

ing. But I do not suggest the formation of another State. I suggest that the Government pay attention to the southern end of our State, follow the lead of the Minister for Lands, and give that district encouragement, and then it will be found capable of helping considerably to put Western Australia on its feet again.

I should like to refer briefly to two very fine gentlemen who have been lost to this State, the late Mr. E. Y. Butler, magistrate, and the late Mr. F. M. Reedy, headmaster of the Albany High School. I first met Mr. Butler about 37 years ago and, in the intervening time, he had been engaged upon important work throughout the State. He served oversea with the first A.I.F. and after his return continued to prove himself a very worthy citizen. As a magistrate he carried out his duties without fear or favour, and with tact, ability and sympathy. As a private citizen he was ever ready to assist in every possible way. It will be very hard indeed to replace Mr. Butler. Mr. Reedy had been headmaster of the High School at Albany ever since it was built. He never married; the school took the place of a wife and he had a very large family of school children. Throughout Western Australia may be found a large number of men and women who have reason to be grateful to Mr. Reedy. Included in the number are a son and daughter of mine. Although those two gentlemen have passed away, they will be remembered for their noble example. If we follow their example and do all we can for the town, the State and the Empire, we shall not go very far wrong.

On motion by Mr. Wilson, debate adjourned.

House adjourned at 8.17 p.m.

Legislative Council.

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

ADDRESS-IN-REPLY.

Seventh Day—Conclusion.

Debate resumed from the 14th August.

HON. H. J. ROCHE (South-East) [4.33]: When I spoke on the motion for the adoption of the Address-in-reply last year, I suggested that it might be well for Australia—I think that at the time I mentioned Western Australia only—if the State Parliaments were taken more into the confidence of the Federal Government and if secret sessions of the State Parliaments were held. I suggest that if the Premiers and some of the Ministers of State Governments could attend a secret session at Canberra, and were empowered to report back to their several Parliaments, an excellent opportunity would be afforded to clear away some of the misconceptions that I feel sure animate even today some sections of the community regarding the present war situation. Although by no means a defeatist, for I have an abiding faith in the British-speaking races and in the efforts of which they are capable during a period of stress such as the present, at the same time it seems to me foolish that so many of our people should be permitted to remain blind to present day implications. I have heard argued emphatically and determinedly the claim that in view of what has happened recently in Russia, the Germans will be overcome by the Russians and that the war will be ended by Christmas.

Hon. A. Thomson: That is wishful thinking.

Hon. H. L. ROCHE: Yes, but I doubt if it even represents thinking. Members will agree that our five members in the House of Representatives must find it exceedingly difficult to attend to matters affecting the whole of Western Australia, particularly in times of stress such as the present. They must find it almost impossible to keep in close contact with their 40,000 or 50,000

electors and at the same time attend to their Parliamentary duties in Canberra upwards of 3,000 miles away. I am convinced that the State Parliament could assist the Federal Parliament and that State members could help our own Federal representatives, if the Federal Government were to give favourable consideration to the suggestion I make for secret sessions. I realise there is need for secrecy regarding certain phases of the war and our national effort. But to a large extent I believe the element of secrecy is carried too far in Australia. I sometimes wonder if the Federal authorities desire the people to know the true state of affairs, and whether they are not fearful of the judgment of the people if certain matters were more widely known. To my way of thinking, the present attitude of mind of many people must be changed. They must realise that the conflict is, in fact, a people's war and that they are all in it.

While we all hope that a new order will develop as a result of the war, I am afraid the only new order achieved will be that which the people themselves are sufficiently interested in to accomplish. The one thing that seems definite is that amongst the average run of the people who, in the mass, constitute Australia, there will be no such thing as the rich and the poor when hostilities are ended. I am convinced that, apart from the few large monopolies respecting which I hope there may be a public demand for much more rigid control, when the war is over we shall all be poor and our common heritage for years to come will be hard work and the striving for a better understanding amongst the people in order that an improved state of society may be established one far better than that we now know. I do not think we can achieve such results and carry out our full or fair share of the war effort of the British people without organising and controlling the whole of the resources of the community—wealth, industry and manpower. I know that means conscription, a word that some people do not care to use. To me it seems that in a democratic country where the whole of the people are vitally affected, conscription provides the only fair method by which the task can be undertaken. I realise that one section of the community is afraid that it will mean conscription of manpower only. In the circumstances I can well understand such fears. There are

others who, while not opposed to conscription, seem desperately afraid of any suggestion of rigid control of major industries necessary for war purposes. In my opinion both those sections have to forget or forgo their objections in order that we may mobilise the whole of our resources in every sphere for whatever is required. Under conscription it is not left to the individual; every man, if conscription obtains, can hold his head up and face his fellowmen, without any question as to whether he ought to be somewhere else. He takes his turn as he is called upon. Besides yielding the maximum effort, conscription provides the fairest way for all. This, I know, is a Federal matter; but, as a State Parliament representing Australians, we are entitled to express our views and to take a greater part in Australia's war effort. As I have already pointed out, it is extremely difficult for a State the size of Western Australia, with only five representatives in the Federal House, to be kept as fully informed and to be represented as completely as is Sydney or Melbourne. The State Houses, and this Western Australian Parliament in particular, conduct their affairs as efficiently and bring at least the same standard of earnestness and intelligence to bear on State business as can be said of the Federal Parliament. We may claim with justice that we can give a lead to our people, and thus assist them, and indirectly the Federal Parliament, in the war effort.

Recently I had an opportunity of being in Melbourne. When one knows the feeling in one's own State, one is forced to the conclusion that Western Australia has nothing to learn from the Eastern States. One sees there brass bands in the streets, and loud speakers on motor trucks, and placards inviting men to fight for those they love. When one returns to Western Australia, one feels it to be wrong that the men of this State should be enlisted to reinforce Eastern States units overseas. To me, at all events, that seems neither fair nor right. Not that the Western Australian is not a good Australian, prepared to play his part wherever required; but whilst the Eastern States are sharing in a remarkable development of secondary industries, Western Australia is contributing what could be regarded as more than its fair share of the fighting services; and this while some of the other States are obviously not measuring up to our standard.

A matter to which I desire particularly to refer today, although outside the direct control of the State Government, is one that interests our people very materially. I do not agree that we should abrogate the right to discuss matters of particular concern to the Western Australian people merely because, owing to the Commonwealth Constitution, it is held to be a matter for the Federal authorities. That particular matter is the question of wool acquisition by the Commonwealth Government and the position of the producers of wool. I consider that they have claims for a considerable increase on the price that has been paid to them under the wool acquisition scheme. I am one person engaged in the wool industry who has held from the outbreak of the war the firm conviction that the Australian woolgrower has not been fairly treated. Today amongst woolgrowers there is a growing belief to that effect; and I suggest that, as opportunities offer, or else through the operations of the Australian Agricultural Council, the Government of this State, which is as much concerned for the welfare of the woolgrowers of Western Australia as the Federal Government is, might take up on behalf of our growers the question of whether a review of the agreement to make it more favourable to our people cannot be effected. Arising out of that, there is another question, in which at the moment it might be possible for the Western Australian Government to help the growers by intervening; that is, in connection with the proposed appraisalment at Albany. As I dare say hon. members are aware—as, certainly, the Chief Secretary knows—there have been numerous representations by all Federal members, irrespective of party, and also in the early stages by our Premier and our Minister for Agriculture, urging the Federal Government to arrange for other appraisalment centres—namely, at Geraldton and at Albany. The matter seems to have reached an extraordinary stage. A month or two ago the Minister for Commerce announced that the Federal Government had decided that appraisalments should be held at Albany; but up to the last week or so no official advice to that effect has been received in this State. It would appear as though the Central Wool Committee appointed by the Federal Government has either not been advised by the Federal Government or that the committee has not passed on the Federal Government's decision to the State Wool Committee in Western Australia, and has, in fact, taken no

action. If the Chief Secretary could prevail on the Premier, or perhaps the Minister for Agriculture, to intervene at this moment on behalf of the woolgrowers in the lower Great Southern district and also of the people at Albany, possibly the added influence brought to bear on the Federal Minister for Commerce might secure that which up to date has proved impossible of achievement, despite what has been announced as the declared policy of the Federal Government.

Reverting to the question of the wool purchase agreement, as hon. members know, the Australian wool clip was acquired by the Federal Government at a flat rate of 13.347d. per lb. under powers contained within the Constitution and those granted by the National Security Act. I am given to understand that under Section 51 of the Federal Constitution, the Commonwealth Government is empowered to acquire such products as it deems fit at a fair and just price. Admitting, or conceding, that 13.4d. might have been a fair and just price on the 3rd September, 1939, still I do not think anyone will gainsay that today, two years after the outbreak of war, with the increases in costs, 13.4d. does not represent a fair and just price to the woolgrower. That is one aspect of the matter. The whole agreement is, of course, shrouded in secrecy. All the operations of the Central and State Wool Committees seem to be enmeshed in a hush of secrecy, for some unknown reason. It can hardly be said that the Germans would be enabled to win the war if the woolgrower were told how much of his wool was in stock and how much was shipped. We can be told that there is sufficient wheat available after next year to fill St. George's Terrace. And we are told the amount of wheat in stock and shipped. Similarly with meat! Yet the woolgrower is kept in a state of all-pervading ignorance regarding the position of his product, and the people in general are treated similarly. All the people of Australia today are interested in these things, directly or indirectly. When the Federal Government acquired the Australian wool clip, it did so arbitrarily, and, I submit, with very little concern for the welfare of those in the industry, which is in marked distinction to what took place in connection with such products as zinc and lead, the producers of which were guaranteed, under agreement, that any increase in costs would justify a review of the price

contained in the agreement. That the agreement, made supposedly on behalf of the woolgrowers, was not made solely in their interests can, I think, be best demonstrated by this extract from a review by the Department of Information. Amongst other things this article states—

The more cheaply Britain can secure her raw materials the more cheaply she can offer goods to foreign buyers and the more readily can she find the export markets which are essential to her own safety, here in Australia, as well as to that of Great Britain. Our own effort is a dual task. We must help Britain on sea and land and in the air wherever that help is needed; but at the same time we must develop our own defences to the point where the shores of Australia are safe from attack. To defend Australia we must import war material for our own use, and for this purpose, too, wool is providing necessary sterling and dollar exchange. The reader may reasonably ask, what is the point of selling wool and woollen goods as cheaply as possible if the object is to establish large foreign credits. Would it not pay to seek the highest possible price?

The answer is three times "No."

It is "No" because wool must be supplied in great quantities to clothe our fighting forces, and that is not a job for profiteers.

That is rather gratuitous, I think.

It is "No" because moderate prices of raw material, by keeping down the money cost of production and of living, help to resist inflation.

That is the point I would like to emphasise: That the Australian woolgrower is asked by inference to accept something less than that to which he is entitled, and if it is meet and proper that Australia should make a contribution to Britain's war effort, or if it is necessary that that should be done, then not one section, such as the woolgrowers, should make that contribution, but it should be made by Australia as a whole, and the woolgrowers should be paid something more than the present price.

The Federal Government, however, seems quite decided that the woolgrower has been very liberally treated. Under arrangements made at the beginning of the appraisements, wool was made available to the Australian manufacturers at the appraisalment price plus a farthing a lb. As the adjustment at the end of the first year of appraisalment was 8 per cent., it is obvious that the Australian manufacturer got his wool at a price considerably lower than that being paid by the British Government. Apparently realising that fact, the Central Wool Committee in the following year increased the price $7\frac{1}{2}$ per cent. to the Australian manufac-

turer, but as the adjustment that year—that is the year just concluded—was 11 per cent., the Australian manufacturers again obtained their wool at a price considerably lower than that paid by the British Government. I am assured that on the average the wool acquired by the Australian manufacturers has been above the average of the Australian wool clip. Consequently it seems to me that the Federal authorities have altogether forgotten to protect the woolgrower.

