

Parliament to deal with it. The Engineer-in-Chief was consulted, and he said the length of line proposed was insufficient because he had to terminate the railway at a station, and it was possible to provide stations only at certain points. We compromised by agreeing to the construction of a section of the line that would fit in with the Engineer-in-Chief's requirements. Has the railway ever been built?

Hon. J. M. Macfarlane: Yes, from Denmark to Nornalup.

Hon. J. J. HOLMES: But not from Pemberton to Nornalup. A gentleman of my acquaintance who knows the country, says that to build the line would be a public scandal. Yet 75,000 people were to be brought out from the Old Country and placed in what they were told would be a paradise. We were to provide this, that and the other thing for them and we have not done it. I am not at all surprised that someone is now asking why. We know how anxious the Mother Country is to assist this portion of the Empire. Sir Otto Niemeyer told us that one part of Australia cannot succeed unless the whole of Australia succeeds, and the statesmen of the Empire know that the Empire cannot prosper unless every portion of it does so. Sir Otto has come to Australia to advise us of ways to overcome our difficulties. The redeeming feature of his statement is that we must balance our ledgers without any assistance from the Old Country. According to this morning's paper, Sir Otto goes further and says that we have to balance not only this year but every year. It is idle to attempt to sidetrack the issue. It is useless to appeal to the Arbitration Court and spar for time in that way. The position must be faced. The time is not far distant when, if it is not faced, we shall be left without funds with which to carry on, and should that stage be reached, calamity will be inevitable. There will be no need for that if someone will arise with courage enough to say what must be done and what will not be permitted. In the course of reading the other day, I came across a quotation by Abraham Lincoln, which ran, "With malice towards none, with charity for all, let us bind up the nation's wounds." If ever there was a time when the Parliament of the country was called to bind up the nation's wounds, it is the present. In my opening remarks I said I intended to say some hard things. I have applied the rod in order not to spoil the child, to the end that the people

of the State may appreciate the difficulties confronting them. The position must be faced. Apart from straight talking, any thing I can do to help the country of my birth out of its difficulties will be cheerfully done.

On motion by Hon. G. A. Kempton, debate adjourned.

House adjourned at 8.28 p.m.

Legislative Assembly,

Tuesday, 26th August, 1930.

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

SWEARING IN OF MEMBER.

Mr. Lamond (Pilbara) took and subscribed the oath, and signed the roll.

QUESTION—NORTH PERTH SCHOOL.

Mr. PANTON asked the Minister for Education: 1, Is it intended to carry out the promised additions to the North Perth school? 2, If so, when will the work be commenced?

The MINISTER FOR EDUCATION replied: 1, Yes. 2, As soon as funds can be made available.

QUESTIONS (2)—LOCAL PRODUCTS, PREFERENCE.

Blackboy Camp Canteen.

Mr. NORTH (for Mr. H. W. Mann) asked the Minister for Industry: What percentage of goods stocked in the canteen at Blackboy Camp is of local manufacture?

The MINISTER FOR INDUSTRY replied: Goods stocked:—Tobaccos (local): Luxor fine cut, Luxor pipe; imported (Australian): Capstan, Standard, Happy Thoughts, Happy Jack, Marvel, Sport, Havelock dark (plug), Havelock light (plug), Havelock aromatic; cigarette papers (purchased from Michelides, Ltd.); cigarettes (local), Golden West (imported); Capstan, Standard; matches (imported), Australian; towels (imported); socks (local); shaving brushes (imported); razor blades—(Gillettes, Valet, Fisher, Probak—(imported); tooth brushes, tooth paste (imported); writing material (imported). Pipes, pipe cleaners (imported), 28 lines stocked, of which four are local = 14.28 per cent. Purchase value of local manufacture = 24.85 per cent. Special low rates are charged for articles of local manufacture. These are items sold through the canteen only, and do not include stores for camp consumption, which are restricted to 100 per cent. local production of goods that can be obtained locally.

Departmental Contracts.

Mr. NORTH (for Mr. H. W. Mann) asked the Minister for Works: 1, Will he, in order to overcome the prejudice against goods of local manufacture and to increase employment, instruct the officers of his department when purchasing requirements, to give local manufacturers an opportunity to quote on at least equal terms with imported manufactures. 2, Will he instruct his officers to insert a clause in departmental contracts compelling contractors to use local material when equal to imported?

The MINISTER FOR WORKS replied: 1, Yes. 2, So far as is possible, specifications provide for the use of materials, etc., which are produced in this State.

QUESTION—PERTH CAUSEWAY.

Mr. SAMPSON asked the Minister for Works: 1, What is the estimated cost of the reclamation work in the vicinity of the Perth Causeway? 2, How much has been

spent on (a) dredging; (b) preliminary work in connection with the proposed new causeway; (c) other items? 3, Do the plans provide for the retention of the present causeway as an emergency way?

The MINISTER FOR WORKS replied: 1, Estimated cost taken out in 1924, £275,000. 2, (a) £13,930 12s. 9d.; (b) £403 14s. 9d.; (c) £19,233, exclusive of cost of new dredge and punt. 3, No.

QUESTIONS (3)—UNEMPLOYMENT.

Sustenance.

Mr. HEGNEY asked the Minister for Industry: 1, Is he aware that men employed on the Greenmount deviation, when paid off after a few weeks' work, are refused Government sustenance because of having been in employment? 2, Does he realise that in cases this can constitute an actual penalty for working? 3, Will he investigate the matter with a view to meting out more equitable treatment?

The MINISTER FOR INDUSTRY replied: 1, Men employed on the Greenmount deviation receive in the first week of work a week's sustenance and wages. On the completion of one week from being paid off they are again given sustenance. 2, By this arrangement the men are not penalised. 3, Answered by No. 1.

Opossum Trapping.

Mr. BROWN asked the Chief Secretary: Will he declare the opossum season open immediately in order to provide work for the unemployed?

The CHIEF SECRETARY replied: No; this is inadvisable for the reason that the supply of opossum skins exceeds the demand, and at the present time the female animals are carrying their young.

Country Work.

Mr. WANSBROUGH asked the Minister for Industry: 1, Has his attention been directed to a statement in "Truth" of the 3rd inst. and the "Albany Advertiser" of the 5th inst. to the effect that it is proposed to transfer several hundred men from Blackboy Hill Camp to Westonia and Albany districts for road and clearing work? 2, Is the statement correct, and will the Minister state upon which roads and clearing

work the Government propose to place men in the Albany district? 3 Prior to sending men into the Albany district will he consider providing work for the 300 unemployed already there, the majority married men with families, many of them in urgent need? 4, If not, will the Government consider extending to country districts the sustenance allowance granted to the city unemployed?

The MINISTER FOR INDUSTRY replied: 1, Yes. 2, No definite scheme has yet been decided. 3, Yes. 4, Answered by No. 3.

QUESTION—FORESTS DEPARTMENT.

Mr. J. H. SMITH asked the Minister for Forests: 1, How many people were employed by the Forests Department last year? 2, How much was paid to employees in salary and wages for the year ended the 30th June, 1930, exempting Conservator's salary? 3, How much was expended on travelling and other expenses during the year? 4, What amount of royalty on timber (excluding sandalwood) was received for the year. 5, What area of country in the southern portion of State is now dedicated to forests?

The MINISTER FOR FORESTS replied: 1, The number fluctuated between 364 and 430 according to seasonal nature of the work. Equivalent full time employees would be 380. 2, £102,230 3s. 1d. 3, £5,345 4s. 2d. 4, £132,590 19s. 4d. (timber revenue exclusive of sandalwood). 5, 2,974,038 acres.

QUESTION—KANGAROO SKIN, ROYALTIES.

Mr. DONEY asked the Chief Secretary: Do the Government intend to abolish the royalty on kangaroo, brush and tamar skins in view of the insistent demand from the agricultural and pastoral areas that such a step be taken in order to make the very necessary destruction of these animals worth while to farmers and others?

The CHIEF SECRETARY replied: As it is only chargeable on skins which are sold, the royalty need not affect the killing of these animals. In the present financial stringency it is not proposed to forego the revenue from royalties.

COMMITTEES FOR THE SESSION.

On motion by the Premier, sessional committees were appointed as follows:—

Library Committee—Mr. Speaker, Mr. Angelo, and Mr. Walker.

Standing Orders Committee—Mr. Speaker, the Chairman of Committees, Mr. Lutey, Mr. Griffiths, and Mr. Parker.

House Committee—Mr. Speaker, Mr. Teesdale, Mr. H. W. Mann, Mr. Munsie, and Mr. Wilson.

Printing Committee—Mr. Speaker, Mr. J. MacCallum Smith and Mr. Withers.

SITTING DAYS AND HOURS.

On motion by the Premier, ordered: That the House, unless otherwise ordered, shall meet for the despatch of business on Tuesdays, Wednesdays, and Thursdays at 4.30 p.m., and shall sit until 6.15 p.m., if necessary, and, if requisite, from 7.30 p.m. onwards.

GOVERNMENT BUSINESS, PRE- CEDENCE.

On motion by the Premier, ordered: That on Tuesdays and Thursdays Government business shall take precedence of all motions and orders of the day.

LEAVE OF ABSENCE.

On motion by Mr. Wilson, leave of absence for three months granted to Miss Holman (Forrest) on the ground of urgent public business.

On motion by Mr. North, leave of absence for two weeks granted to Mr. Teesdale (Roebourne) on the ground of ill-health.

