assistance Board.

I am pleased to see the reference to a stock route for the North-West. The paragraph reads—

A stock route from the Fitzroy River to Wyndham has been located which, when the required improvements have been made, will enable large numbers of cattle to be driven to Wyndham. The work of improvement will be commenced at an early date.

The provision of that stock route will supply a long-felt need, for the reason that cattle owners have so far been unable to take advantage of the Wyndham Meat Works because there has been no route along which the cattle could be taken. I hope the Government will waste very little time in commencing this project, because the route is badly needed to assist the development of that portion of the State.

In the matter of education, the Speech states—

The expenditure on school buildings last year showed a marked increase. A new High School has been completed at Geraldton, and a site has been secured for a new post-primary school south of the Swan River. Extensive improvements are being made to accommodation and facilities for technical training. Considerable progress has been effected on the new building at the Perth Technical College for trade and industrial classes, and the new training building for domestic science will shortly be commenced. Provision is being made for young people at Fremantle to secure training in industrial occupations, and a metalwork centre is being established at Collie. A new School of Mines has been opened at Wiluna and improvements have been made to the school at Kalgoorlie.

Each and every one of the buildings that have been provided to establish better facilities for education have been built at a very high cost, and it is strange that in every instance these buildings have been erected in districts represented by members of the Government. There is no doubt that this work has been carried out for the purpose of gaining votes at the elections. There is

one reference I wish to make on the subject of the carrying out of undertakings of this description, and it is the fact that in every case the buildings have been erected departmentally. Tenders have not been called in a single instance, and no opportunity has been given for competition. That principle is wrong, and it is remarkable the extent to which it has been carried out by the present Government. We had the sale of the valuable ship "Kangaroo" for the sum of £25,000 without tenders having been invited from people who might have been willing to purchase the vessel at a higher figure. This principle should not be permitted to continue. In every instance tenders should be invited and the department should also be asked to submit a tender in competition with outsiders. Then if the department's tender happened to be the lowest, everything would be all right. The Government claims that it has spent over a million pounds on improving the road system of the State. I admit that that amount of money has been so spent, but why not give credit to the Federal Government for finding a good deal of that sum? There is very little State money included in that total. Has it not been mostly Federal Aid Roads money? Mr. Fraser referred to the construction of the Fremantle bridge. Is not that work also being carried out with Federal Aid Roads money? Surely some credit should be given to the Federal Government for having made possible the good roads that we find throughout the State at the present time.

The Speech concludes with a reference to the legislation it is proposed to introduce, and in the list we find hardly annuals such as an Arbitration Act Amendment Bill, Factories and Shops Bill, and a Fair Rents Bill. Anyway, we can deal with those at a later stage when they are before us. Probably the Government considers that, having obtained a new lease of life, it can with confidence again submit this type of legislation. If the amendments that those measures are to contain are at all reasonable, and will not increase the already crushing burden being borne by the people, the Bills will receive fair consideration by members in this House. We told the Government last year that whenever legislation that was considered reasonable was submitted to this House, members would always be prepared to give it every consideration. Before dealing with other matters, I wish to lay stress

on the fact that while my criticism may appear harsh, it is a duty I owe to the community to draw attention to the continual drift of the State and to the possible dangers of the future, and that if drastic remedies are not applied there will follow untold misery and loss. Both can be avoided by an alteration in the administration of the State's affairs, otherwise we shall drift towards unification.