Hon. E. H. H. Hall: You mean that the wool acquired by the Australian manufacturers is above the average quality of the Australian wool clip?

Hon. H. L. ROCHE: Yes. The Federal authorities seem to regard the industry as being capable of carrying on at a price 2d. per lb. less than was paid during the last war, and under an agreement which it is doubtful will result in any worthwhile distribution after the war. Under the 1916-18 Wool Purchase Agreement, the Australian woolgrower was entitled to a share of half the profits from the re-sale of wool by the British Government; that is, wool other than that used for Government purposes. Under the existing agreement it is stated that the Australian woolgrower will share half the profits or re-sale to neutral countries only. I think there can be only about two neutrals left in the world that are buying any wool. If they come in, I wonder whether the wool already sold to them will be taken into account as a sale to neutrals and what sort of an accounting the Australian woolgrower will ever be given regarding what has occurred to his wool? I believe these things are entirely under the control of the Central Wool Committee in London which consists of gentlemen associated with the Bradford trade, plus an Imperial Government representative. If the Australian woolgrower is interested in some share, whatever it may be, of the profits, he should be entitled to representation on that committee.

Hon. V. Hamersley: The woolgrowers are not very well represented on Australian committees.

Hon. H. L. ROCHE: They are not adequately represented. I do not want members to think that in questioning the price paid to the Australian woolgrowers, I am relying purely on my own opinion. The price being obtained both in England and America—in England for British wools and in America for Australian wools—seems to

indicate there is ample margin for a much better return to our woolgrowers, without inflicting any great hardship on anyone. In the "West Australian" of the 2nd August the following report appeared from New York:—

The "New York Journal of Commerce" states that Boston wool-trading conditions are rather mixed at present. Buyers are increasing their inquiries and this is taken as a sign that heavy consumption is cutting into stocks, although they are large. Some fine Australian wool has been sold at a dollar to 102 cents on a scoured basis, including duty.

Checking up the exchange rate with the Bank of New South Wales last week, and taking the dollar at 3.218 to the £1, I found that 102 cents represented 6s. Australian; that is, on a scoured basis. I am given to understand that the average of the Australian wool clip for a clean scoured yield pans out at 50 per cent. Taking the Australian wool quoted as being only up to average Australian wool on a clean scoured basis, the price that those people in Boston are prepared to pay is 3s. 2d. lb. greasy. Allowing that it is fine wool, the price the Boston people are prepared to pay is 3s. 2d. per lb. greasy, and that seems to me a handsome increase in price. Although there is an import duty into America, I think a quotation such as that is very fair evidence that a demand exists for the wool at a much better price than the Australian grower is receiving. Let me quote a paragraph from the London Wool Letter published in the "Pastoralists' Review" of the 16th July—

The British woolclip for 1941 has been bought by the British Government at prices showing a material advance on those paid for the 1940 clip. Representative greasy prices at which the wool is to be taken from the farmer are as follows, the corresponding price for the 1940 clip being given in parenthesis for the purpose of comparison:—Lincoln hoggets and wethers, 16d. (10½d.); best Shropshires, 16¾d. (11d.); Sussex South Downs, 20¾d. (13½d.).

There are several other lines showing a difference of about 6d. per lb. sterling. Admitting that that wool is on the spot, it is plain that Australian wool should be bringing a better return to the grower. Some objectors may raise the point that an increased price for wool would make the cost of the finished article too high, but I should like to give the House some figures obtained in Bradford for the Wool Executive of the Primary Producers' Association three years

ago. The gentleman who got the particulars for the executive is well-known, but he asked that his name be kept confidential, although I am prepared to give it to any member who is interested. The figures show the cost of raw wool in the various stages of manufacture. In tops, which is the first process, the cost of the raw wool represents 85 per cent. and other costs 15 per cent. In yarns, the next process, the cost of the raw wool represents 50 per cent. and other costs 50 per cent. In cloth the cost of the raw wool is 30 per cent. and other costs 70 per cent. In the wholesale price for the cloth the cost of the raw wool is 11.6 per cent. and other costs 88.4 per cent. In the retail price for the cloth the cost of the raw wool represents 8.3 per cent. and other costs 91.7 per cent. Members will realise that even if the cost of raw wool increased by 2d. per lb., it would make very small difference to the cost of the finished article and would not seriously affect the disposal of the finished article.

The cost of growing wool throughout Australia is steadily increasing. The Commonwealth Wool Inquiry Committee which, in 1932, made the most exhaustive inquiry into the industry that has been made so far, reported that the cost of producing 1 lb. of raw wool and disposing of it, allowing interest on the capital invested but no charge for management, was 14d. per lb. The woolgrowers are justified in asking for a review of the agreement to the end that it may be made more favourable to them. I hope members will not think that I am wasting time by discussing what is really a Federal matter. I suggest that the State Government, on behalf of the woolgrowers in whom we are all interested, take the matter up with the Australian Agricultural Council or the Commonwealth Government with the object of getting the agreement reviewed. This subject has been before the public for some years, and I trust I have said sufficient to substantiate my claim that an upward review of the price paid to the woolgrower is fully justified.

I would not feel satisfied in speaking on the Address-in-reply if I did not mention the position of the agriculturists. There has been no improvement in the lot of the majority of the farmers during the last 12 months. Seasonal conditions are somewhat better than they were a year ago, but seasonal conditions are a matter of small

moment to many farmers in the State. They are living on a subsistence doled out to them, I should say, on the basis of allowing the least possible amount to keep body and soul together and retaining the farmers on their holdings, their lives being dictated to them by their creditors. We as a State cannot go on deferring indefinitely the pressing need for a drastic overhaul of the position of the farming community. Dr. Currie, Vice-Chancellor of the University, stated a little while ago—

The farmers in this country are an unprivileged class, and when you have an unprivileged class in the community, you always have the danger of a poor white trash developing.

Presumably he was using a term applied to the poor white cotton growers in the southern States of America—

Equality of opportunity should be a cardinal principle of a democracy.

That equality of opportunity does not exist for the rural community; it cannot exist under present conditions. It is high time the State Government altered its attitude to secured debts, which are pressing so heavily on the farming industry. I find it difficult to understand the attitude of the Government. I appreciate that the Agricultural Bank has written off a large sum of money. I know that most of that money was written off group settlement and a lot was written off soldier settlement. A considerable amount has been written off farming generally, but it has been written off on a basis that has left valuations too high and the servicing of the secured debt too much for the properties to carry.

The cost of growing our produce is increasing all the time. If that is the position of clients of the Agricultural Bank, it is equally so of farmers indebted to other institutions. What will be the outcome if we continue in this way? Does the Government believe that the agricultural industry as we have known it, has passed its zenith and is doomed, and that we cannot look to it to play its former part in the economy of Western Australia? Does it believe that under controlled economy throughout the world we shall have to look to secondary industries, and that such industries will be the only ones worth while, because other nations will not be able to take our primary produce? If that is the belief, the right and proper thing to do would be to tell the

people so, and the State and the Commonwealth Governments could then take the responsibility of transferring the surplus producers in the primary industries to other vocations that offer some opportunity, instead of allowing men who have grown old in the industry to carry on broken in spirit and with no outlook, hoping against hope that something better will turn up.

A recent visitor in the person of Mr. Holmes, the British Labour Leader, who impressed everyone who heard him with his earnestness and sincerity, stated at a meeting of the Primary Producers' Conference—

Those who produce the munitions of life are entitled to the same consideration as those who produce the munitions of death.

All can agree with that; yet that is not happening. Those who produce foodstuffs for the community are not receiving anything like the consideration that is given to other sections of the community or anything like the consideration to which they are entitled. I appeal to the Government to reconsider its attitude and take action that will restore a measure of hope to the people who are carrying on in such utter hopelessness at the moment. I do not wish members to think that I am criticising the Government merely for the sake of criticising, but the Government is in a position to assist along the lines I have indicated. The Chief Secretary might think that this subject is something of a hobby horse of mine. I feel that the major, if not the only justification, for my being a member of this House and for my speaking today is the position of so many thousands of people who are engaged in the industry in which I myself am engaged and whose outlook appears so impossible.

There is another matter to which I shall make brief reference, but it is becoming so involved as to be impossible of being dealt with in a few moments. I refer to the recent increases in the price of superphosphate, and the effect on Western Australia, a State which, owing to the character of its land, is more dependent than any other on superphosphate. The price is being pushed up more and more, but the returns received for produce are not increasing. From information I have gathered, I question whether some of the increase in the price of superphosphate can be justified. Before the destruction of the appliances at Nauru,

phosphatic rock was loaded there for 13s. per ton f.o.b., and was made available at Australian ports at 45s. per ton c.i.f.e. Under peace-time conditions, that seemed to be a big margin to cover the cost of sea transport. Less than 60 per cent. of phosphatic rock is used to manufacture a ton of superphosphate. When we hear that the cost of superphosphate must go up 58s. per ton owing largely to the added cost of the rock, quite frankly I am somewhat incredulous. Although the Federal Prices Commissioner has investigated these increases and has made his pronouncement of what the price shall be, I have not noted any explanation as to why the Pivot company in Geelong should have been forced by the Federal Prices Commissioner to increase its price to the same level as that of other companies operating both in Victoria and the other States of the Commonwealth. That company was selling at 15s. 6d. per ton below the prices charged by its competitors. If the price of the completed article is up 58s. largely due to the increased cost of the phosphatic rock—and bear in mind there is only 60 per cent. phosphatic rock in a ton of super—the cost of the rock must have gone up nearly 45 per ton.

Hon. L. B. Bolton: The cost of production is 2s. 9d. per ton more than the increase granted by the Price Fixing Commissioner.

Hon. H. L. ROCHE: So it is said. I think a good case has been made for an outside inquiry into this matter.

Hon. L. B. Bolton: The companies would welcome it.

Hon. H. L. ROCHE: I suggest, in all seriousness, that on investigation the hon. member might find out that some companies would not welcome an inquiry.

Hon. L. B. Bolton: I am prepared to say that they will welcome it. They want it.

Hon. H. L. ROCHE: A move was made last year in Parliament for an inquiry by a select committee into superphosphate supplies. Possibly better counsels prevailed in the sense that instead of our State Parliament appointing such a committee, the matter was taken to the Federal Parliament, where, however, the proposal was defeated. Consequently we are in the unfortunate position of having had neither a Federal nor a State inquiry, nor is there

one in prospect. The appointment of such a committee, even by the State Government, would relieve the minds of the producers and might bring to light interesting information as to the present cost of superphosphate to the consumer.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [5.18]: Mr. President, before replying to the various members who have spoken during this debate, I have some remarks to offer on the position confronting us today. The opening of this session finds us together at one of the most worrying times in the history of our Commonwealth of Nations. Democracy—that ideal for which we have always fought and for which every lover of freedom is now fighting—is vigorously assailed on all sides; and it has been left to the British-speaking races, helped by the Soviet Union, whose material and practical assistance is of the utmost value, to protect it from its enemies. When Germany first elevated a political figure who will go down in history as one representing all that is detestable, irresponsible and hypocritical in national conduct, none could foresee the tragic fate that would fall so quickly upon the other countries of Europe. We have seen these countries lose for the time being everything that represents the ideals of democracy—freedom of thought, expression, religion and family association. We feel that their freedom has been driven underground but not destroyed. Hope has been dimmed but not quenched, and I feel sure that in innumerable hearts there lingers an insuperable loathing of everything that represents Nazism, and a passionate desire to bring about its destruction at the earliest possible moment.