MINISTERIAL STATEMENT—FINAN- CIAL POSITION.

THE PREMIER (Hon. Sir James Mitchell—Northam) [4.45]: I ask the permission of the House to make a statement. When we last met I informed members that I was about to attend a conference in Melbourne. I have been to that gathering, and take this early opportunity to inform the House of what took place between the Prime

Minister and the State Premiers. All the States were represented. The Premiers had the advantage of receiving at several of their sittings the advice of Sir Otto Niemeyer, and also of Sir Robert Gibson (Chairman of Directors of the Commonwealth Bank) and of Mr. Riddle (Governor of the Commonwealth Bank). Sir Otto Niemeyer did not come to us as the representative of the British people who hold our securities. He is a Director of the Bank of England and came as the result of correspondence that passed between the Bank of England and the Prime Minister, Mr. Scullin. Sir Otto did not come to dictate, and he has not in any way attempted to dictate. He came to advise, and he has offered sound and helpful advice. Unfortunately he did not arrive in time to save Australia and its people from the need to face—maybe by many sacrifices—a grave financial position, a financial position that has grown steadily worse over several years.

The seven Governments have adopted a common policy that will lead our country back to prosperity. It is a policy that I firmly believe will stimulate enterprise, because it demands rigid economy in Government expenditure, and promises results far beyond the mere benefit that will follow the practice of economy in Government. For a long time we shall have much less money to spend, but we shall spend it wisely, I hope, both as a Government and as a people. I am referring in this statement to Australia as a whole, and not to this State in particular. No one will question Sir Otto Niemeyer's financial ability. That is beyond question. But I do venture to question his ability to forecast the marketing prospects of Australia's food exports.

With the signing of the Financial Agreement, Australia adopted an altogether new method of finance. No longer is there individual finance by the separate units. Since the 1st July, 1927, the seven Governments, Federal and State, have acted together and must stand or fall together. The failure of one Government in the management either of its loan expenditure or of its revenue expenditure means, in the eyes of London financiers, the failure of the whole. This was made clear by Sir Otto Niemeyer, and was accepted by all the Governments.

The importance of this position may not be apparent to all hon. members. Let me ask them to realise that Australia's debt overseas is something like £572,282,000,

carrying an obligation to meet in London an annual interest and sinking fund bill of about £31,192,000. With the balance of trade against Australia, it has been found impossible to meet this huge sum without financial help from banks and financiers in London. Hitherto, this help has always been forthcoming. The position is now changed, not because Australia has lost the good-will of Britain but because of a difficult financial position in the Old Land itself.

I wish to make it quite clear that the obligation to meet our London payments rests entirely upon us. Here the goodwill of England is shown. Her financial houses will endeavour to help us, but with the stipulation that Australia must do its part. It is my duty to emphasise that fact, to the end that it may be thoroughly appreciated by hon. members and by the people of this State.

Outstanding amongst the decisions of the Conference were—

(1) That each of the seven Governments of Australia would make expenditure balance revenue.

(2) That we would refrain from raising, either directly or by large public bodies, any loans on the London market until the £36,000,000 now due in London has been liquidated.

This £36,000,000 is money raised by overdraft and short-term loans, practically repayable on demand. The intention is to liquidate it by raising money on long-term loans as the market opens to us, which may take two years.

As we cannot borrow in London and as the exchange position is against Australia, we realised that there would be great difficulty in transferring to London the amount necessary to meet Australia's interest and sinking fund commitments there each year, namely, £36,000,000. This £36,000,000 covers not only debts due overseas by the seven Governments, but also interest on debts due by local authorities and other public bodies. For the present this difficulty has been met by the Commonwealth Bank and the Associated Banks undertaking to arrange the transfer.

A third decision of the Conference relates to borrowing and may be bracketed under two sub-heads—

(a) Borrowing in London, which is necessary to renew loans falling due from time to time.

(b) New money for new works.

It is important for everybody to understand thoroughly that we shall be unable to raise new money in London for some time to come, and that we must transfer to London each year £36,000,000 to meet Australia's interest and sinking fund payments there. In addition to these commitments, it must be borne in mind that Australia has an internal debt of £531,745,000, and that the internal interest and sinking fund bill is £32,468,000 per annum.

The Loan Council, which met after the Conference of Premiers, consulted with the Chairman of Directors and the Governor of the Commonwealth Bank, and determined that it was necessary to reduce the loan of £24,000,000, proposed to be raised in Australia for this year's programme, to £15,000,000. We concluded that it would be impossible to raise any amount greater than £15,000,000 during this year. There is a proviso that should the market improve, the Loan Council may reconsider the position later in the financial year, but for the present loan expenditure by the seven Governments must be based on the estimate of £15,000,000.

The effect of this decision on Western Australia will be that the loan expenditure of last year will be cut by about one-half. In future, too, loan money is to be expended only on works that will return interest and sinking fund charges within a reasonable time.

Regarding revenue and expenditure from revenue, Sir Otto Niemeyer advised, and all the Governments agreed, that for the good of Australia here and in London, the seven Budgets should be made to balance this year and in the years to come. As I have already indicated, failure by one Government to balance would be regarded as failure by the whole.

For this reason it was imperative to come to the assistance of South Australia to the extent of £1,000,000 to enable that State to balance its Budget. The Commonwealth Government expressed its inability to find £1,000,000 for South Australia, in addition to meeting payments to the States on account of the Road Grant and the Unemployment Relief Grant.

Under these headings, the amounts due to Western Australia for the year were—

	£
Road Grant	384,000
Unemployment Relief Grant	65,000

The Federal Treasurer asked us to assist South Australia by foregoing 25 per cent. of the Road Grant (in our case this would have meant £96,000), and 25 per cent. of the Unemployment Relief Grant (amounting in our case to £16,250). To this request I could not and did not agree.

The position was eventually met by the following arrangement:—

	£
New South Wales to forego its Unemployment Relief Grant ..	365,000
Queensland to forego its Unemployment Relief Grant	130,000
Victoria to forego amounts totalling	164,250
South Australia to forego its Unemployment Relief Grant ..	150,000
Western Australia to forego one-half of its Unemployment Relief Grant	32,500
Tasmania to forego one-quarter of its Unemployment Relief Grant	8,250
Making a total of ..	<u>£850,000</u>

Victoria agreed to suspend part of its road grant, £100,000 I think, with the idea that it would be paid back at the expiration of the Roads Agreement. As the grant in the meantime will have gone to South Australia, I do not see how Victoria can get it back.

The balance of £150,000 is to be made good by the Commonwealth Government if necessary. In this way Australia as a whole hopes to meet its undertaking to balance Budgets.

Briefly summarising the position as it affects this State—

We must meet our revenue expenditure year by year. We may not expend loan money until we have actually received it.

Previous to the 30th June, 1930, the State's financial resources were used to finance loan expenditure before the loan money was available. In other words, we employed State funds temporarily in anticipation of a loan being raised and adjustment made subsequently. This practice, which saved the State a substantial amount of interest charges during the construction of works, will not be permitted in future.

We shall be hard hit by the new arrangement from the fact that our resources were entirely exhausted in expectation of the Loan Council being able to borrow for us the £2,500,000 authorised to be raised from the 1st July, 1927, onwards. I asked the

Federal Treasurer to raise the amount of £2,500,000 for us in order that we might reimburse the funds which had already been drawn on by the Government. This he promised to do when the London market is again open to Australia.

Meanwhile it must be recognised that the State is without any reserves upon which it can draw to meet shortages of revenue or any loss on public utilities or trading concerns. For the first time in the history of the State money may not be expended until it has been received. Consequently we are faced with a severe financial difficulty. This explanation of the State's position will assist the House and the country to appreciate that during this year it will not be possible for the Government to meet requests for desirable and in some instances even necessary services. To meet the situation the ability and energy of Ministers and members, as well as of officials concerned in the management of departments, will be taxed to the utmost.

The little that remains to be said is, I think, of the utmost importance. Many hon. members may disclaim any share of responsibility for the present unfortunate and distressing condition of public finance, or for the widespread financial difficulty that exists generally. Be that as it may, the position is serious and has to be faced seriously. This will entail sacrifices by every member of the community. It is a time of such emergency that I might reasonably and confidently appeal to both sides of the House to sink differences and co-operate for the good of the State. Members, without being unmindful of the needs of their electors, should think first and foremost of the State and regard themselves as representatives of the State rather than of constituencies. The good of the whole will include the good of the parts, and if all strive together for the common end, the return to prosperity for one and all will be accelerated. Unless we act unitedly, regardless of electoral boundaries and regardless of party, we shall not in future be able to justify any claim to the confidence of the electors. For our State the way is clear. The door leading to a vast field of primary production is open wide, offering a reward for work such as is possible in only one of the other States. The road we must travel may be beset with pitfalls and anxieties,

but it is the sure road to prosperity. Besides, it is the straight road on which, in the words of Akbar, no one can get lost.

ASSENT TO BILL.

Message from the Governor received and read notifying assent to the Supply Bill (No. 1), £1,730,000.

ADDRESS-IN-REPLY.

Second Day.

Debate resumed from the 30th July.