A matter of most serious concern is the present congested position of the wheat industry, a position that has been brought about by world economics. The threat of war over the period from 1929 to the present day has caused many countries to grow wheat, and in those countries it has been found necessary to provide heavy subsidies to enable crops to be grown, the main reason being the desire to become to a certain extent protected for food supplies. The result has been to limit the amount of wheat needed for export from wheat-producing countries. In 1929 well over 800,000,000 bushels of wheat were exported, whereas this year the quantity just exceeded 500,000,000 bushels; consequently, wheat-exporting countries became congested. In addition, some countries were forced through economic circumstances to use other commodities that were more easily acquired. Even should a war occur, it is very necessary to keep the primary industries operating, more especially the wheat industry and funds should be diverted by both Federal and State Governments for this purpose. To allow the present position to continue will mean stagnation, and industries are of vital necessity during war time. Future prospects are such that a restriction on the quantity of wheat produced will be forced on wheat-growing countries. Consequently it will be necessary for all wheat-growers to reduce the acreage sown for grain and to increase their efforts by stock-raising. Whatever system is adopted regarding assistance to wheat-growers, it appears certain to be on a restricted basis, and that naturally cannot take effect until the 1940 season. Both Federal and State Governments, even at this late time, have shown a desire to save part of the wreckage in the industry, as they realise the importance of the industry to the well-being of Australia; and it is expected that finance will be provided to establish a price of 2s. 8d. per bushel on a 4d. freight basis for the coming harvest. The prospects of

an international wheat agreement are not encouraging. Thus a heavy responsibility will be entailed on the Australian Governments. If the international agreement prevails, or if funds are provided to establish a payable price for wheat, it will be only on a reduction of the quantity of wheat grown; in other words, compulsory reduction. In the past wheatgrowers have had very scant treatment at the hands of the Government of this State, but I feel that in the new Minister for Lands—Mr. Wise—we have a gentleman who is not only seized with the importance of the industry to the State, but whose ability and broad vision will bring better results than we have had to date. The former Minister for Lands—Mr. Troy—was always adamant in stating that his Government had provided 4½ million pounds for wheatgrowers. The statement was characteristic of that gentleman. Taking the period from July, 1930, to June, 1938, the position shows that for the eight years only £273,000 was expended by the State to assist wheatgrowers. The amount covered—

	£	£
Expenditure on drought relief	347,816	
Less repayments .. ..	124,690	
leaving a balance of .. ..		223,126
Wheat cartage subsidies .. ..		24,239
Destruction of locusts .. ..		25,754
Total .. ..		£273,119

This small amount, over such a period, not only shows unsympathetic treatment of the growers, but assists in dealing a death blow to one of the State's most important industries—an industry which sheds benefits in directions too numerous to mention, and, above all, provides substantial funds abroad for State interests and general trading. The other portion of this extraordinarily misleading claim is made up as follows:—

1. Amounts written off debtors' accounts prior to assumption of control by commissioners under the 1934 Act .. ..	£ 325,240
2. Amounts written off subsequent to the passing of the 1934 Act .. ..	3,688,040
Total .. ..	4,013,280
3. Land rents written off conditional purchase lands .. ..	248,477
4. Water rates written off largely in respect to wheatgrowers .. ..	60,801
Total .. ..	£4,322,558

Why claim this as assistance to wheat-growers, whereas it represents amounts that could never be recovered? The Government did not provide any funds whatever in this connection, and cannot claim any credit for an act that could not be avoided. It is quite common knowledge that the State Government—which has entire control of agriculture within the State—always looks to the Federal Government to meet all calamities and provide all assistance to producers. As a matter of fact, the state Government has always been adamant in its attitude in not supplementing Federal moneys provided to assist the primary producing industries. Contrast the State's assistance as against that of the Federal Government, taking a period of eight years only. The Commonwealth assistance for the relief of wheatgrowers in this State from July, 1931, to June, 1939, was as follows:—

Relief of Wheatgrowers:	£
1931-32 .. ..	690,000
1932-33 .. ..	463,000
1933-34 .. ..	639,000
1934-35 .. ..	868,000
1935-36 .. ..	393,000
Total .. ..	£3,053,000

In addition it is important to note the sums provided for farmers' debt adjustment. These were as follows:—

	£
1935-36 .. ..	150,000
1936-37 .. ..	314,000
1937-38 .. ..	300,000
1938-39 .. ..	300,000
Total .. ..	£1,064,000

Thus we have a grand total of £4,117,000, against only £273,000 odd provided by the State. In addition the State receives a disabilities grant, funds to provide rabbit netting to farmers, and the Federal Aids Road Grant, etc. It is extraordinary therefore to find that the State Government has not given any assistance worth while to its most important industry, while at the same time it glibly advocates the establishment of what logic would consider an elusive project, namely, secondary industries.