The democracy for which we are now fighting is the embodiment of all the civilised ideals we are striving to attain. It will continue to be a live and powerful force, and will eventually render the necessary relief to the dominated countries at present under the Nazi heel. Quite recently a meeting of the leaders of two democratic countries took place on the high seas that can be described as the most historic of its kind. Out of that meeting emerged what has been called the "Charter of Freedom," with its eight points, which must be recognised as a document of momentous importance that will live in history as a declaration of parallel value to that of Magna Charta. Here today we find

our own country facing a tremendous task calling for the maximum effort. We have our own particular problems, and whilst it can be said that the Russo-German conflict has revolutionised the whole strategy of the war and for the time being has relieved the Empire forces in the Middle East, there is no gainsaying the fact that the tangled skeins of ambition in the vicinity of our shores involve us very deeply.

Australians are modestly proud of the achievements of the arms of their fighting forces in the various theatres of war. What they are doing, and will continue to do, will make Britain's heroic struggle easier and ultimate victory much swifter. What has already been done in the face of great adversity is a story of human gallantry, great courage and grim determination. Over the last twelve months we have experienced some breathless days. The R.A.F., assisted by air forces from the Dominions, is now meting out a just and ever-growing retribution. The Battle of the Atlantic is swinging our way. The Royal Navy holds the sea, the German Navy has largely been crippled and sunk; whilst the Italian Navy is content to remain and be diminished in harbour. Food and arms are being safely transported to England over our sea lanes, and those ships which have been lost in endeavouring to undertake this task are being replaced by new tonnages, both in Britain and in the United States.

It is a fact that the backbone of the nation in this war is the workshop and the factory. None will deny the amazing adaptability and resourcefulness of our fighting men; likewise too, none will deny the same capabilities of those employed in our workshops. Theirs is a material responsibility, and today that aspect of our war effort has reached a high peak in production. Behind it all is the enthusiasm and skill of a great army of workers engaged in war work, correlated to the determination of the whole of our people. This "army in overalls"—it is entitled to this description—has a great responsibility to those whose gallantry is immeasurable and whose capacity to deal with any situation must be governed by essential supplies. Workers in industry, both men and women, are increasing in numbers and efficiency and applying their skill and knowledge to new war industries, and in so doing are helping to establish Australia as an armoury upon which the Home Country

and our sister Dominions may depend. We must not relax in this effort. To me it is particularly pleasing to note the tone of the remarks of the members who have spoken on this debate. They have recognised this Government's endeavours to live up to its promise of whole-hearted co-operation with the Commonwealth Government in the war effort.

Members: Hear, hear!

The CHIEF SECRETARY: While it may be true to say that, as a result of those efforts, we have not yet succeeded in obtaining as full a measure as members might think we were entitled to, of the various war industries that have been established in the Commonwealth during the last two years, nevertheless I do not think the State can be blamed for that position, if it is a fact. Naturally, when dealing with matters of this kind, those in authority must have regard for the method by which they can obtain the maximum results as quickly as possible. As a result of that policy, with which we must all agree, we are somewhat unfortunate in this State. I am led to believe the position is rapidly improving. As time goes on, and more particularly if this war enters a phase that will make it appear that it is to be a lengthy one, we in this State will, I hope, eventually be able to play as full a part as it is humanly possible for us to do, in the provision of material and equipment that are so essential for the proper conduct of the war.

Hon. A. Thomson: We are certainly helping with regard to the number of men who are enlisting in this State.

The CHIEF SECRETARY: We have nothing to be ashamed of about our war effort in any direction. It matters not whether we speak of the men who have enlisted and gone oversea, the men and the women who are engaged in other war services who have not gone oversea, the amount of money that has been raised voluntarily both in support of our war loans and the various patriotic funds that are being raised throughout the State, we can hold our heads high and say that what we have done in those respects will bear comparison with what has been achieved in any other part of the British Empire. I pay a tribute to the many men and women in this State who have thrown themselves whole-heartedly into so many and varied war efforts as opportunity has offered. As chairman of the

War Funds Council of Western Australia, I have an intimate knowledge of the activities of various sections of the community. When I say that the money that has been subscribed to our war patriotic funds exceeds a quarter of a million pounds, members will agree that the effort is one we have reason to be proud of. It does not matter what phase of the war effort we examine, we find we have no reason to be ashamed at the efforts of Western Australia.

I now come to some of the more specific points that have been raised during the debate, and would refer first to secondary industries. With one exception all members who dealt with that subject were prepared to give the Government a certain amount of praise for the attitude it has adopted and the success it has achieved. Mr. Dimmitt was the only member who had anything of a discordant note to sound. He advanced a rather pessimistic view of the progress made during the past year, and suggested that the Speech delivered by His Excellency the Lieut.-Governor contained statements that were not supported by facts. I was rather surprised to hear that remark. The hon. member has a fair knowledge of the improvement that has been effected in many directions during the time in question.

Hon. J. A. Dimmitt: I gave the Government credit for what it has done.

The CHIEF SECRETARY: I do not think my comment is unfair. The hon. member definitely said the statement could not be supported by facts.

Hon. J. A. Dimmitt: That is not what I said.

The CHIEF SECRETARY: I point out a few things that will indicate there is justification for everything contained in the Speech with respect to secondary industries. For instance, during the year factory employment, exclusive of working proprietors, increased from 21,597 persons to 23,576, and it is now greater than at any other time in the State's history. That indicates the progress that has been made in our secondary industries. Whilst it may not be as great as most of us would like, I do not think the blame can be laid at the door of the Government. Mr. Dimmitt also asked one or two questions in support of his previous remarks. He wanted to know what the Government had done with regard to the establishment of the iron and steel industry. He is aware that for many years the Government has

been rather averse to starting State enterprises, but nevertheless it has done its utmost to support those people and communities who have been prepared to endeavour to establish industries or factories.

Hon. L. B. Bolton: That is the Government's job.

The CHIEF SECRETARY: We have been fairly successful in that direction. The iron and steel plant, which was set up to advise the Government on the possibilities in this State, has supplied comprehensive data concerning raw materials, processes, estimated costs and sites, and many other details. Negotiations are now proceeding in certain directions with the representative of a British company. Frequently in matters of this kind negotiations may be taking place over extended periods, and it is not advisable at all times to state everything that is being done. The hon. member can rest assured that this Government is just as keen and anxious as is any member of this Chamber to have established in this State an iron and steel industry, if it is possible for it to be done economically.

Concern was expressed by Mr. W. K. Hall at the number of inefficient gas producers on the market in Western Australia.

Hon. W. J. Mann: There are a few in this Chamber.

The CHIEF SECRETARY: That is not for me to say. I would point out that there are at least 10 makes of highly efficient approved units now being manufactured in this State. Those units have been subjected to searching tests and can be used with absolute safety and with no fear of damage to the engine. Doubt has been expressed with regard to the use of gas producers on motor cars. Experience in years gone by showed that in many instances they were rather damaging to the motors. It would now appear that we are actually manufacturing no less than 10 different types of gas producer, which I am assured will not damage the engines of cars.

National security regulations are in force prohibiting the manufacture for sale of gas producer units which have not been issued with a certificate of approval after passing the necessary tests. That protection is a proper one to take. The regulations are designed to protect the public against the purchase of inefficient units that may prove

damaging to the engines of motor cars, etc. The Department of Industrial Development advises the public regarding the fitting of approved types of gas producers. The Service Stations Association has also arranged for suitable fitting and servicing stations throughout the State. That organisation will, I feel sure, help to educate the public in the proper use of these plants. An efficient gas producer properly handled can not only obviate the necessity for using imported fuel, but will provide transport at a remarkably low cost compared with the cost of petrol-driven engines.

To relieve the present manufacturing congestion with regard to gas producers, the State Implement Works will manufacture for Government departments, but it is not proposed that they should enter into competition with established manufacturers for private business. The Commonwealth Government recently called tenders and placed contracts for 1500 units in this State, with a view, I take it, to reducing the price to the public.

Hon. G. B. Wood: That has not reduced the price.

Hon. L. B. Bolton: It has!

The CHIEF SECRETARY: I am not in a position to say whether the price has been reduced, but I think it was a desirable action on the part of the Commonwealth Government. We must realise that when a manufacturer has an order for 1500 units, he must find it cheaper to produce each unit than if he were called upon to manufacture one or two at a time.

The formulation of a scheme whereby gas producer units can be made available to prospectors under generous conditions was urged by Mr. Heenan. He pointed out that owing to the petrol restrictions miners were experiencing increasing difficulty in carrying on their work. There is no doubt that a vehicle propelled by a gas producer offers considerable advantage to a prospector, apart from war conditions and consequent petrol restrictions. Timber for the charcoal is available in most parts of the State, and I should say, therefore, it is easier for the prospector to make efficient use of a gas-producer unit than it would be for people living in the city. The Government has given consideration to that aspect, and I am hopeful that it may be possible to provide ways and means whereby approved prospectors are given assistance in the required direction. As a matter of further interest to members,

I may explain that the Government has received requests from various sources and great care obviously had to be exercised regarding any assistance given in a general way. Information supplied to me is to the effect that in many instances the cars concerned were of low value and some had been bought under the hire-purchase system.

Hon. J. Cornell: Quite a number run on their reputation.

The CHIEF SECRETARY: I would not be surprised at that. Consequently, if £50 or £60, if not more, had to be spent on the provision of gas producers, very little security would be available for the individual supplying the unit, unless the cash were forthcoming.

Reference was made by Mr. Mann to the development of the Lake Campion alunite deposits. I am pleased to be in a position to inform members that proposals for the production of potassium sulphate are well advanced, and that the erection of the plant at Lake Campion will be commenced very shortly. Considerable pressure has been brought to bear on the Commonwealth Government to give consideration to the use of alumina obtainable as a by-product of the manufacture of potash for the production of aluminium in Australia. It is believed that alumina from the Lake Campion alunite deposits is the most extensive, satisfactory and economical raw material available in Australia for the manufacture of aluminium.

Hon. W. J. Mann: It is very high grade.

The CHIEF SECRETARY: So I understand. That in itself is sufficient justification for the Commonwealth Government rendering assistance in order that in Western Australia we may be able to establish an industry that is new to the Commonwealth and of such great value. In conjunction with the Tasmanian Government, the Government will continue to bring pressure to bear on the Commonwealth to utilise alumina from Lake Campion and hydro-electric power in Tasmania for any Australian programme to produce metallic aluminium. The deposit is very extensive and there is no doubt that it will be capable of supplying the requirements of Australia and New Zealand for both potash and alumina for a long period.

Concern was expressed by Mr. Tuckey as to whether the Government makes due and proper enquiries before approving of an application for financial assistance for the establishment and maintenance of an in-

dustry. The policy of the Department of Industrial Development is to encourage the expansion of existing industries and also the establishment of new ones, but financial assistance is not made available unless a searching examination by technical experts and Treasury officers indicates that such proposals are sound and that the Government is reasonably secured against loss.