Hon. P. COLLIER (Boulder) [5.15]:

Since the close of the last Parliament members have undergone the somewhat disagreeable experience of a general election, and the result has been a considerable alteration in the complexion of this Chamber and also in its personnel. However, we are told that change is the unalterable law of nature; and having regard also to the somewhat unstable composition of the mere mortals who make up the population of the country, one is perhaps not surprised to find that the party who have occupied the Government benches for the past six years have been transferred to the at any rate less exacting sphere of Opposition. The general election leaves behind it many regrets, because, quite irrespective of political alignment in the Chamber, personal friendships are formed when members occupy seats here for many years. I have not yet experienced a general election without afterwards feeling regret at the departure of some old members. In this respect I would on the present occasion mention especially the name of Mr. W. J. George, whom ill-health prevented from contesting his seat at the recent election. Mr. George, I may remind the House, originally entered the Assembly in 1895, and for the long period of 35 years rendered most valuable service to the State. It is true that in his Parliamentary career there was an interregnum of seven years, from 1902 to 1909; but since the latter year for 21 years continuously he sat in this House, eight of those years being spent here as a Minister of the Crown. I am sure I speak but the bare truth in saying that throughout that long period Mr. George gave of his very best to the service of the people of Western Australia. There is also the

gentleman who was the father of the last Parliament, Mr. George Taylor. He had sat continuously since 1901, or for a period of 29 years. We regret that the changes, inevitable though they be at general elections, should have resulted in these old members being no longer amongst us. The last election has also been marked by a considerable change in personnel, as I have mentioned. The election of three years ago certainly showed the high water mark of the intelligence of Western Australian electors, inasmuch as there was only one change. Of the 49 old members who went to the country, 48 were returned. Since then, I fear, the electors have fallen from grace somewhat; but I do not say this at all by way of reflection on new members.

The Premier: It sounds rather bad.

Hon. P. COLLIER: Whilst expressing regret at the fact of old members being no longer with us, may I offer a welcome to the new members—eleven, I think, in all. I hope they will find the work congenial. Certainly they enter upon public service at a most important juncture of our national life. There will be during the present Parliament, and doubtless in the future as well, opportunities for them to render service not less valuable than that which has been rendered by their predecessors. May I also offer congratulations to the members of the Ministry. Some of them are returning to old positions. The Chief Secretary and the Minister for Railways are making their re-appearance here not only as members of the House but as Ministers of the Crown. Both those gentleman I welcome back to the Chamber. It is rather a remarkable circumstance, as regards the Minister for Railways, that that hon. gentleman's retirements from the House and returns to it synchronise with changes of Government. I do not know whether that is due to luck or to wonderful judgment. Certainly it may be said that the hon. gentleman is rather a good judge of mob psychology. When his party meets with defeat at the polls, the hon. gentleman retires. The moment he selects for returning to the Assembly is when his party is returned to office. However, I congratulate him. Assuredly the return of the Chief Secretary and the Minister for Railways should give some comfort to members who have been defeated at the recent election, inasmuch as it does indicate that at all events it is not impossible for a politician to come back.

Mr. Panton: Irrespective of his age.

Hon. P. COLLIER: I speak for myself and, I believe, for every member of this party when I say that the Opposition will endeavour to render every assistance to the Government in the task that lies before them. We shall, naturally, exercise our right, in the performance of our duty, to criticise the legislation or administration of the Government whenever we feel that such a course is called for. However, I think I can promise that every reasonable assistance will be afforded to the Government. For the first time, I believe, in the political history of Western Australia, this State finds itself embarked upon an experiment in the form of a coalition Government.

The Premier: No; not the first time.

Hon. P. COLLIER: Certainly within my experience of 25 years, and I am not aware that prior to that time there was in Western Australia a coalition as we understand the term.

The Premier: There was from 1919 to 1924.

Hon. P. COLLIER: Yes. Fortunately or otherwise that coalition led to the break up of the Country Party. I trust that, at all events while the State is passing through difficult times, history will not repeat itself in that respect. The history of coalitions in Australian Parliaments and also in the British Parliament has not been happy. I do not think they are conducive to the best of administration. There must be compromise on one side or on both sides. If there are a number of men forming the majority of a party in this House and having a separate organisation, or at least sufficiently far apart in political outlook from other parties to justify the existence of a separate organisation, then I think such a party cannot come together and work together in a Ministry with another party without to some extent compelling a sacrifice of principle on one side or on both sides. That has been the experience of coalitions in all the self-governing States of Australia, with the result that eventually, after a number of years, the electors have come to recognise that fact and turn their backs upon coalitions. Associated with the present coalition there is on the part of the Premier a forfeiture of a principle that he has long held, namely, the right of the head of the Government to select his own Ministers. There can hardly have been a session since the hon. gentleman has been on the front benches of this

Chamber in the course of which he has not reminded this party of the fact that our Ministers have been selected or elected by the party. It is a principle to which he has always been strongly opposed.

The Premier: But you always believed in that principle.

Hon. P. COLLIER: Yes, I have believed in it, and consequently I have not forfeited a principle I have held; but in acquiescing to the change the hon. gentleman has forfeited a principle. He has always pointed the finger of, shall I say, disapproval at caucus.

The Premier: Yes; but that is another matter.

Hon. P. COLLIER: On this occasion half of the Premier's Ministers, four of them, have been selected for him, and he has had no say whatever in their choice. It is not sufficient to reply that that has been the case with this party, since the principle is one that we have always endorsed. It is a principle to which, as I have said, the Premier has been strenuously opposed. Probably it is unfortunate for some of the private members on the Government side of the House that the Premier has been forced to accept the principle on this occasion. I venture to say that the Ministry would not be composed of quite the same members if the Premier had had a full and free choice of the whole team. Not only that, but the Premier has not been able to select for himself, has had no say in the selection of, the leader of the Government in another place. The spokesman of the Government in another place is a most important position in the Cabinet, but the Premier has had no say whatever in that respect. The party with which he has formed a political marriage or alliance has selected for him his leader in another place. Furthermore, the Premier has not been free to select his deputy Premier. The party that forms half the Cabinet has selected his deputy Premier for him. Two most important positions in the Ministry, the leader of the Government in another place and the deputy Premier, have been selected by the members of the Country Party without the Premier himself having any say whatsoever. I mention these things because they represent a departure from the principle that the Premier himself has so strongly upheld throughout his political career—the right of the head of the Government to select his own Ministers. In this instance there has been an even greater

departure from that principle than there was in the case of the Bruce-Page coalition Government. When that Ministry was reconstructed some 12 months before its defeat—that is to say, when a Minister belonging to the Country Party retired and another Minister was appointed—Mr. Bruce did not consult the members of the Country Party, but made the selection himself, although the member he selected was not a member of his party but a member of the Country Party. I hope, therefore, that having achieved such power and influence in the formation of Governments, members of that party will wield that power somewhat mercifully and not be too exacting in the light of their strength. The statement just made by the Premier placed the financial position of Australia fairly before us, and it is as we have known it for some considerable time. There is no doubt whatever that the figures presented to us in the Press for months past regarding the financial position of the Commonwealth, did reveal the real position. We have been living beyond our means. We have imported too much, and have not exported as much as we ought to have done. We have to put our house in order. It will be mighty hard and difficult for every one of the States to balance their budgets this year. It will, perhaps, be less difficult for this State than for some of the other States because their financial leeway has been much greater than ours. The methods by which State Governments will balance their budgets is for each to determine. There is no obligation upon one State to adopt a method pursued in any other State. I understand that is the position.

The Premier: Yes, it could not be otherwise.

Hon. P. COLLIER: Of course it could not be otherwise. So far as I can see, there is no possible opportunity in this State for increased taxation to be imposed. On the other hand, the Premier is pledged to a reduction of taxation. I do not know whether he will be able to give effect to that pledge during this year.

Mr. Kenneally: But that pledge was given before the elections.

Hon. P. COLLIER: Certainly. Most definite promises were made by practically all members sitting on the Government side of the House that first of all the land tax would be reduced. Some members went farther than that and made promises regard-

ing other taxes as well. There is in all this an insistent demand that the cost of production shall be reduced. But most of those who offer advice to Governments in that respect leave their advice at the stage of generalities. They do not say how the cost of production may be reduced. The deficit last year was a large one, but it was mainly due to the falling-off in the returns from the Railway Department. On the other hand, I notice that the Premier said during the course of the elections that there was waste and extravagance in every item of expenditure that must have greatly increased the deficit. In those circumstances, the task of balancing the ledger will be comparatively easy, should the statement made by the Premier stand examination. If there were waste and extravagance in connection with the administration of the railways by the Labour Government, all the present Government have to do is to cut out the waste and extravagance, and the deficit will disappear.

The Premier: That is what we shall do, of course.

Hon. P. COLLIER: The Premier said that the deficit last year was due to waste and extravagance.

The Premier: But I did not know it would amount to £500,000, nor did you.

Hon. P. COLLIER: Perhaps the Premier assumed the role of prophet during the elections when he expressed the opinion that it would be £500,000.

Mr. McCallum: He said so himself.

Hon. P. COLLIER: I endeavoured to deal with the position as at the 31st March, but the Premier always had his eye on the 30th June, and insisted that the deficit as at the 31st March was nothing to what it would be at the end of June. Thus, when the financial year closed, the Premier could not have been taken by surprise.

The Premier: You read my statement.

Hon. P. COLLIER: As a matter of fact, I read it just a while ago.

The Premier: I think you said there would be a credit balance, and I questioned your statement.