In the Lieut.-Governor's Speech a feature has been made of secondary industries. I quote the passage—

My Ministers have determined to concentrate upon the task of promoting industrial development, which it is hoped will bring in

its train the investment of capital, a larger market for raw materials, increased employment, greater population, and a larger measure of economic stability. It is now generally agreed that the extension of Australia's secondary industries should be decentralised, to strengthen the smaller States from both the industrial and defence aspects. The Minister for Industries will devote most of his time to this task. A Council for the Development of Industries is being set up, and two committees are shortly to be established, one to deal with production problems associated with industry, and the other to promote the sale of locally produced goods. An officer is to be appointed to assist the council and the committees in their work, and to co-operate with manufacturers generally in the endeavour to expand industrial activity.

That sounds nice reading in the Speech. Last session an effort was made to appoint an expensive board, but the Legislative Council wisely disagreed to the proposal. Complaints are made that some local industries are refused recognition and assistance. Quite recently there was an invasion of the Eastern States by the Minister for Industries and his lieutenant—two laymen as regards manufacturing—to influence highly proficient captains in the industrial world, and hard-baked commercial and financial men, to establish industries in Western Australia. A very worthy object, but under our State's conditions a poor chance of success. It would be interesting to know the opinions of those approached.

Let us take the position of the Eastern States manufacturer. He has the trade of over two million customers around his factory door, and in a congested area. Consequently, with such trade, he can afford to acquire expensive and efficient machinery, carrying a heavy capitalisation such as the trade of this State would not warrant. Eastern States manufacturers have facilities not available in this State. After running their factories for the greater part of the year to supply Eastern needs, they can keep their establishments running to supply surplus trade, such as that of Western Australia, or of Tasmania. They can do this even if their goods return only the bare cost of raw material plus working expenses. How can a Western Australian manufacturer with such a small outlet for his goods—we have a population of 462,000 people spread over a very wide area indeed—hope to compete? But the killing factor is costs. Our conditions of operating involve costs much higher than those

ruling in Eastern Australia. It is interesting to note that the leading hand in Western Australia in imposing conditions which are excessively costly as compared with those ruling in the sister States is Mr. Hawke, who went on the trade mission. He is foremost in the van with the Government which, session after session, attempts to force amendments into the Industrial Arbitration Act, the Workers' Compensation Act, the Factories and Shops Act, and the Partnership Act, all tending to increase costs to already overburdened industries.

Only last session amendments were made in the Workers' Compensation Act adding 5 per cent. to all premiums under that Act—a statute which, as regards competition with other States, imposes an excessive burden on industry in Western Australia. A comparison of workers' insurance rates in Western Australia with the rates obtaining in Victoria, our chief competitor, shows the impossible position from the aspect of successful competition. Though I shall quote State Insurance Office figures, they are not important, since most of the insuring is done with the Underwriters. The rates per cent. are—

		State Insurance Office.		Underwriters' Association.		Victoria.	
		s.	d.	s.	d.	s.	d.
Bakers	...	35	0	45	0	14	9
Blacksmiths	...	50	0	62	6	29	9
Builders	...	100	0	108	0	66	0
Butchers	...	85	0	93	6	41	3
Drovers	...	100	0	140	0	36	3
Electroplaters	...	54	0	68	0	18	3
Glassworkers	...	80	0	100	0	28	9
Machinery	mer-						
chants	...	64	0	80	0	17	3
Quarries	...	200	0	225	0	132	0
Stevedores	...	270	0	203	0	132	0
Sawmilling	...	250	0	210	0	74	3
Sleeper contractors	...	600	0	525	0	132	0
Well-sinkers	...	216	0	230	0	49	0

And to these Western Australian figures 5 per cent. must be added, this increase being required to meet higher costs under amendments made in the Workers' Compensation Act last session. Further, wages unfortunately are lower in Victoria. I deprecate this fact. I believe in good wages, and consider the State's basic wage far from excessive. Victoria, with its Wages Boards, operates under the Federal basic wage, which is about 2s. per week below ours, but at one time was 10s. below. Regrettable as this is, it

gives Eastern States manufacturers an advantage over our industries.