It is generally known that in the past on a number of occasions when the Government endeavoured to foster new industries, considerable losses were sustained. Although efforts were certainly made to avoid that, recent experiences have served to show, after due inquiries have been made and when the occasion demanded, the assistance rendered has been all to the good. Financial statements are received quarterly from all concerns that have received financial assistance. Frequent inspections are also made, and reports indicate a very satisfactory position, amply justifying the advances made over the past two years.

The Government recognises the importance of the application of science to industry, which point was referred to by Mr. Seddon, particularly in regard to the work of the industrial chemist. A modern chemical and industrial research laboratory is being built at East Perth, and applications have already been called for an additional highly qualified industrial chemist.

Hon. W. J. Mann: They are very hard to get just now.

The CHIEF SECRETARY: Of course they are, because throughout the Commonwealth new industries are being established and, particularly since the outbreak of the war, the necessity has arisen to utilise the services of everyone possessing the necessary qualifications. The proposal to establish a power alcohol distillery in Western Australia was referred to by several members and the question of sites seemed to concern them.

Hon. G. W. Miles: Collie would appear to be the best site.

The CHIEF SECRETARY: I hope that phase will not develop into a battle of sites such as we experienced some time ago regarding public buildings.

Hon. W. J. Mann: There is only one site this time.

The CHIEF SECRETARY: I think I can say definitely that the Commonwealth Government has decided to establish a fac-

tory in Western Australia, but has laid down certain conditions governing the selection of the site. The State Government appointed a special committee to examine all possible localities and to make recommendations. The report of this committee has been forwarded to the Commonwealth Government with the request that a special officer be despatched to this State to make a final selection from the sites submitted by the committee. I suggest to members that possibly if they submit in another quarter their arguments regarding sites, they may be more successful than if they confine their attention to suggestions in this Chamber.

In dealing with the question of industries, Sir Hal Colebatch said that whilst it was highly creditable on the part of the Government to establish industries here and there, it would be of far greater importance if the industries we already have were placed on a sound footing. He was referring more particularly to the mining industry, and in the course of his remarks he said that the fall in gold production was alarming, and that this was largely due to ill-considered and unjust taxation. The decline in gold production is deplorable, but it cannot be termed "alarming," nor can it be said to be largely attributable to taxation. I have no doubt that taxation represents a contributory cause, but I would certainly hesitate to say that the position is largely attributable to it.

Hon. J. Cornell: Mining at any time deals with a wasting asset.

The CHIEF SECRETARY: The exigencies of war constitute the main drawback in this respect. The loss of manpower caused by enlistments in the various sections of our armed forces, and the calling up of men for militia training, together with the replacement in some instances of men by others not so conversant with the requirements of the industry, are causing much concern. These are the main factors in the decline to which Sir Hal referred. We all recognise the value to Western Australia of the goldmining industry, and I am satisfied that some of the mining companies are labouring under great disabilities caused mainly by the lack of experienced manpower.

The taxation of certain companies, particularly the Great Boulder Proprietary Ltd., by the British Government under the excess profits tax, has affected some of the mines

operating in Western Australia, and the State Government is making every endeavour to have the position ameliorated. Representations have already been made to the Home authorities, through the agency of the Commonwealth Government, and direct representations have also been recently made. I claim that the present Government has contributed largely to placing the industry on a sound footing, and it cannot be alleged to have taxed the industry. Over twelve months ago when the Commonwealth Government imposed taxation on gold production, strong protests were made by the State Government, and eventually some relief was obtained by the Commonwealth passing a Gold Mining Encouragement Act whereby the tax is being partly remitted to prospectors and low-grade producers.

While we all regret that the State's gold production last year was lower than for the previous 12 months, nevertheless I think the reasons I have advanced possibly furnish the main factors that caused the decline. At the same time I understand that the value of our gold production last year was a record to date. Thus the goldmining industry, notwithstanding the decline in the quantity produced, provided more in terms of pounds, shillings and pence last year than in any other previous 12 months in the history of the State.

Referring to the establishment of industries, Mr. Seddon stated that one avenue that could be explored was the manufacture of explosives. I have caused enquiries to be made and find that the quantity of explosives used in this State in 1931 was 720 tons, of which 91 per cent. was used in the goldmining industry. In 1940, 3,227 tons were used, of which 95 per cent. was used in that industry. This latter would appear to be the zenith year, as the indications are that there is a slight falling off in the quantity used for the first seven months of this year. All the principal mines in this State are committed to contracts for the supply of explosives until 1954. The cost of erecting a factory and providing working expenses to manufacture the total requirement for the State, would be very high and prohibitive for the small quantity necessary to supply the needs of those not bound by signed contracts.

Hon. W. J. Mann: Are those Australian contracts?

The CHIEF SECRETARY: The State's total output of glycerine, which is one of the principal ingredients used in the manufacture of explosives, is purchased under contract for some years ahead by Eastern States' interests. Therefore the inability to obtain glycerine would make impossible the manufacture of explosives, suitable for mining, unless the Commonwealth Government made the necessary amount available, and I venture the opinion that this is doubtful. It was estimated in 1919 that £200,000 would be required to provide a plant and working capital for a factory to manufacture our total explosive requirements. The cost would be considerably higher today. These factors contribute to the inertness of private or State enterprise in the manufacture of explosives; and in the light of this knowledge it would be impracticable to attempt at the present time the establishment of the industry in this State.

When speaking on the Supply Bill Mr. Seddon referred to certain taxation, and I wish to take this opportunity to say something in reply to his remarks. The hon. member said that many salary and wage earners had approached him with complaints that last year they paid income tax and financial emergency tax. Previously, they stated, they had received each year a credit for the amount of financial emergency tax that was paid, but this year they had not got such credit, and found that they were assessed for income tax at a much higher rate than in previous years. They contended that the Government not only collected more tax by disallowing credits previously granted, but imposed on them a double tax. That was Mr. Seddon's statement. I know the hon. member did not use the words I have cited as being representative of his own opinion. I have no doubt Mr. Seddon, in quoting those statements, also made it clear that they represented the viewpoint of a number of people who had discussed taxation with him. He said that he would be glad if it were possible for a clearer explanation of the position to be given than the explanation contained in a letter received by him from the Taxation Department.

The assumption of the people alluded to by Mr. Seddon is not correct. The position is that everyone who was liable for

income tax for the year ended the 30th June, 1941, was liable to pay financial emergency tax for the financial year ended the 30th June, 1940; and in the calculation of the income tax liability for the year ended the 30th June, 1941, those persons had received a deduction for the financial emergency tax paid by them in the year ended the 30th June, 1940. The law on this point has not been altered. A deduction has always been allowed, and will continue to be allowed, for payment of financial emergency tax in calculating the liability for income tax.

Hon. J. Cornell: Those people claim that they paid financial emergency tax as well as double or treble income tax.

The CHIEF SECRETARY: We must always bear in mind, when discussing income tax, that the tax which we pay in any one year is always based on the income of the previous year. If we remember that, we shall have a clearer conception of the present position, which is to most people somewhat involved because of the changeover from financial emergency tax plus income tax to income tax alone. I think it is well known to members that the idea behind the abolition of the financial emergency tax was to give relief to thousands of people with dependants, whose deductions for income tax purposes as regards those dependants reduced the incomes below the basic wage. In other words, we claim that those taxpayers with dependants, especially such of them as were on the lower wage rates, were entitled to some relief. At the same time we said that those with no dependants were entitled to accept an added liability. That was the main idea of the abolition of the financial emergency tax.

There is, however, another excellent feature of the abolition; that if the tax was abolished all taxpayers became assessable for each financial year upon the same standard of income, namely the income of the preceding year. As I said before, I want members to realise that point, whereupon the elucidation of the problem will become simple. When the financial emergency tax was first introduced, in 1933, by the then National Government, the principle of identical liability for taxation was abrogated in favour of taxing wage-earners at the source upon the income of that

particular year, 1932-33, and business people upon their business profits for the previous year, 1931-32. In theory, of course, that was supposed to work equitably, because both classes of taxpayers paid taxes for and during the same financial year, although their respective liabilities were calculated upon the receipts of different years. But taxpayers do not always remain in the one class. For instance, a man may be a working miner in one year, or for part of one year, and a mine-owner in the next year or during some part of the next year. That has from time to time created certain differences. But it can be said that no one has, as Mr. Seddon said, had a double tax. It will be found that all taxpayers will pay income tax for the same number of years, although assessed on different years. In the long run the result will be the same, and quite equitable.

Hon. G. W. Miles: It is just about time they were all caught!

The CHIEF SECRETARY: I make no suggestion about catching anybody.

Hon. G. W. Miles: A lot of people are not paying!

The CHIEF SECRETARY: I am merely endeavouring to indicate as clearly as I can that the changeover which took place last year is quite equitable from the point of view of all classes of taxpayers. While it is perfectly understandable that the subject should become rather involved, more especially when one hears the complaints of that person and this person and the other person who has to pay increased taxation, we have to recognise that thousands of people in this State have received direct benefits as a result of the change in our taxation measures which occurred last year. As regards the question of having paid a double tax, may I suggest that the matter will be clearer if the taxpayer asks himself in and for which financial year he was liable for a double tax; because if the allegation of double tax be correct, it follows that for one year the taxpayer must have paid twice. An examination of the facts will show conclusively, I believe, that no one has paid twice.

The taxation for the financial year just ended, Mr. Seddon went on to say, amounted in round figures to £3,128,000, and the figures for July of this year

showed an increase of £65,000 over the figures for the same month of last year. The hon. member added that it would be interesting to know what surplus the Government would have achieved last year if all the taxation of that financial year had been collected before the close of the year. For many years the Taxation Department's assessing year has commenced from the date of the passing of the taxing measure in one year and has been extended to a similar date for the following year. During the last four years those commencing dates have been—in 1940, the 12th November; in 1939, the 23rd December; in 1938, the 30th November; for 1937, the 18th January, 1938. So for all practical purposes the assessing periods have been from December to December. With the advent of collection at the source, however, it became necessary to complete and issue all assessments to persons in receipt of salary or wages before the 14th June, 1941. The result was that the income tax revenue shown for the year ended on that date, the 30th June, 1941, which of course was concerned with the new system, was much more than the previous normal revenue. Because of the novelty of collection at the source, and to an extent the departmental difficulty in handling the remittances, and also the crowds of taxpayers who, as we know, besieged the taxation offices, some assessments which were due in June were not paid until July or August; indeed, it was found necessary to grant extension beyond August in certain cases.

The surplus of revenue over all expenditure is £11,111. If all the taxation due in that financial year had been collected in that year, the surplus would have been greater—greater by the amount of the unpaid taxes, it is claimed. But that is no more than idle speculation, since it really assumes what is practically impossible. No Government, and few businesses, can expect in any financial year to collect the whole of the moneys accruing due in that year. I have no doubt that Mr. Seddon, who raised this question, realises only too well the correctness of that statement.

Sitting suspended from 6.15 to 7.30 p.m.

The CHIEF SECRETARY: Before tea I was dealing with certain aspects of taxation. During the adjournment, one or two members mentioned how difficult it

was to grasp the position with regard to the amalgamation of the financial emergency tax and the income tax as it applies under existing legislation. I feel, therefore, it might be just as well if I give the House an explanation of the position regarding the financial emergency tax, as it has been submitted to me by the Commissioner of Taxation. The Commissioner cites a number of instances showing clearly the effect on certain taxpayers under the old arrangement and also under the new. I think it would be advisable for me to give that information in full so that it might appear in "Hansard," and in order that members who feel they cannot quite grasp the position as stated in the House may have some authoritative source to which to refer. The Commissioner submitted the following explanation to me:—

(1) Financial Emergency tax was imposed upon citizens differently, according to the source of income. If his income was from salary or wages he paid his tax at the time of receipt, but if his income arose from a business or from property, he paid on an assessment which issued during one financial year but based upon the income of the previous year.