Hon. P. COLLIER: I did not make my statement after six months or nine months had expired because I could then see that the position of the railways had not come up to expectations and that at the end of the financial year there would be a considerable shortage. There is no doubt what-

ever that it will be a difficult task to balance the ledger this year in each of the States, but I agree that the position has to be faced. Owing to the situation that has arisen in London, we cannot continue in future as we have proceeded in the past. We must live within our income, reduce importations, and increase exports so that we may live within our means. The London market will be closed to Australia until that end is achieved. There is no question whatever about that being the position. Reverting to the question of the cost of production, there is to be discerned an insistent demand for reduction in wages. It seems to be in the mind of a great many people that wages make up the whole cost of production and therefore that phase must be the first to be attacked because it is the easiest. Wages represent one factor only in the cost of production, yet that is the point at which all critics desire to make a start.

The Premier: I would cut the tariff in half if I had my way.

Hon. P. COLLIER: I will come to the tariff later on. Critics, when dealing with the cost of production, say nothing about other items that contribute towards that cost. It is a strange fact that at the time of a nation's greatest adversity, when nearly the whole of its people suffer from a reduction in their incomes, irrespective of whether they be business people, wages men or otherwise, history shows that that is the time when those who lend money to Governments secure greater returns than at any other period. As profits diminish and incomes become reduced, so rates of interest increase. The rate of interest to-day is higher in Western Australia and, indeed, throughout the whole of Australia, than ever before within my recollection. With a bank rate of interest of $7\frac{1}{2}$ per cent. and with a rate of 6 per cent. for Government bonds, hon. members will realise that those rates are higher than they have ever been before. It means, also, that many of the loans floated in earlier years at a lower rate of interest—at 4 or $4\frac{1}{2}$ per cent.—will be falling due and when they are renewed, it will be at the present rate of interest of 6 per cent. So the man who secured his bond with interest at 4 per cent. now gets the benefit of the increased rate when his bond is converted into 6 per cent. stock.

The Premier: That is the rotten part of it.

Hon. P. COLLIER: It shows there is something radically wrong in a system of society that enables such a result. Is it any wonder that those on the bread line, people who work for wages and salaries and who are in intermittent employment, protest against and resist any reduction in their wages? Is it any wonder that they should object, seeing that those who are less deserving and do not render anything approaching equal service to the community, enjoy a greater income and a wider margin of profit than ever before? Yet that is the position to-day.

Mr. Kenneally: And they are usually the people who say that wages must come down.

Hon. P. COLLIER: That is where it starts. From week to week I have read the published reports on the year's operations of some of our big corporations and trading concerns in this State. I shall not mention any names, but less than a fortnight ago I read that one company had paid a dividend of 15 per cent. while another had paid a dividend of 12 per cent. on the operations of last year. In the latter instance, a long explanation was made at the annual meeting of shareholders as to why the dividend had dropped from one of 20 per cent. that had been paid during the previous four years. Taking a five-year period with dividends at 20 per cent., hon. members will see that the whole of the capital would be returned.

The Premier: It must have been a jolly well managed business.

Member: Or else a brewery.

Hon. P. COLLIER: It was not a jolly well managed business, but it was one involving the stupidity, and perhaps the cupidity, of a large number of people in this State. It was a motor car business, and we all know that people have been buying motor cars right and left for years past. That has enabled motor car dealers to pay dividends of 20 per cent. Moreover, there is no doubt that that 20 per cent. did not represent the whole of the profits for the year, because a considerable sum must have been placed to the credit of reserves in order to build up the company's assets. That is what is going on. I admit that many trading corporations and private business people have had their profits considerably reduced because of the prevailing depression, but many others have not had that experience. In the cost of living, a most important factor is repre-

sented by high rents. Everyone knows that in Perth during the past six or eight years land values have been mounting rapidly. Hon. members know of instances of city properties having changed hands within six or twelve months at double the price originally paid. As the result of values going up, rents are increased correspondingly. Every shop-keeper or business man whose lease has run out in the city during the past few years, has had to pay anything upwards of 100 per cent. increase in rental. Many of them have not been able to do that, and have had to vacate the premises in which they have built up their businesses and established goodwill during the course of many years. In the city are to be seen a number of wretched little frontages of 11 or 12 feet. On those blocks small lock-up shops have been erected for which enormous rents are charged.

Mr. H. W. Mann: And for which premiums have to be paid for a new lease?

Hon. P. COLLIER: Yes. Let us consider the ramifications of high rentals for a few moments. This is a phase that has an important bearing on the cost of production. We know that under the provisions of the Industrial Arbitration Act, any fall in the cost of living means that automatically wages are reduced. But it is not conducive to a reduction in the cost of living to have exorbitantly high rents demanded. Apart altogether from the rent the worker pays for his own domestic dwelling, there is the high rent which his butcher, his baker, his grocer, and everyone of the tradespeople from whom he buys the necessities of life has to pay, and which is passed on in the cost of the goods supplied.

The Premier: That applies all over the State.

Hon. P. COLLIER: It applies all over the metropolitan area more particularly. Values have not increased in the country districts as they have in the city.

The Attorney General: There have been increases in the suburbs.

Hon. P. COLLIER: Yes, in good business places on prominent corners values have increased. I know they have in some instances.

The Attorney General: In the centre of the city of course they have increased.

Hon. P. COLLIER: Anywhere in the city proper there have been tremendous increases. That is where most of the busi-

ness is carried on. But what is going to be done about it? Is the man on the basic wage to suffer a reduction while those people who are in enjoyment of high rents are to go on as they are?

Mr. Willcock: That is what they call progress.

Hon. P. COLLIER: Yes, that is progress. Many of them do not live in the State at all, but live in the other States, and some of them in the Old Country. Still, up goes the rent. This unearned increment comes to men who contribute nothing whatever to the wealth production of this country. It is not because of the work of the man who owns the city block that its value has increased; it is because of the work that has been going on all over the country. The man who lives out-back on the goldfields or in a farming area, and who is developing the country, contributes his share to the value of city properties. Property values rise because the State is being developed, and the owner of the property can sleep while his income increases. It may be that many of the owners of city properties are not making excessive returns on the capital invested; but if so, it is because they purchased at high prices and so their returns on the capital may not be excessive. But there is the position: rents are high and I think there is no possibility of getting a contented working people in this country to submit to a reduction of their working conditions whilst those in the enjoyment of big incomes and big rents go untouched. I do not think they will submit to it, and I do not think they ought to submit to it either. It is not right that they should be asked to do so. The unfortunate worker is the man easy to get at; you merely make a reduction in his wage or salary. There are other factors in the cost of production. We have armies of agents all over the country. If we take the price received by the primary producer, that is to say the price at the point of production, and compare it with the price at the point of consumption, we find a very wide margin indeed between the price received by the producer and that paid by the final purchaser. This, because of the army of commission agents and all the other agents that intervene, everyone of them getting his profit and his toll. That is what is going on. We are not organised on a sane basis. Will anybody deny that a complete

change in our methods of distribution is required? The principal factor in the cost of commodities is the method of distribution employed, the expensive, costly method of distribution.

The Premier: You must have some means of distribution, especially when the customer lives 100 miles away.

Hon. P. COLLIER: Of course. Not all the agents are unnecessary. Some render useful service, but not the whole army of them that we have. At home I sleep in the open, on the verandah. But I am not allowed to sleep after about 3 o'clock in the morning because of the number of milk wagons that come into the street. Is it a rational, sensible method of distribution to have a man in a motor wagon drive up to my place and deliver a couple of pints of milk, and as soon as he is gone another man drive up in another truck to the place next door and leave his pint of milk, while following him another man in another wagon leaves milk at the place opposite, and a few minutes later still another vendor delivers milk a little further down the street? And all this in a street about half a mile long. There are fully a dozen men engaged with a dozen motor trucks to serve that one street with milk, whereas one man with one truck could do the lot and save all the expense of the other 11 men and 11 trucks. And what is true of milk distribution is true also of the distribution of meat, and bread and groceries.

Mr. Marshall: Bakers come from Fremantle to Mt. Lawley with bread.

Hon. P. COLLIER: It is these methods of distribution that are largely responsible for the cost of production. But they are never mentioned; it is wages, wages always. Even the man who does not mention wages and salaries has wages and salaries in his mind.

The Attorney General: The distribution you speak of is wages, 100 per cent. wages.

Mr. McCallum: No. What about the cost of the trucks and of the petrol?

Hon. P. COLLIER: The proposal is to allow all these men and trucks to continue in the distribution, and to reduce only wages. Under the Premier's policy of settling people on the land, the superfluous 10 or 11 milkmen that come into my street would be better employed on the land milking cows and making butter, and so increasing wealth production, than in running round the city with milk cans.

The Minister for Railways: They find it easier to milk silly cows in the city

Hon. P. COLLIER: The newspapers block out areas in which no one can sell a paper except the man with the right to serve that area. In Dunedin and other cities of New Zealand that is done with the milk also. These are some of the things in which savings should be made. But they are never mentioned, for all the clamour is for a reduction of wages and salaries. Whilst nobody will dispute that the operations of the Federal Constitution and the Federal Parliament have imposed considerable burdens upon Western Australia, I venture to think the nagging, shall I say, at Federation is being overdone. I do not think it quite becoming in a self-reliant people that every time we get on our feet, at every possible function where Ministers and members and everybody else make speeches, we should be railing at Federation; to place all the blame, the whole of the responsibility for our present depressed position, upon Federation. I rather think there is at the back of the minds of some people a desire to divert other people's minds and attention from our own shortcomings, from our own lack of sound policy and government in administration by directing their eyes and thoughts all the time upon Canberra. It has been urged in the Press and elsewhere for months past—and the Premier has repeated it—that this is not the time for party recrimination. Party politics, we are told, ought to be sunk for the time being, and we ought all to co-operate in the crisis through which we are passing. But in every one of the newspapers in which that is urged you will find columns of criticism of the Federal Government. Do these people, Nationalist and Country Party members alike, who ask for a cessation of party politics, follow it up and carry out that principle towards the Federal Government? According to their criticism there is not one thing the Federal Government have done right. I venture the opinion that behind it all, whilst asking the other fellow to be silent and fall into line and co-operate, behind it all is a good deal of political propaganda against the Federal Government.