In view of the circumstances I have stated—and I am not finished yet—persons would need wonderful optimism to believe that their influence would have any effect whatever in inducing Eastern States manufacturers to open here. In addition, Eastern States commercial men are not ignorant of the fact that Western Australia for some years has been dominated by the Trades Hall. This is the greatest stumbling block. Investors are afraid of the Tammany Hall of Western Australia which is thoroughly controlled by bosses Mooney and Trainer. The practical effects of Tammany rule are shown in many ways, such as (a) by locking the doors of the unions against all save those who, in the opinion of the Trades Hall bosses, are worthy of membership; (b) by absolute disregard of established authority, including Parliament and the laws it enacts; and (c) by gross interference with the course of justice when the law is involved. With regard to (a), there are many men to-day unable to work at their accustomed jobs because the unions which control those jobs have refused to admit them to membership. Last year the Arbitration Court granted preference to unionists in several awards. Whatever the court's objective in so doing may have been, I am certain that the preference was not intended to be used for the purpose of making the building trades unions close preserves of men already fortunate enough to hold union tickets and of other men who were able to curry favour with union executives, to the complete exclusion of any worker who does not measure up to these classifications. One of these unions has charged as high as £5 entrance fee to new members since that provision was inserted in its award, and there are too many instances of workers being thrown out of employment by the refusal of unions to accept their applications for membership.

Hon. G. Fraser: I suppose you know that one of the unions you have just mentioned is not associated with the Trades Hall?

Hon. C. F. BAXTER: Those particular unions are associated. In regard to (b), numerous cases have occurred in which the union junta has defied the law, held up industry, and caused enormous losses not only to capital but to labour itself rather than submit its disputes to constituted authority.

Our industrial history bristles with instances wherein the Trades Hall bosses have been ably supported by Ministers who, in doing so, have ignored their oath of office for the purpose of flouting the law and supporting direct-actionists.

Hon. J. Cornell: Why worry about that when the country has endorsed it?

Hon. C. F. BAXTER: From all of these sad occurrences I pick the latest for illustration. Some eight days ago, without any warning whatever, approximately 260 workers walked out of the factory of Mills and Ware, Ltd., Fremantle. They are still on strike, and support of their action has been publicly declared by the heads of the Fremantle Trades Hall and the Perth Trades Hall, including the State executive of the A.L.P.

Member: No.

Hon. C. F. BAXTER: That statement is wrong, but everyone knows that the Labour platform contains a plank providing for the settlement of industrial disputes by constitutional means. Therefore everyone is entitled to ask why the political constitution of the Labour Party has been thus sabotaged. Further, every citizen has the right to expect a statement from the Minister for Industries, Mr. Hawke, as to his attitude, and from the Minister for Justice as to why, up to the present, he has refrained from invoking the penal sections of the Industrial Arbitration Act against the law-breakers. Perhaps Mr. Nulsen may be forgiven, because in the first place he is a mere tyro in his office, and in the second place, it would require perhaps more than ordinary courage to do differently from what some predecessors of his in the same office have done. However, Mr. Hawke, fresh from what he has led us to hope are conquests of Eastern industrial battlefields, has less than no excuse at all. His complete silence on this subject shrieks loudly of his political ineptitude and insincerity. This champion of local industry can amuse himself with the fiddle of political publicity whilst one of our most promising industries is being throttled to death. His photograph and his promises of great deeds in industrial expansion can appear cheek by jowl in the very same issue of our leading daily with the announcement by the strikers that their organisation for defiance of the law is being supported by the official heads of the industrial wing of the Labour Party;

and he keeps silence. Maybe it is a masterly silence. Perhaps it is the new technique evolved by him in the development of secondary industry which prevents his doing anything practical save making speeches to maintain and encourage its growth. The only thing that can be said for the Government and the Minister for Labour is that the Minister has been consistent in this attitude of despising the law, for it was he who flouted the Arbitration Court and its award when his industrial bosses at Collie cracked the whip over him during the latter part of last year.