(2) If the citizen's income was from a business or from property, and he derived income every year during which the tax operated, he was assessed as follows:—For the financial year ended 30/6/33, on income of year ended 30/6/32; for the financial year ended 30/6/34, on income of year ended 30/6/33; for the financial year ended 30/6/35, on income of year ended 30/6/34; for the financial year ended 30/6/36, on income of year ended 30/6/35; for the financial year ended 30/6/37, on income of year ended 30/6/36; for the financial year ended 30/6/38, on income of year ended 30/6/37; for the financial year ended 30/6/39, on income of year ended 30/6/38; for the financial year ended 30/6/40, on income of year ended 30/6/39; i.e., he was assessed to financial emergency tax on the income of eight years and no question of dual taxation arose. (This table ignores the fractions 7/12ths and 9/12ths, which operated for the first two years.)

(3) If the citizen's income was from salary or wages, tax was deducted at the source as follows:—For the financial year ended 30/6/33, on income of year ended 30/6/33; for the financial year ended 30/6/34, on income of year ended 30/6/34; for the financial year ended 30/6/35, on income of year ended 30/6/35; for the financial year ended 30/6/36, on income of year ended 30/6/36; for the financial year ended 30/6/37, on income of year ended 30/6/37; for the financial year ended 30/6/38, on income of year ended 30/6/38; for the financial year ended 30/6/39, on income of year ended 30/6/39; for the financial year ended 30/6/40, on income of year ended 30/6/40; i.e., such a citizen was taxed to financial emergency tax

on the income of eight successive years. (This also ignores the fraction years.)

(4) It follows that both classes of taxpayers paid financial emergency tax in and for the same financial years.

(5) In respect to the citizen who derived his income from a business or from property, everyone is quite convinced that he should pay the new rate of income tax (9.01d. increasing .01d.) upon the whole of his income of the year ended 30th June, 1940, because, clearly, he did not pay financial emergency tax on his earnings subsequent to 30th June, 1939. It is, therefore, obvious that he should pay the new rate on his income of year ended 30th June, 1940.

(6) But for some reason people argue that the citizen who derives income from salary or wages should not pay the higher rate on his income for the year ended 30th June, 1940, although, if this were conceded, the effect would be that the citizen who derives his income from

salary or wages would pay financial emergency tax for one year less than the citizen who derives his income from business or from property.

(7) The position, clearly, is this—Business man for the financial year ended 30/6/40 paid—Financial emergency tax on income of year ended 30/6/39; income tax on income of year ended 30/6/39; for the financial year ended 30/6/41 paid income tax on income of the year ended 30/6/40. Salary and wage earner for the financial year ended 30/6/40—Financial emergency tax on income of year ended 30/6/40; income tax on income of the year ended 30/6/39; for the financial year ended 30/6/41—Income tax on income of the year ended 30/6/40.

I have also the following statement showing the difference in taxes payable on certain incomes for the years ended the 30th June, 1940, and the 30th June, 1941:—

Taxpayer.	Weekly Wage.	Paid year ended 30th June, 1940.			Paid year ended 30th June, 1941.	Difference.	
		Income Tax.	Financial Emergency Tax.	Total.	Income Tax.	Increase.	Decrease.
		£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Single	£3	1 7 2	2 12 0	3 19 2	6 17 3	2 18 1	...
Single	£4	2 1 9	3 9 4	5 11 1	9 12 1	4 1 0	...
Single	£6	3 19 3	7 16 0	11 15 3	15 15 1	3 19 10	...
Single	£8	6 7 9	12 2 8	18 10 5	22 16 3	4 5 10	...
Married—one child ...	£4	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
Married—one child ...	£6	1 5 8	6 10 0	7 15 8	6 11 3	...	1 4 5
Married—one child ...	£8	4 17 6	12 2 8	17 0 2	18 9 11	1 9 9	...
Married—one child ...	£10	7 10 6	17 6 8	24 17 2	25 18 4	1 1 2	...
Married—two children	£6	<i>Nil</i>	6 10 0	6 10 0	<i>Nil</i>	...	6 10 0
Married—two children	£8	3 5 0	12 2 8	15 7 8	13 10 6	...	1 17 2
Married—two children	£10	5 17 7	17 6 8	23 4 3	21 7 8	...	1 15 7
Married—two children	£12	8 15 0	23 8 0	32 3 0	29 3 4	...	2 19 8
Married—three children	£6	<i>Nil</i>	6 10 0	6 10 0	<i>Nil</i>	...	6 10 0
Married—three children	£8	0 13 2	12 2 8	12 15 10	3 14 3	...	9 1 7
Married—three children	£10	4 8 7	17 6 8	21 15 3	17 3 6	...	4 11 9
Married—three children	£12	6 19 5	23 8 0	30 7 5	24 8 4	...	5 19 1

In practice the decrease is greater because in this table concessional deductions for life insurance, union fees, medical expenses, etc., are not taken into account. These deductions affect income tax, but not financial emergency tax.

That sets the case out as clearly as is possible. Mr. Craig raised one or two points I thought were sufficiently important to try to elucidate, and I have been supplied with certain information. In the first place Mr. Craig complained of the lack of co-ordination between the Commonwealth and the States. The Commissioner comments—

This complaint hardly seems justified. As a matter of fact, the Commonwealth and State laws are almost exactly the same in wording throughout. The administration is by the same department and is necessarily exactly the same on all like points. There are, of course, some slight differences in the laws, but generally they are the same and the administration is the same.

Then Mr. Craig referred to the demands of the Taxation Department in regard to the preparation of returns, and suggested that they are so onerous as to add materially to the cost of industry. In this connection the Commissioner states—

Mr. Craig's statement is undoubtedly correct. The present rates of tax, both Commonwealth and State, payable by salary and wage earners makes it imperative that collection should be made by these taxpayers by instalments at the time of payment of their wages. The onus of collection is, therefore, on the employer. In addition, employers have to make returns for Commonwealth sales tax and payroll tax and State hospital tax. These requirements undoubtedly add to the costs of industry. The added costs also fall on the State Government in regard to income tax (Federal and State), sales tax (in regard to some business undertakings), payroll tax and hospital tax. These costs appear to be inevitable and it would be impracticable for Governments to collect taxation efficiently except by requiring industry to play its part in the administration of taxing systems, similarly as in other public systems, such as health and industrial legislation.

The next point Mr. Craig made was with regard to what he termed anomalies that he thought could be easily avoided. He was dealing particularly with the question of sustenance for employees whether in rural or other industries. He pointed out the difference between the deductions which were allowed for the keep of an employee. On this point the Commissioner states—

The anomalies referred to by Mr. Craig have been recently dealt with by a conference of taxation commissioners. In respect to the deductions now being made from wages and in the assessments made on the returns now being furnished, the rate for deductions is to be assessed as income in respect to the majority of employed persons, i.e. all farm and station employees and domestic servants will be the same,

i.e. 15s. per week for food, and 5s. per week for quarters. It will be necessary, and arrangements are being made, to amend the Hospital Fund law to bring it into line. In regard to other employed persons such as hotel managers, station managers, etc., who get accommodation much superior to that provided for the rank and file, it is not possible to bring the amount of the income to be assessed into line with the rate of deduction for tax instalment purposes. It is essential in respect to tax instalment collection that the matter shall be kept as simple as possible. Therefore, for this purpose, the rate for deduction is uniform, i.e. 15s., for food and 5s. for quarters whether made from the wages of a hotel manager or the yardman employed at the hotel. For income tax assessment purposes, however, the value of the sustenance as assessed to the hotel manager is much greater than the amount assessed to the yardman.

The next point raised by the hon. member was in connection with the employment of natives. He said he had been informed by the secretary of a company in the North that the company was expected to be assessed under the payroll tax for child endowment on 15s. per week for the men and women living on the station. This is the official reply to that statement—

This matter has not yet been finally determined. Only one payment has been made of tax under the Payroll Tax Act, i.e. the payment due on the 7th August. In common with all taxation measures, payroll tax has its problems and the one referred to by Mr. Craig is an important one.

The Federal Commissioner has not yet made a final decision, but has consented to employers stating the value of sustenance supplied to natives at the approximate cost to the employer, according to his judgment, pending further consideration of the matter and the issue of a uniform instruction. It is quite certain, however, that the Federal Commissioner will not require payroll tax based on 15s. per week for every native on a station.

Hon. L. Craig: The department has demanded it up to date.

The CHIEF SECRETARY: I have pointed out that that is the position at present, but the matter is receiving consideration. Only one payment of the tax has been made and a decision will be arrived at shortly. The hon. member can take it for granted that 15s. a week will not be insisted upon for every native on the station.

An interesting question was raised by Mr. Dimmitt, who spoke of an anomaly in the employment of children's trained nurses in some of our hospitals in the metropolitan area, and said that as a result these nurses are seeking employment in Eastern States'

hospitals to complete their training. This is a matter which arises from the stricter conditions laid down by the Nurses' Registration Board. Originally the board provided for a full certificate to be issued after a children's trained nurse had had two months' training in an approved adult hospital. About three years ago the board altered this period from two months to six months. The present requirements of the board are that the six months' training of children's nurses shall take place in general hospitals of 20 beds and over. There are only nine hospitals, apart from Perth and Fremantle, where the bed average is over 20, and eight of them are used as general training schools. I am advised that it would be very difficult to accept children's trained nurses in those hospitals because the number of trained nurses employed is naturally very small and adult trained nurses are most desirable. This leaves only one hospital at present where children's trained nurses can be given their six months' adult training, and only two or three could be employed at the one time. Further, the department contends, it would be undesirable to employ children's trained nurses, who have not done their six months' adult training, at the "B" class sisters' rate, which is the rate laid down for a fully qualified adult trained nurse. A "C" class nurse, which is a lower range, may, under the provisions of the nurses' award, be employed only in the Perth, Fremantle and Kalgoorlie hospitals, and so if the department was willing to employ children's trained nurses for their six months' adult training, it would be precluded from doing so under the provisions of the nurses' award, unless it was prepared to pay at the higher rate, namely, the rate for a fully trained nurse. However, steps are being taken to call a conference of the parties concerned with a view to overcoming the difficulty by an amendment of the nurses' award. It is recognised that those nurses are entitled to consideration, but there are difficulties to be overcome.

Quite a number of contributions to this debate referred to educational matters. Apparently, members are giving a good deal of consideration to this most important subject. Sir Hal Colebatch referred to the high schools and mentioned that three fully organised high schools in the country towns of Northam, Bunbury and Albany were in existence when he was in office. Mr. Thom-

son also referred to these schools, and said that no others had since been established, and that our educational system was seriously lacking in that direction. Such a statement is not in accordance with the facts. This Government is responsible for the establishment of a fully organised high school at Geraldton, separate from the Geraldton State School. There are also high schools at Kalgoorlie and Perth. The Technical High School at Fremantle will, when completed, serve the dual purpose of a high school and a junior technical school. In addition, as mentioned by Mr. Thomson, many of the larger State schools in the country are performing the junior high school function of preparing pupils for the junior certificate. This meets the needs of the majority of pupils.

Hon. A. Thomson: Why not give them the opportunity of obtaining the leaving certificate also?