The Premier: No, no.

Hon. P. COLLIER: That is what it is. They are preparing the ground for a possible double dissolution next year.

The Premier: Did you vote for Mr. Monger's motion years ago?

Hon. P. COLLIER: No, I did not. The hon. member has never been able to get over the old Western Australian prejudice against Federation. He was against it, I suppose, from his swaddling days. He has been consistent, at any rate. He opposed it 30 years ago and, like the laws of the Medes and Persians, he is not altering in opposing it to-day.

The Premier: You suggest that I have spoken against the present Federal Government. I have not, of course.

Hon. P. COLLIER: I was not particularly speaking of the Premier in that regard.

The Minister for Mines. You would not suggest that he has been very partial towards the present Federal Government.

Hon. P. COLLIER: No, I would not call it partiality. But there is the position, and there is no doubt about it. I think we ought to stop making the Federal Government a stalking-horse for all kinds of complaints. There has been any amount of misrepresentation put forward regarding the effect and influence of Federation upon Western Australia. It is all very well when some Country Party members go along to their annual conference and get men from the bush down there. They then reel off strings of figures, millions here and millions there, and a big percentage of it is sheer misrepresentation of the facts. If I were to cut out of newspapers all the absolute mis-statements of facts that appear in them regarding the influence of Federation on Western Australia, I should have a stack a foot high. These mis-statements have been thrown around recklessly in all directions. Is there anything at all now for which we do not conveniently excuse ourselves, our own shortcomings, by blaming it all on to Canberra? It is up to all those who say that there should not be party politics or party criticism at this juncture to set an example and be a little milder in regard to their attacks upon the Federal Government. Why, the Premier of Queensland returned to his State after having attended the Federal conference and started criticising. I attended a Premiers' Conference with that gentleman, and a more meek and mild, and if I may be permitted to say it, a more inept Premier, I never met at any conference. He did not appear to be able to say boo to a goose, but the other day when he returned to Queensland he told the people that Mr. Scullin was the only man at the

recent conference who did not appear to appreciate the seriousness of the position. That was an utterly contemptible thing to say, and could have been actuated only by political motives because we all know that Mr. Scullin has appreciated the position from the very first hour he assumed his present office. It was his keen appreciation of the position that was responsible for his leaving Australia a sick man.

The Premier: I do not think Mr. Moore could have said that because Mr. Scullin was at the conference for only a little while.

Hon. P. COLLIER: The Premier of Queensland was reported to have said what I repeated.

The Premier: It was a newspaper report.

Hon. P. COLLIER: I believe the Queensland newspapers are more reliable in their statements in respect of Federal matters than some of the Western Australian papers.

The Premier: I doubt whether he said it.

Hon. P. COLLIER: Yes, he said that when Mr. Scullin did attend the conference he did not appear to appreciate the position Australia was in to-day.

Mr. Wilcock: He said that some of the Ministers did not and that the average man in the street knew all.

Hon. P. COLLIER: Anyway, we know that for 20 years past this State has had deficits. The deficits occurred long before the influence of Federation began to affect our finances. Are we going to deny that a considerable number of our difficulties to-day are due to our own mistakes?

The Premier: Of course we cannot.

Hon. P. COLLIER: Every Government the State has had has made mistakes and in the light of after-events, serious mistakes. We have expended loan moneys on works that perhaps were not warranted. Money has been lost in many directions. We have to-day the greatest mileage per head of population of any country in the world. Our mileage is three times greater than that of Victoria and four and a half times greater than that of New South Wales. We have spent money in many ways, and before we start to pick holes in everything the Federal Government do, we should examine our own consciences and realise that we ourselves are responsible for a considerable number of our difficulties.

Mr. Sampson: They need defence.

Hon. P. COLLIER: The hon. member had 18 months in office and what he did

needs a great deal of defence. When we have arrived at the stage where we ourselves are perfect, and we know that we make no mistakes, then perhaps we can point our finger at the other fellow.

The Premier: Are you defending Federation or the system?

Hon. P. COLLIER: We should criticise the Federal Government in reason and fairly, but not try to place on Federation the responsibility for many of the things for which we ourselves are to blame. I know it is very convenient for State Governments to excuse themselves or explain their own comparative failure by posing as virtuous people and placing the whole of the responsibility on Federal members and Federal ministers. It is an easy way out for the States to say that whatever they are suffering from is due to Federation.

Mr. H. W. Mann: I think I remember you finding fault when you were on this side of the House.

Hon. P. COLLIER: Of course I did; I am not saying that no fault should be found, and I am not asking or suggesting that everyone should be silent with regard to Federation; I am talking about moderation in all criticism. There is a difference between fair criticism and wholesale and irresponsible condemnation.

The Premier: Are you criticising the Federal Government or the system?

Hon. P. COLLIER: Those who criticise blame both but at the present time they are more engaged in blaming the Federal Government than the system. I will give an instance—the gold bonus. When the Bruce Government consistently refused to grant a gold bonus, no section of this community asked for it except the residents of the goldfields. The request for a gold bonus in Bruce's time was not assisted in the metropolitan area at all. The newspapers here were silent upon it, but as soon as a change took place and the present Government found themselves confronted with the most difficult financial situation the Commonwealth has ever experienced, then all sections in the metropolitan area of this State whole-heartedly demanded the gold bonus and criticised the Government trenchantly because the request was refused. People by the hundreds are to-day adopting that attitude of mind, people who were silent 12 months ago so far as the gold bonus was concerned. Therefore is one not justified

in asserting that a great deal of this criticism has political motives behind it? There is not a greater case to-day for a gold bonus than there was two years ago when the Bruce Government refused it.

The Minister for Works: What is the connection between secession and the gold bonus?

Hon. P. COLLIER: I was not talking about secession; I never mentioned secession. The Minister for Works should wake up.

Mr. Pantou: He has just awakened.

Hon. P. COLLIER: I have been talking about the condemnation of the Federal Government and Federation; I said nothing whatever about secession. I would not waste time on secession. It amuses some people, and enables others with a surplus of cash to find an outlet for expenditure, for which they receive a little publicity. We can have criticism of the Federal system and of the Federal Government without any thought of secession at all.

The Minister for Lands: You will admit that Canberra is about a hundred years ahead of itself.

Hon. P. COLLIER: I admit that.

The Minister for Lands: That is one of the mistakes.

Hon. P. COLLIER: I am not asserting that the methods in the past have been free from mistakes. Personally I think that Canberra should not have been touched for another 50 or 100 years, and many other things, too. One of the greatest mistakes the Federal Parliament and all parties have indulged in has been the duplication of departments. The Commonwealth itself has duplicated many departments. That is where economy could be exercised in the Commonwealth service. There are any number of departments that have been established with big and costly staffs and operating alongside State departments. Those Commonwealth departments, in my opinion, are entirely unnecessary and are responsible for a great waste of money.

Mr. H. W. Mann: There were the Taxation Departments.

Hon. P. COLLIER: Yes, and it is one now.

The Minister for Lands: And the savings banks.

Hon. P. COLLIER: Yes, and the architectural branches. Formerly their work was done by the architectural branch of the Works Department of the State, but that

system was altered and a separate branch was created, a Commonwealth architect and a complete staff being appointed. The same thing has happened with regard to workers' homes, in savings banks and in other directions. Again, there was no need to establish a Commonwealth Railway Department, for the purpose of running a train over a thousand miles of unoccupied territory where there were no complications of junctions or anything else. The railway staff of Western Australia could well have attended to the running of the express as far as Port Augusta.

The Minister for Railways: And would have shifted the men along that line instead of keeping them there all their lives.

Hon. P. COLLIER: It is an absolute waste of money to set up a Commonwealth Railway Department with a Commissioner receiving £2,000 a year and with a staff of engineers and others under him.

The Minister for Railways: And none of them anywhere near the railway, either.

Hon. P. COLLIER: That is where Federation has not realised the expectations of the founders. I do not contend for a moment that the policies of Federal Governments have been sound. There has also been a scandalous waste of money in the establishment of a school of forestry at Canberra. There have never been more than 10 students at that school, and all have been drawn from the States. Two are from Western Australia. The building of the school at Canberra cost £70,000, and the residence of the conservator another £8,000. That, too, at a time when each State was teaching forestry at its university. The Commonwealth has no forests except perhaps a few pines that have been planted at Canberra. It is the States that have the forests and provision has always existed in the States for the training of men in forestry. Our boys now have to go to Canberra and the Commonwealth have to help to finance their studies while there. I heard only the other day that at that school it was desired to give practical demonstrations in forestry and the students had to be taken from Canberra right down into the forest country of Victoria. It is things of that description that are not necessary and should be cut out. I am not defending such actions; but I am contending that they are not altogether responsible for all the ills from which we have been suffering under

Federation. While dealing with the question of reduction of wages and altered conditions of employment, I draw attention to the fact that the Government have made an application to the Arbitration Court regarding hours and what are known as district allowances. It is quite within the province of the Government to make an application to the Court for a variation of an existing award, but I do not think such an application is justified at this stage, more particularly when we remember that members on the Government side of the House, with the possible exception of some of the Country Party representatives, were entirely silent a few months ago during the election regarding the conditions obtaining in Government employment.