It cannot be asserted that the Government is ignorant of its responsibilities or that the Minister for Labour is not fully aware of the situation, for the events of the past few months in New Zealand have resulted in the adoption by the Labour Government there of an attitude which should be noted by the Ministers in this State. The defiance by unions in New Zealand of constituted authority grew to proportions somewhat approaching the local conditions, and at one stage it looked as if the situation might get out of hand—as it frequently does in this State—when the New Zealand Government made a pronouncement to the effect that the unions must make a definite choice: they must either accept or reject the arbitration system. I have no desire to weary members, but the matter is important, so I shall read an extract from the 'West Australian' newspaper of the 28th December, 1938, page 9, which deals with this very principle. It is headed—

New Zealand Employers and Workers. Minister Urges Co-operation.

A refreshing change from what happens here!

Auckland, Dec. 27.—In a message to the New Zealand people, the new Minister for Labour (Mr. Webb) says:—"I appeal to employers and workers alike to face up to their responsibilities. If companies and captains of industry expect to secure profitable returns from industries they must co-operate with the employees in a spirit of goodwill. They must also prevent some of their managers and panikin bosses from throwing their weight about and irritating their workmen to the point of exasperation."

On the other hand, he said, workers must realise, too, that if unionism was at all worthwhile they had to live up to the spirit of it. Unionism meant united co-operative action on the part of the members and if a few irresponsible men in industrial unionism imagined that they could stop work and upset industry at

their own sweet will then they had another think coming to them.

As Minister for Labour, he said, it was his intention to co-operate to the full with the Federation of Labour in promoting the best interests of industry in the country. He was confident that the federation would apply itself to disciplining those members who wanted to take the affairs of the federation and their unions into their own hands and who desired to be the government of the country at the same time. Many of these men had had little experience in union matters and did not appreciate to the full their obligations to their comrades.

"The action of some irresponsible unionists in spasmodically stopping and upsetting productive agencies of our country not only has a serious effect on national production, which determines our standard of living, but also means that they are unconsciously stabbing their own unions and Government in the back at the same time," he added.

Do we find the Government of this State taking a similar stand? No. Too much is tolerated from the Trades Hall. Everyone must realise how much the Arbitration Act of this State has done for our workers, how it has raised their standard of living and working conditions to the highest peak in Australia; how, despite the weakness of industry, the paucity of population and the feebleness of finance, we have, by this very Act, raised the conditions of our worker to such a level as to make him the envy of all other workers. Apparently, it means nothing to the Minister for Labour that these conditions have been set up and maintained at the expense of the development of industry. He knows it, of course, but is still prepared to tilt at the industrial windmills of the Eastern States in the vain belief that for sentimental or other such ridiculous reasons the hard-headed business competitors of our struggling industries will recant their present policy. As to (c), in certain circumstances the grossest form of interference with justice can be effected by the refusal of the responsible authority to take action.

The present Fremantle strike provides the perfect illustration. Not only the Minister for Labour and the Minister for Justice, but the whole Cabinet, must be seized of the necessity for some immediate action to prevent a further encroachment on our few forlorn preserves by Eastern States competition. Failure to take such action is not only gross neglect, but positively damaging to State interests. Moreover, such neglect is more than a mere tacit ad-

mission that the Government is prepared to allow itself to be run by its industrial wing; and the present circumstances prove that the industrial wing is controlled by a small clique of unscrupulous and irresponsible reactionaries whose main objective is not the development of the State or the industries conducted within it.

In the past, a system of control existed under which local committees handled disputes in their districts; but gradually this control was taken over by the Perth centre which now, through the A.L.P., controls the whole position. All that union members have left to them is the provision of funds necessary to maintain a very expensive organisation, well staffed with highly paid officials, with luxurious offices, motor cars, etc., and the taking of directions as regards their employment from the despotic centre at Beaufort street. In the past, the Labour Party included men of sterling ability who did their utmost to improve the lot of the wage earner and who always had the highest respect for the law of the land. The Labour representatives of those days also gave reasonable consideration to the position of the employer and had some regard for his difficulties. Unfortunately, as the years have rolled on, there has arisen a new proletarian Pharaoh who knows not the Joseph of justice in the legal sense, nor ethics in the economic sphere. The momentum of the Labour movement has pushed to the surface persons whose selfish interests have guided their actions and who have operated to the detriment of the same unionists and workers who were responsible for their elevation to political power. The stepping stone in this process of political climbing has almost invariably been the securing of a position as paid officer of a union. Then followed the discrediting of those who held responsible positions in the movement so as to pave the way for the aspirant's own selection as a political candidate.