The CHIEF SECRETARY: There are difficulties in the way. The suggestion that itinerant teachers, by visiting such schools one or two days per week, could bring these pupils up to the leaving certificate standard fails to recognise the standard of this examination. Such a method of preparation for that examination would be costly, inefficient and unsatisfactory.

Hon. A. Thomson: That is not the opinion of some of your teachers.

The CHIEF SECRETARY: I have heard the matter argued on several occasions, but I have never yet heard a convincing reply to the statement I have just made. The number of children desirous of taking the leaving certificate is very small. Of those who take the junior examination, a very small percentage takes the leaving.

Hon. L. Craig: The leaving is a very difficult examination.

The CHIEF SECRETARY: Undoubtedly, and necessarily so. In order that pupils might satisfactorily sit for the leaving examination, it would be quite inadequate to send along one or two teachers to various schools once or twice a week.

Hon. A. Thomson: The other staff would be doing its job.

The CHIEF SECRETARY: The hon. member's remark shows that he does not understand the position. It would not be fair either to the teacher or to the scholar. Mr. Thomson quoted with approval an article from the "Bulletin" advocating the

payment of 15s. per week for each child if the school-leaving age were raised. Very few children could take the leaving certificate at the age at which they attend the post-primary schools. The department pays an allowance of £24 per annum in respect of all pupils with the junior certificate proceeding to a fully organised high school to study for the leaving certificate. This is equivalent to 12s. per week for the period that the high school is in session. That is one way in which we try to overcome the disability mentioned by Mr. Thomson regarding country children desirous of taking the leaving certificate. I admit that in every case it is not possible for those children to take advantage of the concession. At the same time it is a valuable contribution to the children in country districts desirous of taking the leaving examination.

Much has been said about technical education. The Government has announced that the technical educational facilities of the State should be extended. With the assistance of funds provided by the Commonwealth and the Youth and Motherhood Appeal Fund Trustees, certain extensions have been built at the Perth Technical College, Fremantle Technical School and the Kalgoorlie School of Mines, in addition to building a new School of Mines at Wiluna. The main expenditure on technical education must of necessity be in the larger centres of population.

Hon. A. Thomson: We would like some in the country.

The CHIEF SECRETARY: I wish the hon. member would keep quiet while I explain. We have at least endeavoured to meet the position in the country in regard to technical education. There must be reasonable development of the central technical institutions before technical school buildings in country towns would be justified. Just as we send pupils with the junior certificate to the high schools with the aid of allowances, so we must visualise the sending of pupils from country technical schools to the central institution for the completion of certain branches of technical training. Technical education equipment is expensive and can be provided only where it can be fully employed. Mr. Thomson said—"The military department has taken hold of young men and has opened school for them. It is educating them and turning them into tradesmen." He omitted to mention that this work

is being done through the State technical school institutions. At the Perth Technical College each morning at 8.30 a.m. there can be seen the unusual spectacle of 175 members of the A.I.F. Armoured Division and 120 Air Force men marching in under the control of their officers. Until 5 p.m. they receive theoretical and practical instruction in accordance with their syllabus requirements. In addition there are always 70 men in training for the munition production industries of the State. These men work morning, afternoon and night shifts.

In spite of this, the normal activities of the Technical College have continued without interruption and have even been extended to cover trades not previously provided for. The result is that certain departments of the Technical College are working 24 hours a day. The organisation work necessary to effect this will be readily appreciated. The expansion of trade training for the army and munitions is possible because there is demand for the services of the men when fully trained. They will be absorbed in their appropriate units of the army or the war production industries which are being expanded. Some members have referred in complimentary terms to the engineering unions which agreed to an amendment of their award by which the quotas of apprentices and junior workers will be increased. This, however, is but an extension of the contribution made to the creation of national war-time industries and munitions production by those unions and by the Boilermakers' Union, who have entered into agreements with the Commonwealth under which they accept the principle of dilution by semi-skilled and semi-trained labour for the duration of the war. This agreement has made it possible for the Technical College to train and place in industry 115 men during the past twelve months.

Some members, including Mr. Thomson, have asked that country boys should be given greater opportunities to learn trades. They can and will be taught trades if they are apprenticed. According to our industrial awards the method of entry to trades is by means of apprenticeship. The quotas previously permitted may have been too low, but even if this were so they were in excess of the number employers were willing to apprentice. The action of the

unions has shown that when an increased quota can be justified, this method will be accepted by them. We must respect the awards of the Arbitration Court. The court lays down that only a certain number of apprentices shall be allowed to a given number of journeymen; and unless we can secure agreement between employer and employee to vary these provisions in an award, it is not possible to employ the youths to whom Mr. Thomson referred. The whole agreement between the Commonwealth and the unions is based upon the recognition by the Commonwealth Government that the claim of the unions to protect their members from possible exploitation is inherently valid. Training as tradesmen under normal peace-time conditions must therefore continue to be part of apprenticeship training and the opportunities for complete trade training in the country must be confined to apprentices.

The department proposes to extend the correspondence system to all country trade apprentices. It is unable to provide additional trade equipment for civilian training at present, because all machine tools are under Federal control, and preference in supplies is now being given to production requirements. No machine tools can be supplied for educational use. The Technical College is still awaiting the delivery of equipment to the value of £5,500, requisitioned for its extended defence training. Valuable as is the mobile workshop project—referred to by Mr. Thomson; the New South Wales experiment is being closely watched by the department—it would be quite impossible to introduce it at present.

According to present Commonwealth plans, post-war training and the re-training of the demobilised members of the armed forces will be carried out through the State Technical School system. Proposals for the building of a number of workshop units, each capable of accommodating 40 men, have been submitted to the Commonwealth. These provide for the building of school workshops not only in the metropolitan area and in conjunction with existing technical schools, but also in the larger country centres. When the work of post-war training has been completed these workshops will revert to the State; and of course I, as Minister for Education, am hopeful that the Commonwealth Government will treat us generously in this respect. The system is one

which will apply to the whole of the Commonwealth. In this State, with our widely scattered population, our difficulties are greater than are those of the other States. It is proposed to have workshops built near country high schools so that they may in the future carry technical units and thus be able to offer a wider curriculum, preparing pupils to enter trades as well as providing the basis of a more modern type of secondary education for youths proposing subsequently to enter the technical professions. In addition, these workshop units will provide for the training of the registered trade apprentices in their districts.

Finance must be recognised as the limiting factor in the development of the State educational system. Although the low population density of our rural areas increases our educational costs, this fact has not been accepted by the States Grants Commission. The result is that the programmes for new buildings, reconditioning of schools and improvements of school furniture, can be only as wide as are permitted by the funds that can be provided by the Treasury. Consequently, metropolitan as well as country schools suffer disabilities. Large classes in the metropolitan schools, deplored by Mr. E. H. H. Hall, can be overcome only by extensions to existing schools. Some provision is made for the backward child, but to do all that the department would like to accomplish would be costly. Some country schools may be deficient in seating accommodation, but on the whole the department is trying to overcome this difficulty, which is added to by the general shortage of materials due to the war.

I think it was Mr. Wood who referred to the school at Boddington. He complained that it was in a deplorable condition, which had been known to the department for many months. He also said that additions to the school were required. The number of children attending that school, however, has increased out of knowledge during the past 18 months or two years owing to the establishment of an industry in the district. It is not many months ago since I approved of additions to the school, but unfortunately sufficient money was not provided for school buildings last year to allow that work to be done. The Boddington school is on what the department terms the urgent building list; and I am fairly confident, although I

cannot guarantee it, that in the near future the additions will be made. Another complaint made by the hon. member had reference to the provision of desks and other furniture in the school. He said that the children were using beer boxes for desks. There is no need for that, as the department is in a position to provide desks and seats for schools in accordance with their floor space. Sometimes it so happens that the department is not informed of an increase in the number of scholars until some considerable time after the increase has occurred.

Hon. A. Thomson: Boddington is in my province, not in Mr. Wood's and it was I who referred to the school there.

The CHIEF SECRETARY: I am sorry I made a mistake.

Hon. G. B. Wood: That is all right.

Hon. A. Thomson: He can take it.

The CHIEF SECRETARY: The case is one requiring urgent attention, although unfortunately I cannot do more at the moment. Mr. Wood made mention of the wheat position, with particular reference to the Railway Department's alleged inability to live up to an undertaking to cope adequately with the transport of the wheat crop. He went on to say that at the end of next harvest we should have 50,000,000 bushels of wheat on hand and that the Railway Department had undertaken to remove it to the seaboard or to the mills at the rate of 17,000 tons per week. He said the department was wrong in its estimate, that in the first week it had slipped back 6,000 tons, and to the end of June to the extent of 106,000 tons. He inferred, too, that the department was over-optimistic respecting its capacity to haul the tonnage mentioned.

Not in any year since the introduction of bulk handling in 1931 has there been a carry-over of wheat from season to season because of the railways' inability to move it, nor has any ship been diverted from or held up at a port because the railways were unable to deliver a cargo. That statement covers a period of ten years in which initial difficulties attendant upon the change from bags to bulk have been surmounted, and the abnormal conditions brought about by the war have had to be contended with.

The 1939-40 season was no exception. During the three months, December 1939 to February 1940, when an average of 11,320 tons weekly were railed, the railways would

have been glad to have had back-loading for trucks carrying super to the country. Co-operative Bulk Handling Ltd. was unable to load wheat to rail as its elevators were in use, receiving wheat into the silos. The supplementing of its equipment and labour would have overcome the difficulty, but all the pressure that the railways could bring upon the company failed to speed up the loading rate. I suppose that meant the provision of considerable additional capital.

In June, 1940, when 528,093 tons of wheat remained in country bins, the then Chief Traffic Manager, as chairman of the Shippers' Delivery Board, wrote to the general manager of the Australian Wheat Board, setting out the position which must result unless loading—which to that date had averaged less than 14,000 tons per week for the preceding 26 weeks—were accelerated, and outlining what the railways could do towards clearing the bins. In the four months July-October, 1940, the loadings from country points to ports and mills totalled 205,637 tons, an average of 11,424 tons per week. During the period trains were running with light loads, and services had to be curtailed through lack of loading.

In October, 1940, the general manager of Co-operative Bulk Handling, Ltd., called on the Commissioner and the Chief Traffic Manager, and in the course of discussion of arrangements for moving the 1940-41 harvest intimated that unless the railways could handle 20,000 tons weekly, the new season's wheat could not be accepted at sidings. That disclosed a serious position from the point of view of the wheatgrowers. The Commissioner replied that what the railways could do was clearly set out in the letter to the Wheat Board of June, 1940, and that as it was then mid-October it was rather late to attempt to rectify the position. In that letter the department's maximum effort had been set down at 25,000 tons weekly, but such weekly movement could not be maintained for any period without excessive overtime, which could not in the existing conditions be justified. There must be a compromise between the department's ability to haul the wheat and the Wheat Board's ability to arrange shipping and storage. The department wanted the freight and the company wanted the wheat cleared; their interests, therefore, were mutual. Mr. Braine

admitted that the Wheat Board had been over-optimistic regarding shipping and that things had not turned out as expected. The company, he said, was not attempting to clear all the bins or bulk-heads; only those at places where there was not sufficient room for additional storage.

At a further conference held later in the same month (October, 1940) arrangements for the handling of the 1940-41 season's wheat were discussed in detail by representatives of the Wheat Board, Co-operative Bulk Handling, Ltd. and the railways, when mutual difficulties were analysed and assurances of co-operation exchanged. At that time the weekly railage to ports and mills was averaging about 12,000 tons per week. For two weeks in November, 1940, it was stepped up to 17,000 tons, and then fell to an average of 12,340 tons for the 26 weeks to the 31st May, 1941. Over the whole of that six months had the loading been offering, the railways could have handled comfortably and without resorting to undue overtime at least 17,000 tons per week.