The Premier: What is the Arbitration Court for?

Hon. P. COLLIER: I do not think the Arbitration Court is the proper tribunal to determine a question relating to district allowances.

The Premier: Who do you say should do that?

Hon. P. COLLIER: It is a matter for the Government to decide, seeing that it is a question of policy. In the first instance, district allowances were granted in 1895 and have been continued ever since, not because of the cost of living but because of the disabilities of life inseparable from existence in the districts where the allowances were granted. That is a factor the Arbitration Court cannot take into consideration.

The Minister for Works: What disabilities are suffered by a worker at Kellerberrin to a greater extent than are suffered by a worker at Merredin?

Hon. P. COLLIER: That might be an argument for an alteration in the boundaries to which the various allowances apply, but not for the entire abolition of the allowances.

The Minister for Railways: What do you say would be the difference in the cost or conditions of living in Kalgoorlie experienced by a miner compared with a railway employee engaged there in sweeping the platform?

Hon. P. COLLIER: I do not know of any difference.

The Minister for Railways: There is not much difference, but there is in the wages paid.

Hon. P. COLLIER: The Arbitration Court may have established the difference, but in 1920 and again in 1922 the Arbitration Court made provision for district allowances on the goldfields.

The Minister for Railways: Would you suggest that the district allowance paid to a boy sweeping the railway platform at Kalgoorlie should be worth the same as that paid to a man working in the mines?

Hon. P. COLLIER: Not altogether; I would say not.

Mr. McCallum: But what has that to do with the abolition of the district allowance?

Hon. P. COLLIER: Here again the argument is that all the levelling should be downwards. Does the Minister for Railways suggest that because a man employed in the railways enjoys certain privileges, those privileges should be taken away from him because the miner does not enjoy them too? Does the Minister propose to take away the free passes granted to railway employees once a year because the miners have not the same privilege? Does the Minister propose to take away other privileges enjoyed by Government employees because similar privileges are not available to the miners?

The Minister for Railways: That is begging the point. You say that the district allowance is a matter that should not be decided by the Arbitration Court. Why?

Hon. P. COLLIER: I have pointed out that this is a question of policy. If it is a set policy of the Government to grant such allowances, I have no doubt it ought to prevail in employment outside that of the Government as well.

The Minister for Railways: But it does not; that is the trouble.

Hon. P. COLLIER: Considerable disabilities are suffered by people living in outlying places, and those disabilities are not experienced by others who live in the metropolitan area, for instance.

The Minister for Railways: I agree with that.

Hon. P. COLLIER: I do not know that the position has changed so suddenly that the Government are warranted in approaching the Arbitration Court and asking that district allowances shall be discontinued. In 1923 I moved a motion in this House affirming the principle of pay-

ment of district allowances. That motion was carried unanimously, without any opposition. When speaking on that motion the present Premier said—

I think the House agrees that the conditions on the goldfields are such that it is right the people working there should have a special allowance. . . . It is not possible that the House should disagree with the motion.

The position has not changed since then except—

The Minister for Works: That the court has inquired into the question since.

Hon. P. COLLIER: The court had inquired into it then.

The Minister for Works: And has done so since, too.

Hon. P. COLLIER: But not so far as Government employees are concerned.

The Minister for Works: We now ask that the court shall inquire.

Hon. P. COLLIER: I do not think the court should do so. However, it is the old story again, always levelling down, never levelling upwards; always taking away concessions; always attacking the wage earners, and passing the other fellow by! Will the Government introduce legislation during this session or take any other steps to curb the rapacity of the high-rent charging profiteers? Of course they will not! Will they introduce a Bill or take other steps, to interfere with the excessive profits enjoyed by other sections of the community?

Mr. Kennecally: Not they.

Hon. P. COLLIER: Those people will be left severely alone!

The Premier: Did you do anything to give the miners an allowance during your term of office?

Mr. Pantou: We did in 1902, and you ought to leave that part of it out. If you do not, I can give you some information to go on with.

Mr. McCallum: We provided them with all they ever got.

The Premier: Nothing of the sort!

Mr. McCallum: Yes, they got it from the Labour Party, and you fought against it.

The Premier: Rubbish! Utter nonsense!

Hon. P. COLLIER: The Government will not take any steps to improve the conditions of labour; they can merely take away conditions that have been enjoyed by

the workers in the past. Now an application has been made to the Arbitration Court for a variation of the award to extend the hours of employment and to do away with district allowances, yet not a word of that was said by Government supporters during the recent election! It may be urged that the financial position of the State at present is a justification for the step taken by the Government, in that the circumstances are exceptional, and the application would not have been made had it not been for the conditions that obtain now. But the position was known last year. There has been no change in the financial position of the State.

The Minister for Works: Not in the last 12 months?

Hon. P. COLLIER: Yes, but not in the last three or four months.

The Minister for Agriculture: It gets worse every day.

Mr. Pantou: That is natural, with the present Government in power!

Mr. Patrick: The Premier of South Australia did not say anything about reductions in connection with the railway service there during the election, but he has reduced wages.

Hon. P. COLLIER: I am not worrying about what has happened in South Australia.

The Minister for Railways: Nor did the Premier of Victoria. It is all right; you will all have to change your views!

Mr. Withers: We used to hear a lot about Queensland. Why not mention Queensland now?

The Minister for Works: It has been done in Queensland, too.

Mr. SPEAKER: Order! Hon. members must keep order.

Hon. P. COLLIER: I consider that at this early stage the Government are not justified, during the currency of an award registered in the Arbitration Court, in attacking hours and district allowances paid to Government employees throughout the country districts.

Mr. Willecock: The payment of those allowances has been the settled policy of the country for the past 35 years.

Hon. P. COLLIER. And that payment was endorsed by the Premier himself in 1923. It will be remembered that there was a deficit in that year. In fact, the financial position then was just as bad as it is to-day. From 1910 to 1922 we had had a succession of deficits and in 1923 the State had a huge

accumulated deficit. Yet in that year the present Premier said that members of this House could not oppose the payment of district allowances on the goldfields!

Mr. Kenneally: That was before the Country Party started to drive the Government.

Hon. P. COLLIER: Here we see the first fruit of the coalition. We know that the 44-hours question and labour conditions have represented a bugbear to the members of the Country Party for years past.

The Minister for Works: How did the workers get the 44-hour week?

Mr. Willcock: Through the Arbitration Court; you know that!

The Minister for Works: They did not.

Mr. Willcock: Of course they did.

Hon. P. COLLIER: Again the Minister should wake up! The first time the 44-hour week was granted to a large section of the railway employees was in 1920, when the present Premier and the Minister for Railways were in office, and it was then granted by the Arbitration Court. The Government of the day then voluntarily granted the 44-hour week to men employed on water supply works.

The Minister for Works: The fact is that 11,000 Government employees were granted a 44-hour week by an administrative act of Government.

Hon. P. COLLIER: The Minister is not possessed of the whole history of the case, because in 1920 the Arbitration Court granted a 44-hour week for the men in the railway workshops and the Government of the day granted a similar provision to the men in the Water Supply and Public Works Departments.

The Premier: It had previously been agreed that we would follow the award of the court.

Hon. P. COLLIER: But there was no compulsion about it. If it was the policy of the Government to have a 48-hour week, there was no need for them to have granted a 44-hour week until they were compelled to do so by the court.

The Minister for Railways: There was an undertaking given to the employees owing to the time it took to get the decision of the Arbitration Court, that we would apply the court's decision to other Government employees.

Hon. P. COLLIER: That is so, but there was no need to give any such undertaking. The 44-hour week was voluntarily granted

by the Government of the day to men who did not obtain that concession through the Arbitration Court.

The Premier: But there was an obligation imposed by the agreement entered into with the men, in the undertaking given them.

Hon. P. COLLIER: But there was no obligation on the Government to give any such undertaking.

The Premier: Do you suggest that the Arbitration Court would grant 44 hours to one section and 48 hours to another section the next day? Of course the court would not do so.

Hon. P. COLLIER: The men concerned might be on different services.

The Premier: But these men were working side by side.

Hon. P. COLLIER: No, one section was represented by the railway employees and the other men who benefited were employed by the Public Works Department and the Water Supply Department.

The Premier: Well, they work side by side.