There was very clear evidence of this in the recent election, when candidates—other than union officials—contesting selection ballots were easily defeated. Many good union members will not contest selection ballots, as they realise the hopelessness of opposing officials. A union secretary, after serving a lengthy period in that capacity, was shelved by the members. A rule of Labour is pre-selection of can-

didates, but as the person referred to had been relieved of official union duties by the members, the central body in Perth attempted to force him on to the electors as their representative without a selection ballot—real Tammany methods. However, trouble came from representatives in that district and, as a consequence, the central body was compelled to hold a selection ballot. Instead of holding it in the district concerned, it was controlled from Kalgoorlie—outside the district concerned. The result was far from satisfactory, so far at least as a number of the members was concerned. In one portion of the electorate a sufficient number of ballot papers was not available, and in another portion many members had no notification of the closing date of the ballot. Further, a union organiser stated publicly that he had shown members whom to vote for—his friend, the ex-official. When the result of the ballot was announced, the bald statement was advertised that the ex-secretary was successful by a majority of 11 votes, instead of figures being published to show the results in the various districts. What chance is there for any other than union officials to win a ballot and why do union members submit to such tactics? In addition to the person just referred to, two other new members representing the Labour Party have been elected. Both were union officials. Is it any wonder that of the 27 Labour members in another place, 20 held official positions in unions? Thus we have a Government well controlled by the now famous Beaufort street citadel.

The result of such control is reflected very strongly in the flagrant misuse of the laws of the land. Consider the Arbitration Act, the Arbitration Court and its awards, and also the fact that session after session the Government presses for unreasonable amendments to industrial Acts designed to give more and more privileges to employees, but with no consideration as to whether industry can carry on under such added burdens.

The last financial year closed with a deficit of £220,000, just £200,000 above the Treasurer's estimate of £20,000; and even this estimate was forecast on the basis that the usual £100,000 for railway repairs was not provided. This was to enable the Government to show a better balance sheet. The Treasurer's usual remark that, "In all the circumstances I think the figures are satisfactory," appears to be echoed by many

others in the State who, like himself, appear to have no realisation of the fact that the State is heading for a financial calamity.

Government expenditure per annum has increased from £9,196,000 in 1932-33, when Labour took over the reins of Government, to £11,170,000 in 1938-39, an increase of approximately £2,000,000 per annum, but no improvement is shown for such increase. The yearly increase is not illuminating, but alarming. The annual figures are as follows:—

	£
1932-33 .. .. .	9,196,000
1933-34 .. .. .	9,270,000
1934-35 .. .. .	9,489,000
1935-36 .. .. .	9,945,000
1936-37 .. .. .	10,556,000
1937-38 .. .. .	10,829,000
1938-39 .. .. .	11,170,000

There is only one conclusion to be drawn from such a heavy annual increase and that is that the finances of the State are in the hands of a Government that is not competent to control them. On the other hand, the revenue, mainly through heavier taxation, has returned substantial increases. Thus, if the position was controlled by a competent Government, there should be a surplus each year. The revenue over a period similar to that quoted for expenditure has been as follows:—

	£
1932-33 .. .. .	8,332,000
1933-34 .. .. .	8,481,000
1934-35 .. .. .	9,331,000
1935-36 .. .. .	10,033,000
1936-37 .. .. .	10,185,000
1937-38 .. .. .	10,819,000
1938-39 .. .. .	10,950,000

The amount of revenue received last year was £2,618,000 in excess of the receipts for the year 1932-33. Thus the Government has created records in reckless expenditure and in over-burdening the taxpayers. Can this be, as the Treasurer states, "in all the circumstances satisfactory"? Are taxpayers satisfied with this financial drift, and how long will it be tolerated?