At a subsequent conference between the parties concerned in June, 1941, the representative of the Australian Wheat Board outlined the difficulties encountered in arranging an even flow of wheat. Disorganisation of arrangements, brought about by the war, the change of policy from day to day, the arrival or non-arrival of shipping, had all contributed to the trouble. In the early part of the year Great Britain, it was said, had agreed to take 1½ million tons of wheat, but on account of the war, shipping could not be obtained. The seasonal outlook had to be considered. In the early part of the year it was thought that there would be a very small crop and it was decided to retain wheat in the north-eastern district, but the position had improved and the time to shift the wheat had passed. It was anticipated that the carry-over from the 1939-40 season would have been dealt with in October, November and December, but there again the British Government said not until June and, later, not until the end of the year—and doubtful then.

Those were the real factors which contributed to the carry-over at June, 1941, of 290,000 tons—not the inability of the railways to handle the wheat, but failure to do

their part by those responsible for its shipment from or storage at the ports. As mentioned earlier the railways, in two years ended June, 1941, could have handled a great deal more wheat than was offered and, had their ability to do so been availed of, anxiety regarding clearance of country storage before next season's wheat is delivered would be non-existent. Even so, the railways at the June, 1941, conference gave an assurance that an average weekly railage of 18,000 tons would be maintained in order that the wheat now in the country would be cleared by October next, and the department is living up to that undertaking and will continue to do so whilst the loading is offering.

At the 29th July last, 118 Government sidings had been cleared of all 1939-40 and 1940-41 wheat, leaving 92 places with an approximate tonnage of 200,000 to be cleared. Railage of this quantity, if loading is not interrupted, will be completed by the end of October, leaving time for fumigation of the bins before receipt of 1941-42 season's wheat. Had any greater flow of wheat been delivered during the past few months, accommodation would not have been available at the ports to receive it. At present the terminals at Bunbury and Geraldton are unable to accommodate the wheat from their respective zones and a large portion of it is being diverted to North Fremantle, where continuous overtime is being worked on its clearance. In his criticism of the railways Mr. Wood has overlooked, or is unaware of, the fact that in the year 1928-29, when there was a record harvest of 50 million bushels, the railways hauled 864,000 tons of wheat as against 681,758 tons hauled in the year just closed, and there have been substantial additions to rolling stock in the intervening years to offset the change from bag to bulk handling. It was not the Railway Department that was at fault. Mr. Wood also alleged a lack of co-operation by the railways with Co-operative Bulk Handling Ltd., and referred to losses which the company is said to be suffering because of railway shortcomings.

There are daily consultations between officers of the company and the department, at which confidences are freely exchanged and working difficulties discussed and adjusted. Those officers are working in harmony and with complete understanding of each other's problems and viewpoints. The same cannot be said, unfortunately, of the

administration of the company, from whom the hon. member has obviously obtained his statistics. Each week of late, by carping criticism and meticulous dissection of performances, the management seeks to cover up its own deficiencies and to pass the blame for delays to the railways which, at heavy additional expense, are standing up to the undertaking they gave to help the Wheat Board and the company out of a difficulty which was not, as shown, of the railways' making. The Commissioner has a complete answer to the criticism by the company and could point to many of its shortcomings which are hindering a 100 per cent. effort. He is satisfied, however, that his staff, under difficult conditions, is giving of its best with the help and co-operation of the officials of the company with whom they are in daily contact, and that without hindrance from the management—and the correspondence that has been received lately can only be regarded as such—the wheat at present held in country bins will be cleared in sufficient time to enable the coming season's wheat to be received into them.

The hon. member also referred to demurrage, and said that some allowances should be made on trucks in country districts which at present cannot be hauled to the coast. Demurrage is not a remunerative charge—even when full rates are collected. The department would much prefer to have the use of the trucks than to have to charge demurrage on them. There are occasions, of course, when except at prohibitive cost, unloading cannot be completed within the time allowed, but that is neither the fault of the department nor of the unloaders, and a 50 per cent. reduction of the charges, as is usual in such cases, cannot be considered unreasonable treatment.

During the course of his remarks Mr. Seddon complained of the manner in which his question of the 5th August was answered regarding certain damage done on the railways. It is always my endeavour to give what information I can in reply to questions. The reply given, to the effect that an account for £107 had been rendered to the military authorities, etc., was as full as possible in the circumstances. There was other damage for which troops were alleged to have been responsible, but in such cases the department did not have definite evidence to support a claim and therefore did not submit one. The hon. member seemed to think

I should have given particulars of the damage which had been done but not claimed for. The extent of the damage for which no claim was made it is not possible to give. The hon. member also referred to freight concessions on the railways, and sought reasons for the differential treatment meted out to a patriotic organisation in Kalgoorlie in the handling of old metals, etc.

There is one organisation dealing with old metals, and the Commissioner of Railways is not prepared to go outside that body in respect to reduced rates. He states it would be impossible to deal with every organisation which desired to rail old metal at reduced rates—rather than do this the concession would have to be withdrawn altogether. There is no intention on his part to withdraw the concession. There is a market at Kalgoorlie for scrap metal, and this one should be used for disposal of collections, but in view of the fact which has been brought forward that the foundry at Kalgoorlie will not purchase all the scrap, representation will be made to the Old Metals Branch to see if they are prepared to handle the surplus at Kalgoorlie and hand over the funds to the Kalgoorlie committee for the purpose of purchasing camp comforts for men at the front overseas. So far as wire rope, bottles and waste paper are concerned, the committee at Kalgoorlie is charged the same rate as any other body and the Commissioner is not prepared to make any reductions on the rates already quoted on these commodities. I do not know if there is any connection between the old metals committee at Kalgoorlie and the body in the metropolitan area.

Hon. J. Nicholson: I think they are independent.

The CHIEF SECRETARY: If that is so, I think they could confer, and probably the metropolitan committee could give the Goldfields body credit for what is received from Kalgoorlie, and that should get over the difficulty. Another railway matter to which attention was drawn referred to the condition of the refreshment rooms at Spencer's Brook. I understand the position there was difficult, but recent changes have overcome the trouble. Relief was effected through an alteration in the leave arrangements at the Northam camp.

Hon. G. B. Wood: The trouble was relieved temporarily, but recurred last week.

The CHIEF SECRETARY: I have been informed that under ordinary conditions the accommodation available is ample for all requirements. I understand that for a time there was some congestion when the local train conveyed soldiers on leave from the Northam camp to Spencer's Brook to connect with the train for Albany. That trouble has been mitigated by the transfer of coaches from the Northam train to the Albany train, thus avoiding the necessity for the men to change at Spencer's Brook.

Hon. H. S. W. Parker: The refreshment rooms are not availed of by the soldiers who pass through Spencer's Brook.

The CHIEF SECRETARY: A very important point was raised by Mr. Seddon who, in his remarks, was somewhat critical of the general policy of the Goldfields Water Supply Department. The hon. member referred to the fact that restrictions were imposed for the first time last year, and said that the department's engineers should be required to show how the overflow wastage at Mundaring could be avoided. The departmental finances were also commented upon, and Mr. Seddon arrived at the conclusion that the House should appoint a committee to investigate the affairs of the department in the interests of the public. I have received some interesting information regarding these matters that will be instructive to members. Dealing first with water restrictions on the goldfields, it is a fact that, owing to the very dry winter of 1940 and the consequent small quantity of water conserved in the Mundaring reservoir, the necessity unfortunately arose, for the first time in the history of the undertaking, to enforce partial restrictions on certain classes of services supplied from the Goldfields Water Supply Scheme. The restrictions operated in regard to domestic lawns and gardens, orchards, market gardens, bowling greens, etc., but did not affect mining, public swimming baths, railways, stock, trading and public parks that are always open free to the public, or dairies.

The fact that in June last the quantity conserved in Mundaring reservoir receded to the low level of 32 feet three inches from the crest of the wall, leaving only 1,058 million gallons impounded, proves that the action taken to safeguard at least partially the interests of the consumers was fully justified. The average quantity drawn

from the Mundaring reservoir, excluding evaporation, during the past three years was 2,036 million gallons. It will be apparent, therefore, that less than six months' supply remained in the reservoir at the beginning of the current winter. The position at present is somewhat better than at the same time last year, but it has been decided to continue for the time being the pumping of 2,000,000 gallons per day from the metropolitan system to Mundaring. Naturally the condition of the reservoir is being closely watched, and pumping will be discontinued immediately the position is considered reasonably safe.

Owing to the dry winter the department was compelled last year to enforce restrictions on practically all country town water supplies, in addition to those connected with the Goldfields Water Supply Scheme. Purely as a matter of interest, it may be pointed out that the restrictions operating in connection with the Goldfields Water Supply Scheme are very mild compared with those now in vogue in the great city of Sydney where, even in the middle of winter very severe restrictions, amounting almost to prohibition, are being enforced.

Regarding domestic excess water, Mr. Seddon stated that, owing to the high prices charged on the goldfields, very little excess water was used. Members may be interested to know that for the past three years, the excess water charges levied against the consumers in respect of domestic services at Kalgoorlie and Boulder were—

	1938-39.	1939-40.	1940-41.	Total.
	£	£	£	£
Kalgoorlie ...	8,742	10,743	11,391	30,876
Boulder ...	2,897	3,458	3,862	10,207
Totals ...	£11,639	£14,201	£15,243	£41,088

A return submitted by the department for the year 1939 shows that in the Kalgoorlie district alone, 286 domestic consumers used 50,000 gallons or more during the 12 months.

Hon. J. A. Dimmitt: Are those restrictions still operative?

The CHIEF SECRETARY: I think they are, to a certain extent. Next, Mr. Seddon dealt with the important question of raising the height of Mundaring Weir. The necessity for giving very serious consideration to that matter has been fully appreciated by the Government, and, as a matter of fact, a survey is now in progress. Mr.

Seddon stated that he understood the proposal was to increase the height by erecting shutters, but no such proposal has been placed before the present Government. I have with me a summary of a report submitted by the Director of Public Works, Mr. Dumas, dealing with this subject. I do not propose to read it, but if any member is sufficiently interested I shall be pleased to make it available to him. Mr. Seddon advocated an increased turnover in the water supplied so as to make it available at a cheaper rate. From the information I have already given, members will appreciate the fact that the department is not in a position to reduce prices for the purpose of increasing the consumption of water.

The unsatisfactory position regarding the quantity of water impounded at Mundaring has been one of the reasons why it has not been possible for the Government to give favourable consideration to requests for reductions in prices from consumers at such places as Norseman, where the charge for water is 10s. per thousand gallons for all domestic purposes. It will be realised that the pumping of water from Mundaring to Norseman, which necessitated the provision of a separate main 190 miles in length, is a costly process. For the same reason, it has also been necessary to defer consideration of a major extension to the Bruce Rock agricultural areas, which has been repeatedly requested by the farmers in that district.

The question of the reserve for bad debts was raised by Mr. Seddon. It has been found necessary to increase the reserve for bad debts during recent years on account of the depressed condition of the wheat industry. The total water rates outstanding in respect of farming lands supplied from the Goldfields Water Supply, amount to approximately £88,000, a considerable portion of which ultimately will probably have to be written off. It should be remembered, however, that during the depression, the Government made concessions to the mining industry in regard to the supply of water to the value of £300,000.