Hon. P. COLLIER: Not at all.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. P. COLLIER: Whilst it is recognised that very few people in the community to-day are escaping the consequences of the financial depression through which we are passing, there is still one section whose position is most depressing and deplorable, and that is the ever growing number of people who find themselves without employment. There is not one member of this House, I suppose there is no man in the community, especially is there no Minister, who has come into direct contact with people seeking work who does not feel much and worry considerably because of the fact that large numbers of people are unable to find work and provide for their families. The number, unfortunately, is increasing, and having regard to the decision of the Loan Council last week, a decision that was inevitable, to reduce the loan programme of Australia from £24,000,000 to £15,000,000, it seems certain that the number of workless people will increase, because in the past employment has been found for many per medium of loan money. While I sympathise with the Government in the difficult task that confronts them in trying to meet the situation, I cannot allow the occasion to

pass without reminding my friend the Premier of the somewhat rash promises that were made by him during the election campaign. As a matter of fact the elections were determined entirely upon the question of unemployment. As the campaign progressed, and more particularly during the last week or two, members of the present Government and candidates supporting them concentrated upon the question of unemployment. It was the only question I was called upon to answer. While I, knowing the position, which was also known to responsible leaders of the then Opposition, could not honestly or conscientiously make promises to the electors that I knew were impossible of fulfilment, nevertheless, perhaps following on lines that Oppositions are disposed to follow, there was no hesitation whatever on the part of Government candidates in making such promises. I may be pardoned for reminding the Premier of some very definite and emphatic statements he made on this subject—

Labour mismanagement was responsible for thousands of people being unemployed to-day.

Labour mismanagement!

Labour had no remedy for the trouble it had created.

The trouble we had created!

Mr. Collier and his friends were content to take refuge in the plea that nothing could be done. It was time the Government made way for others who had a policy and knew how to cope with the trouble. My policy is work for everyone and reduced taxation.

The policy of every party and of every Government is to provide work for everyone, provided it can possibly be done. The Premier went on to say—

The text of my policy in one word is "work." There were 3,000 unemployed in the State, and men were literally starving. For all those people there would be work when the first part of his policy was put into operation, and that would happen soon after he was returned to power.

Soon after!

I have been asked where I will get the money. The answer is the Treasury is receiving sufficient money at present to provide work for everybody in the State.

The Premier: The Treasury is certainly not receiving it now.

Hon. P. COLLIER: We were not receiving it then. It is idle to suggest that

the members of any Government would be so callous or hard-hearted as to sit idle and make no effort to find work for the unemployed if there was sufficient money coming into the Treasury to enable work to be provided for them. The Premier also said—

What he had done before in providing work could be done again. It was all a question of proper management.

From now on he will have an opportunity to allow this proper management to come to fruition and provide work for everyone.

If he was asked whether the Government works could soon be put in hand, his answer was "yes." He would build the 372 miles of railways authorised, but not begun, which would mean an expenditure of £1,500,000.

The inference was that he would build those railways almost immediately, because that statement is governed by the earlier remark in which he said the works would soon be put in hand.

But I have undertaken to provide work for everyone, comfort and happiness for everyone.

Mr. McCallum: They have got it!

Hon. P. COLLIER: The Premier continued—

For the farmer, reduced taxation, for the suitable applicant, land. If returned to power I have promised to find work for everybody in the State. This is no extravagant statement. What I have undertaken to do, I know I can do. But never before has the State reached the shocking plight to which the last six years of Labour mismanagement has reduced it.

I am not now blaming the Premier or the Government for not being able to carry out those promises and for not being able to provide work and prosperity for everyone, but I am blaming the Premier for making those reckless statements during the election campaign when he must have known well that he was only deceiving the electors.

The Premier: Not at all.

Mr. McCallum: Yes.

Mr. Marshall: He knew very well that he could not do it.

Hon. P. COLLIER: It is of no use the Premier now saying that he was not aware of the financial position of the State.

The Premier: I certainly was not.

Hon. P. COLLIER: The Premier knew the financial position perfectly well. During the preceding 12 months I had explained the whole financial position of the State.

The Premier: No fear!

Hon. P. COLLIER: Let me remind the House that this financial difficulty has not arisen during the past three or four months. Twelve months have elapsed since it commenced, and 12 months ago and at frequent intervals since, I announced in this House that the London loan market was closed to us. It is nearly two years since we have obtained a loan in London.

Mr. McCallum: Two years last April.

Hon. P. COLLIER: It is true we were able to carry on by the help of an overdraft and other moneys that are not now available to the Premier, because those sources have been exhausted, and he has not been able to reimburse them by moneys borrowed overseas. But that position was well known to the Premier.

The Premier: Oh, no!

Hon. P. COLLIER: It was well known to him. He had just as much knowledge of the financial situation, of the possibility of the Government obtaining money overseas and of the possibility of finding work for the unemployed as I had.

The Premier: No fear, I had not. How could I get the information?

Hon. P. COLLIER: The Premier knew perfectly well that the London market was closed to us, and it was publicly stated that the loan programme for Australia had been reduced at meetings of the Loan Council during the last 18 months. The Premier knew all that.

The Premier: You got £3,600,000 of loan money.

Hon. P. COLLIER: I am aware of that, but the Premier knew the position was that money would not be available in future.

The Premier: No.

Hon. P. COLLIER: I told the House so myself. I refused to secure on such promises the votes of the people of this State, especially of the people suffering because of unemployment, as well as of the section who, although employed, had only casual work and had hanging over them all the time the fear of possible unemployment. It was not only the people out of work who believed the Premier's statement and accepted it as a fact, that he would be able immediately to find work for them, but there was also the large number of men engaged in casual work and fearful of being thrown out of work at any

moment. The Premier secured a large proportion of those votes, the people having cast their votes in the belief that if they were thrown out of work, the Premier would provide work for them. I say that was not fair dealing with the electors. I made no promise whatever, and anyone may search my policy speech or other utterances in vain to find that I made any promise to the people of the State that I would do things which I knew I could not do.

The Premier: I have before me reports of your speeches. You made many statements.

Hon. P. COLLIER: The Premier can produce them.

The Premier: I shall.

Hon. P. COLLIER: The Premier will find no promises in them with regard to unemployment.

The Premier: You said you would not do it.

Hon. P. COLLIER: I did not. I am not so callous as that. I said I could not do it. That is the difference.

The Premier: You said that if you provided work, people would come here from South Australia.

Hon. P. COLLIER: I shall quote that presently. Last session in this House, when I indicated the causes of unemployment and referred to the reduction of loan moneys, I gave figures over a given period showing the excess of arrivals from the Eastern States over departures and showed that it was a contributing factor of our unemployment trouble. I mentioned the bad seasons in the Eastern States, more particularly in South Australia, where men to the number of tens of thousands were out of work, whereas at that time our State was fairly prosperous, and was receiving much publicity in the Eastern States capitals because of its good seasons and good harvests. This publicity had the effect of inducing large numbers of men in the Eastern States to come West in search of employment. I mentioned that, and the Premier's reply to me in the House was, "Why should they not come here? They have as much right to be here as we have. Do not you want them?"

The Premier: Of course they have as much right.

Hon. P. COLLIER: During the first week that he was in office he altered that tone. I find from the paper that in providing employment for those out of work, people who came from the Eastern States were not to

be considered unless they had been in Western Australia for two years. My Government did not go so far as to give preference to anyone, but those who come from the Eastern States now, or have done so in recent months, are practically debarred from whatever employment may be offering by the Government. Last year the Premier was indignant. He said, "Do you not want them? Why should they not come here? Many of you come from the Eastern States."

The Premier: Do you not?

Hon. P. COLLIER: He now puts forth the very argument, as a justification for his difficulties, that I would put forward.

The Premier: Is it not wise to tell them not to come?

Hon. P. COLLIER: I did not tell them not to come. All I did was to point out to the House the factors contributing to unemployment. It is the duty of the Government, however, not to encourage people to come from the Eastern States.

Hon. W. D. Johnson. Or from anywhere else.

Hon. P. COLLIER: Yes, when we have large numbers of our own people out of work. It is the duty and responsibility of Government not to do it. Whilst I did not tell them not to come, I took steps to indicate in the Eastern States that there were large numbers of our own people out of work. These are statements of the Premier to the people, statements which determined the election. They believed work would be found for them, and that 372 miles of railway, at an expenditure of a million and a half, would be built. The Premier knew then that the money market in London was closed, and there was no possibility of finding means for the construction of those miles of railway. He knew there was no possibility of carrying out any of the promises that were so recklessly and extravagantly made and re-echoed by the Nationalist candidates.

Hon. W. D. Johnson: They served their purpose.

Hon. P. COLLIER: Yes. Unfortunately the people believed them. They did not suspect it was merely playing the game of the Opposition. The member for Subiaco (Mr. Richardson) went one further. Of all the reckless speeches made by members during the campaign, his was the acme of recklessness.

Mr. Richardson: You are all paragons of virtue there.

Hon. P. COLLIER: He had no regard for facts, I was going to say no regard for the intelligence of his audience.

Mr. Richardson: They evidently did not think so.

Hon. P. COLLIER: He said that if the country was to be developed the cost of living must be reduced, and that the Nationalist Party proposed to reduce the land tax and the income tax. The Premier was sitting on the platform that night. I wonder how he felt when the hon. member went one better than he did. The Premier pledged himself to reduce the land tax, but we shall see when the Budget comes down whether that promise will bear fruit. He did not, however, go so far as to promise to reduce the income tax, except he declared in a general way that the people were over-taxed and that taxation ought to be reduced. But the member for Subiaco said the Nationalist Party would reduce the land tax and the income tax. He also said if the Nationalist Party was returned with a majority every unemployed man would be placed in work in a month or two. He was more specific than most of them. After the lapse of four months the hon. member should explain to that large body of his electors, who meet week after week, why this promise has not been carried out.

The Minister for Railways: Probably it is a typographical error.

Mr. Panton: He was going to be Minister for Works at that time.