Now turn to the public debt, which also reveals a serious position. In 1933 the public debt of the State amounted to £187 3s. 10d. per head of population. In 1939 it had increased to £205 per head, an increase of £18 per head in six years. Does the Treasurer consider this drift to be satisfactory in the circumstances? Apparently he does. His main desire each year is to see how large an amount he can bor-

row, instead of directing his attention to stopping the drift. One matter that does give cause for thanks is the reduction of interest as a result of conversions, but even with this relief the position has drifted. A statement of the interest account in 1932-33 compared with the year just ended shows the exact position—

1932-33:	£
Overseas loans .. ..	£47,770,000
bearing interest totalling ..	1,932,000
Australian loans .. ..	£35,745,000
bearing interest totalling ..	1,307,000
Total interest .. ..	£3,239,000
1939.	
Overseas loans .. ..	£46,182,000
bearing interest totalling ..	1,761,000
Australian loans .. ..	£47,530,000
bearing interest totalling ..	1,684,000
Total interest .. ..	£3,445,000

It can thus be seen that the State is crashing headlong towards unification or repudiation. How long can this continue? I have referred to the taxation imposed during the six years of Labour rule. The Government had the advantage of an additional £1,543,000 during last financial year compared with the year in which it took office. That represents the increase in taxation alone. The receipts from this source for the several years were as follows:—

	£
1932-33 .. .. .	1,129,000
1933-34 .. .. .	1,369,000
1934-35 .. .. .	1,902,000
1935-36 .. .. .	2,180,000
1936-37 .. .. .	2,404,000
1937-38 .. .. .	2,595,000
1938-39 .. .. .	2,672,000

In that period receipts have more than doubled, and what have we to show for the money? The main increase has been obtained from the financial emergency tax which Labour members, when in Opposition, pledged themselves to abolish. Instead of doing so, however, they have increased the average of the tax from 4½d. in the pound to 9d. in the pound. This, naturally, is reflected in the increased taxation per head of the population, and yet the Government maintains that it has not increased taxation.

The amounts per head of population from all sources of taxation imposed by State Governments, including amounts not

paid into the Consolidated Revenue Fund, during the year 1937-38 were as follows:—

	£	s.	d.
New South Wales .. ..	7	11	5
Victoria .. ..	6	5	2
Queensland .. ..	8	11	8
South Australia .. ..	6	15	4
Tasmania .. ..	7	4	5
Western Australia .. ..	7	4	9

In 1932-33, when the present Government took office, the amount per head was £3 11s. 5d., which was the lowest of any State and was less than half of what it is to-day. Thus it will be seen that the Government, which has often claimed that it has not increased taxation, has actually more than doubled the tax per head in six years, and probably will not be content without further increases to satisfy the voracious appetites of its supporters.

The amount for Western Australia is now only 6s. 8d. less than that of New South Wales and is higher than the amounts in three other States, whereas ours formerly was the lowest. With our few secondary industries of importance, the burden is becoming intolerable. How can industries survive when they are heavily burdened with such imposts and have only a small community with which to trade? What encouragement is there to establish new industries? Surely the Treasurer is not sincere when he states that the position is satisfactory in a State that has used £12,000,000 of loan moneys over the six-year period, more than doubled the taxation per head and still shows a substantial deficit! The Government expenditure of £11,000,000 per annum represents £24 per head of the population—per taxpayer the amount would be still more substantial—and should make the taxpayers realise what inroads are being made into the returns from their daily efforts.

A suggestion has been made by two Government officials that the Government should take over all metropolitan transport. I hope that no consideration will be given to such a proposal. I certainly advocate Government control of traffic, but in my opinion private individuals should be left to operate the transport services, and with this end in view, I suggest leasing the trolley buses.

Many people assert that communism has been advocated for many years but has made no headway. If the matter is con-

sidered, however, the position will be found to be quite different. Take, for instance, the extent of Government control. To every 14 persons in this State, there is one Government employee. In Western Australia there are more than 30,000 Federal and State Government employees, and the practice of extending Government services by the appointment of special boards, etc., means a continued increase of State employees. What could be nearer to communism than that?