The financial operations generally of the undertaking were dealt with by Mr. Seddon. The very substantial capital expenditure incurred during recent years, with consequent increases in the payments for interest and sinking fund, together with increased pump-

ing and distribution costs occasioned by increases in the basic wage and in the quantity of water sold, combined with increases in the prices of various essential materials, have substantially increased the cost of the undertaking. Notwithstanding this, surpluses have been shown for several years, and it is evident that this result could have been achieved only by increased business, seeing that the rates and prices have not been altered during that period, except in several instances where the charges have been reduced to assist struggling mines. Since 1934 the amount expended on the renovation and renewals of the 30-inch main conduit totalled £1,394,280 which was provided from loan funds. During the first 30 years, a surplus was recorded in only one year, namely, in 1926-27. Since 1930, surpluses have been achieved with the exception of the year 1934-1935, notwithstanding that comparing the years 1930-31 with 1939-40 operating expenses have increased from £108,931 to £146,935; interest has increased from £44,709 to £129,217, and sinking fund from £25,980 to £46,130. On the other hand, the accrued income over the same period increased from £182,562 to £322,377—clearly indicating the increased business undertaken by the department.

Reference was made by Mr. Seddon to the quantity of water lost in transit. He said that at one time there was a loss of 40 per cent. of water drawn off from Mundaring which had been pumped five or six times and then lost. Figures recently taken out by the department show that for the year ended the 30th June, 1940, the loss from the main conduit, including water lost by the emptying of the main for joining up deviations etc., amounted to approximately 9 per cent. of the water pumped through No. 1 Pumping Station compared with the loss of approximately 20 per cent. for the year ended the 30th June, 1930. Over the same period the percentage of water sold, and supplied free, to the total pumped, has increased from 56 per cent. to 71 per cent. The quantity of water unaccounted for will be substantially reduced with the extension of meterage which is now in course of being carried out. It may be of interest to members to know that the quantity of water given free to farmers and others through standpipes has increased from 10 million gallons in 1930 to 27 millions in 1940. Those are big figures, throwing an interesting side-light on the operations of the scheme.

There is one paramount feature in regard to the provision of guaranteed water supplies such as the Goldfields Water Supply undertaking, which is that provision has to be made in regard to conservation, not for the average year but for the worst year. The surplus water which flowed over the Mundaring Weir 36 out of the 39 years since its construction does not help in the slightest degree when two dry winters follow each other. The assertion that the department could have sold more water is not borne out by actual experience. When water was available to supply the utmost demand in past years it was drawn on very little more than in the dry years. Therefore, although the water was available, it was not used.

In regard to the prices charged for excess water, it should be obvious that conditions relating to a pumping scheme as compared with a gravitation scheme are entirely dissimilar. Water delivered at Kalgoorlie has been pumped 350 miles and lifted a height of 1210 feet, and notwithstanding this the minimum price charged at Kalgoorlie works out at approximately 5d. per ton delivered. Much detailed information regarding this undertaking is given in the departmental annual reports. In addition to the Under Secretary's statement contained therein, the reports of the engineer for Goldfields Water Supply and the accountant's review of the balance sheet and financial operations are published. The department has no desire to shroud its activities in mystery, and has at all times been willing to supply full information to members and to the general public. Senior officers of this department have recently completed a fairly comprehensive tour of the Eastern Goldfields, and they assure me that no complaints of a serious nature were made. On the contrary, various authorities expressed their keen appreciation of the prompt and efficient manner in which the Government had acted in safeguarding the supply of water to the goldfields.

Reference was made by Mr. Wood to orchard registration fees. He assumed that large surpluses have been permitted to accrue in the fruit fly eradication fund and that these surpluses are being used by the Government for other purposes. I suppose the hon. member based his assumption on the reply given to his question of the 5th August regarding salaries paid to orchard inspectors. His question was answered, but

he cannot justify his remarks on the information then supplied. Other expenses are incurred in the eradication of fruit fly in addition to salaries, such as travelling allowances, and those of general administration. When the amendment to the Plant Diseases Act was effected in 1935, provision was made for the appointment of an honorary fruit fly committee embracing representatives of orchardists from Bickley, Roleystone, Spearwood, Gosnells, Donnybrook, Harvey, and Bridgetown, and vinegrowers at Guildford. This advisory committee, in consultation with the Superintendent of Horticulture and the Government Entomologist, is responsible for recommending measures for the control of fruit fly involving the expenditure of funds collected for this purpose. When the fund was commenced in January, 1936, it was felt that some accumulation would be wise before any vigorous move was made to control and eradicate the pest, and a fund of approximately £1,300 was built up. The collections since January, 1936, to the 30th June, 1941, total £15,264 5s. 10d. The total expenditure during this period has been £14,091 14s. 5d., leaving a credit balance of £1,172 11s. 5d. in the fund. It will be noted, therefore, that expenditure since the reserve fund was created has been commensurate with the revenue collected. The advisory committee considers that it would be unwise further to reduce this reserve fund of a little over £1,000, in view of the necessity of having a fund in case of any serious outbreak needing special measures. Members are further reminded that these funds are all paid into a trust account and cannot be used for any other purpose than fruit fly eradication, and the Government has been careful to avoid using fruit fly inspectors for other duties in connection with advice to orchardists. For instance, it has been necessary during the last two years specially to combat apple scab in certain orchards, and the Government has undertaken the total cost in connection with this work, although, as mentioned before, money was available in the fruit fly eradication fund. I think that is a complete answer to the hon. member's suggestion that funds raised under the Act had been used by the department for other purposes.

The Government was urged by Mr. Piesse to introduce legislation to regulate the potato industry, a favourite subject of his. The matter of the registration of potato-growers,

with the view of organising the industry, has been discussed at several meetings of the Australian Agricultural Council, which is composed of representatives of the Commonwealth, the Council for Scientific and Industrial Research, and Ministers of Agriculture in each State. The discussion arose through an endeavour to obtain uniform legislation throughout Australia for the registration of potato-growers, but so far New South Wales is the only State which actually has passed a Bill for the registration and organisation of growers, although Tasmania has a voluntary potato-growers' organisation which is able to perform the function of registration. Representations have already been made to the Government in this State for legislation to be passed dealing with the potato industry, including the registration of growers; and the matter is now receiving consideration. There is some doubt, however, as to the actual wishes and needs of those engaged in the industry in Western Australia, as evidenced by the conflicting requests which have been received from various organisations purporting to represent growers.

Inaccuracies recorded in certain weighing machines were dealt with by Mr. Tuckey. He said he hoped some action would be taken to compel the owners thereof to see that their machines recorded the correct weights. I am pleased to inform the hon. member that already on the Notice Paper, the Weights and Measures Act Amendment Bill, seeks to deal with the position.

A few remarks were made by Mr. E. H. Hall on the native position in this State. He said that natives were being treated disgracefully, and inferred that our standards in this matter were below those of the Eastern States. That is contrary to fact. The sympathetic treatment of our natives here and the steps which have been taken by the Government in an endeavour to improve their lot place our administration on at least a level with that of other States. Mr. Hall's remarks on the ration scale were not strictly correct. He omitted to say that each native receives $2\frac{1}{4}$ lbs. meat per week. The ration scale in question is merely intended to assist outside natives during temporary periods of unemployment, or even to assist them with their other earnings. Actually indigent natives

should be dealt with through settlements such as Moore River and Carrolup, and consideration will be given to any cases of destitution amongst native families that may be brought under the department's notice. They will receive every consideration.

Up to the present the Geraldton natives have been largely self-supporting. Quite a number are earning full standard wages, and have never applied for rations. The value of settlements for the education and training of natives, including half-castes, has been for a long time recognised by the Government. In recent months quite a deal of reorganisation has taken place at the Moore River Native Settlement, and a large area of farming and vegetable land about 12 miles from that settlement is now being energetically developed, and already crops and vegetables are being produced in good quantities.

Seasonal prospects are also good at the Carrolup Settlement where a developmental programme is in full progress. There is room for a settlement higher up in the Midland district, and consideration is being given to the securing of such a settlement, as will be seen on referring to the Commissioner's report for the year ended the 30th June, 1940. Settlements are also necessary elsewhere, but it is all a question of money, and as yet the Government has not been able to make the necessary funds available. The expenditure on this department has increased during the last ten years by something like over 100 per cent., which is, I think, a clear indication that the Government has recognised its obligations to the natives.

Though there are perhaps a number of items to which I have not referred, I feel that I have in the main covered the questions raised by various members. There are one or two matters upon which I have not been able to obtain the detailed information I would have liked to secure, but when it comes to hand I will, as usual, supply it to members seeking it. I support the motion.

Question put and passed; the Address adopted.

On motion by the Chief Secretary resolved: That the Address be presented to His Excellency the Lieut.-Governor by the President and such members as may desire to accompany him.

ADJOURNMENT—SPECIAL.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [9.2]: I move—

That the House at its rising adjourn till Tuesday, the 2nd September.

Question put and passed.

House adjourned at 9.3 p.m.

Legislative Assembly.

Tuesday, 19th August, 1911.

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

ELECTORAL—SWEARING-IN OF MEMBER.

Mr. **SPEAKER**: I have received the return of a writ for the vacancy in the Yilgarn-Coolgardie electorate caused by the death of George James Lambert showing that Lionel Francis Kelly has been duly elected. I am prepared to swear in the hon. member.

Mr. Kelly took and subscribed the oath and signed the roll.

QUESTION—ROYAL COMMISSION, PASTORAL INDUSTRY.

Mr. **MARSHALL** (without notice) asked the Minister for Lands: Is it proposed to introduce legislation to give effect to the recommendations of the Royal Commissioner (Mr. Fyfe) on the disabilities suffered by pastoralists?

The **MINISTER FOR LANDS** replied: The recommendations of the Royal Commissioner who inquired into the pastoral industry have received continuous attention from the Government, the latest being as recently

as this morning. An agreement has been reached on vital principles which involves a voluntary arrangement. A public statement on the matter will be made at an early date.

ADDRESS-IN-REPLY.

Eighth Day.

Debate resumed from the 14th August.

MR. WILSON (Collie) [4.36]: Since we last met, one of our members has passed away. The late George Lambert will be a distinct loss to this House and to his constituency, and my sympathy goes out to the widow and family in their bereavement. Most of the members who have spoken on the Address-in-reply have taken as the preamble of their speeches the subject of the great war now raging on such a gigantic scale in Europe and Asia. I, too, propose to take that theme for my remarks, first and foremost because my sympathy goes out to the fathers, mothers, wives, children and relatives of the soldiers who have already given their lives for the Empire and for liberty.

A good many months have elapsed since the men of the second A.I.F. left our shores. I know of boys of 18 years of age, men in the prime of life, fathers of large families of young children, who went with those forces and who have already died fighting for the liberty of the masses of people of all nations. This, to my mind, is something greater than even the much-lauded Magna Charta of 1215, and if we are successful, as no doubt we shall be, we must achieve something greater than the much-vaunted charter of that year. Boys and men, and even women, have died for us, and have left us a heritage—a heritage to look after their bereaved ones to the best of our ability and ensure that they do not want. We should take to heart the lessons learnt from the war of 1914-18. Strong committees should be formed in every district to prevent a recurrence of the evils that beset us in 1918-19. Members of the first A.I.F. might well co-operate with the second A.I.F. in an effort to do the best possible for our men.

I do not see much in the Speech of the Lieut.-Governor that suits me, although I am pleased to read the following passage—

Our joy in the accomplishments of the sons of this State is tempered with the deepest