The electors were commended by Mr. Fraser for having returned the Labour Party to office. The Government was returned by a minority, and Mr. Fraser, instead of bestowing praise, should have extended sympathy. A large vote was secured by the Government on the promise, voiced by representatives on every platform and by leaflets, advertisements, etc., that the party, if returned, would wipe out the financial emergency tax. That promise threatens to have a boomerang effect later on. Members would be astonished to know what a large number of people believed that statement, whereas the actual intention is to merge the emergency tax with the income tax. There is no doubt that the Government's aim is simply to free from taxation an additional large number of its loyal supporters.

Hon. G. Fraser: That is why Labour was returned. Its representatives made that promise.

Hon. C. F. BAXTER: The hon. member's friends fooled the electors, but they will learn all about it later on. As the Government will procure all the money possible by means of taxation, a heavy increase will be levied upon those taxpayers whose earnings exceed the income tax exemptions, whilst a very large number of people who enjoy the free services provided by the State, such as education, police, hospitals, etc., will contribute nothing whatever towards the cost of those services. I shall have more to say upon this subject when the income tax Bill is presented.

Another means by which Labour candidates, in some instances, received large numbers of votes was by ignoring provisions of the Electoral Act and working on a standard set by themselves. They had no respect for the laws of the country. The many abuses of the postal voting section of the Electoral Act are a disgrace

to the administration of our most important statute, but as I intend to bring before the House a Bill to amend the Electoral Act, I shall not pursue the matter much further at present. The Government did not miss an opportunity to pack doubtful electorates with sustenance workers, and seats were won by so doing. In this way extraordinary use was made of the section of the Act providing for voting by nomads. Again, in almost every electorate in which a Labour candidate stood, special expenditure grants, etc., were made to ensure his return. Members will therefore realise that Mr. Fraser's praise should have been given to a Government that used all the State's resources available to secure the return of its supporters. Probably he expects similar assistance to be extended to him in his contest in West Province next year, but in that expectation he will probably be disappointed. The electors cannot be fooled for all time.

We in Western Australia are faced with many drawbacks. The wheat industry is in a parlous condition. The Premier and the Minister for Lands have gone to the Eastern States to attend a wheat conference. I am gratified that the Premier took an adviser with him. From my discussions with Mr. Wise on deputations, I am satisfied that he has a wonderful grasp of the wheat position, and if anybody can do anything to assist the industry, he is the man. I feel sure that he is sincere in his efforts and certainly I expect him to achieve success. Still, we have many drawbacks to face. Some time ago we passed an income tax measure, which is going to prove very harsh in its operations. Had two or three amendments been included the position would have been rectified, and I am afraid such amendments will have to be made to the Act in the near future. Producers and pastoralists generally have suffered severely. The current season will apparently be a bumper one, not only in the wheat areas but in the South-West. I have no doubt that, with all the soaking the subsoil has had, we shall have a wonderful wheat harvest. Let us hope that the efforts of combined Governments will result in such a price being fixed for wheat as will cover the cost of producing it, and leave something for the living and out-of-pocket expenses of those that are engaged in the industry. I should like to see it

made possible for those people to secure a price that will help them to make up some of the leeway brought about by the low prices that have been ruling. With this talk on different matters, I support the motion for the adoption of the Address-in-reply.

On motion by Hon. G. B. Wood, debate adjourned.

### BILL—SUPPLY (No. 1), £2,500,000.

Received from the Assembly and read a first time.

*House adjourned at 6.4 p.m.*

## Legislative Assembly,

*Tuesday, 8th August, 1939.*

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

### MOTION—CONDOLENCE.

*The Late Miss M. A. Holman, M.L.A.*

**THE ACTING PREMIER** (Hon. H. Millington—Mt. Hawthorn) [4.33]: I move—

That this House desires to place upon record its profound sense of the loss sustained in the passing, under such tragic circumstances, of the late Miss Mary Alice Holman, a member of this Chamber, and that an expression of the sincerest sympathy of members be conveyed to her relatives by Mr. Speaker.