Hon. P. COLLIER: That may absolve the hon. member. Had his anticipations been realised, and had he filled the portfolio of Minister for Works, no doubt he would have been able to carry out his promises.

Mr. Richardson: He might have done better than some members opposite.

Hon. P. COLLIER: Evidently the hon. member's Leader did not think so. He left him well and truly in the cold, although he did get the consolation stakes.

The Premier: That is more than the member for Leederville has got.

Mr. Panton: I got the man I beat a good job.

Hon. P. COLLIER: The hon. member said that Western Australia's credit was as good as ever provided the right party was in power. Our difficulties in getting money in London were not due to the fact that Australia's credit had depreciated in any way, but because the Labour Govern-

ment were in office. When the right party came into power—that was the hon. member's party—the investors in England would embarrass the Government with money.

The Minister for Works: He was alluding to the Federal Government.

Hon. P. COLLIER: He said, "providing the right party was in power." This was going to be done in two months. Unemployment was bad then but there are more than double the number out of work to-day than there were in March and April. More than double the number of married people are obtaining sustenance in the metropolitan area than was the case four months ago. In addition, thousands of men and women are in part-time employment to-day. Unemployment is going to be worse. There is no doubt about it when we have regard for the greatly reduced loan programme for the year. I am not now criticising or complaining of the Government that there are large numbers of men out of work. I am not blaming the Government that the numbers have increased. I know they have done their best in the financial difficulties. I do blame them, however, for leading the people to believe that they could do things, and would do them, when they could not be done, and when no intelligent member of the community inside or outside of Parliament thought they could be done. The statements were accepted by the unfortunate people who were suffering because of the lack of employment. These statements indicate that the whole of the unemployment trouble was the result of six years of mismanagement on the part of the Labour Government. It was not due to a fall in prices but to waste and extravagance on the part of the Government. The fact that the national income of Australia from wool and wheat was £40,000,000 less than it was in the previous year did not count. It was not because our people were selling wheat at a greatly reduced price, and that wool had lost half its value. These were not factors contributing to unemployment. The London money market being closed had nothing to do with the position. It was all due to waste, extravagance and mismanagement on the part of the Government. That was what the electors were told. When the elections were over Ministers were free to present the plain facts of the situation, in practically the same

words that I employed for the previous nine or 12 months, and more particularly during the election campaign. There is an honest paragraph in the Governor's Speech.

The Premier: Are they not all honest?

Hon. P. COLLIER: Yes, but this is particularly apropos because it sets out the facts as they are. It says—

During the past year Australia has been called upon to face a grave economic crisis, Western Australia is involved in its consequences.

That is what I kept on saying, that no matter how it was urged that we ought not to have depression or unemployment because we had enjoyed a succession of good seasons and good harvests, we could not exist as a separate entity, and that the influence of conditions in the other States, where there had been a succession of bad seasons amounting almost to failures, must react as from one State to the other. The Commonwealth and the States may be likened to a family, in a house of seven. One member of the family cannot enjoy prosperity while the other members of the family are depressed and almost starving. The bad seasons in the Eastern States, and the failures, and the fall not only in the price but also in the volume of our staple products, had their influence and effect upon this State. When I pointed that out I was told they had nothing to do with it. There was no excuse because in this State we had enjoyed good seasons. Unemployment was the fault of the Government. The paragraph in the Speech goes on to say—

For a long time past Australia has purchased too heavily abroad, and expended too freely at home. Imports have consistently exceeded exports, and the position has recently been aggravated by a serious decline in the prices of wheat and wool. At the same time a world-wide depression has occurred in trade and finance, and the combination of circumstances has resulted in the closing of the money markets in London. The most serious result has been a severe reaction against employment; and though Western Australia's condition has been sound internally, unemployment figures here have been swollen by a considerable influx of unemployed from the Eastern States.

The Premier: I took that from you, of course.

Hon. P. COLLIER: It is word for word what I have said.

The Premier: Why object to it?

Hon. P. COLLIER: I am not objecting, but the Premier did not employ these words until he was secure on the Treasury bench.

The Premier: I said there were 130,000 Easterners here.

Hon. P. COLLIER: None of the factors mentioned in the paragraph as contributing to the position of the State was admitted prior to the elections. The position was attributed to the waste, extravagance, and misrule of the Government.

The Premier: I will prove that to-morrow.

Hon. P. COLLIER: If the Premier attempts to do that he will be disproving the paragraph.

The Premier: I put in the last bit to please you.

Hon. P. COLLIER: There is an honest statement of the case. It says all these factors have contributed. The London market has not been closed since the Premier took office. The conditions enumerated in the paragraph, and those the Premier referred to this afternoon, had not arisen only during the last three or four months. They had been in existence for 12 months.

The Premier: No.

Hon. P. COLLIER: They were not so severe as they are now, and they are gradually getting worse.

The Premier: You raised many millions in London on short term debentures.

Hon. P. COLLIER: We raised five millions.

The Premier: Thirty-six.

Hon. P. COLLIER: Five millions.

The Premier: No; thirty-six.

Hon. P. COLLIER: Five millions on Treasury bills. The thirty-six millions were distributed throughout Australia. The position had arisen and had become serious 12 months ago. It was from that date the unemployed problem became acute. When we were raising money in Australia, we were not getting money in London.

The Premier: Money was raised in London last year.

Hon. P. COLLIER: Some money. We did not get a direct loan; we got temporary accommodation.

Mr. McCallum: And you told the electors that was ending.

Hon. P. COLLIER: Yes. I placed the facts before the electors. I was charged with being indifferent to the condition of the unemployed. Some of the unemployed came on a deputation, well tutored and well organised. They were wanting to hold public meetings and demonstrations in Barrack-street then. Now they are keeping quiet. During his election campaign the Attorney General said that his party, if returned to power, would move heaven and earth to provide work for the unemployed. In that respect the Government have taken the wrong road, because they have only moved the unemployed to Blackboy Camp, where they are now. It is not a bad move, perhaps, since they are out of sight and quiet. They are not demonstrating now.

The Premier: You are getting very active now.

Hon. P. COLLIER: The unemployed are not demonstrating around Barrack-street now. Many of them were very hard-up indeed, but they were always able to find tram fares to follow me around to every meeting I held in the metropolitan area—a gang of them. They were allotted their various tasks. Fifteen of them were allotted to my meetings, 15 to Mr. Needham's meetings, and 15 somewhere else. Wherever I went, to Maylands or elsewhere, a gang of 15 arrived by tram.

The Minister for Railways: But they could always get accommodation at the Trades Hall to hold meetings.

Hon. P. COLLIER: That is one of the purposes for which the Trades Hall exists, to enable workers to hold meetings.

The Minister for Railways: These were not workers, but communists.

Hon. P. COLLIER: Only about half a dozen of them were communists. At all events, they were communists who voted for the National Party. They were under the very shrewd tutelage of the member for Perth (Mr. H. W. Mann). They all happened to live in Perth. They were enrolled for the Perth constituency, about 800 of them.

The Minister for Railways: You said there were only half a dozen of them.

Hon. P. COLLIER: They are mighty quiet to-day. They are now engaged on reproductive work. The Premier says it has been agreed that money shall be expended only upon works which will return interest

and sinking fund. The Premier has said over and over again, and we have all said, that whatever money may be available must be utilised in providing work that will produce wealth.

The Premier: Is not that sound?

Hon. P. COLLIER: Absolutely sound; but the Government are spending at the rate of £55,000 a year on the construction of roads in a park. What will these roads produce? What wealth will the money devoted to making roads in the National Park produce?

The Premier: Who can say?

Mr. Willcock: Any sensible man can say.

Hon. P. COLLIER: In this time of all times, when we have not a shilling to jingle on a tombstone, when money is required for purposes essential to the production of wealth, the State finds at the rate of £55,000 a year for making roads in pleasure resorts. The reason, I suppose, is that the park is convenient to Blackboy Camp. Thus the unemployed are not making demonstrations in Barrack-street. In some quarters it is believed that Blackboy Camp is a great undertaking where large works are carried out. I was in Melbourne when the first batch of our unemployed, numbering about 400, were sent to Blackboy Camp. A telegram appeared in the Melbourne Press to the effect that the new Western Australian Government had already got busy finding work for unemployed, 400 men having been provided with employment at Blackboy Camp the previous day. All the men sent to Blackboy Camp have been described in the newspapers of the Eastern States as being sent there on Government work. Appeals are now being made for pianos for those men, and some good-hearted woman has even suggested that the women who learnt knitting during the war and supplied our soldiers with warm socks should now get to work at knitting socks for the unemployed. I say nothing about the genuine unemployed, but I tell the Minister in charge of unemployment that he is getting a permanent Government boarding-house at Blackboy. Those who were demonstrating around the city will prove permanent boarders, if they are at Blackboy now. I do not know whether they are still there, but if they are they will remain there as long as they get a bed and three meals a day. The hon. gentleman had better beware of those permanent boarders. If he makes the place too

comfortable, he will never get rid of them. I agree that the men at Blackboy are earning the price of their food, and that it is better they should be there than that they should be about the streets of the city or on the Esplanade. I am not complaining of the arrangement. In the very difficult circumstances confronting the Government, the Blackboy Camp perhaps could not be avoided. Had I been successful in the elections, possibly I would have adopted that plan myself. I may even have thought about it before the elections, but I did not think it wise to mention the matter. Besides, I did not want to disturb the organisation which the member for Perth had built up in the city. As the result of long and arduous labours, that hon. member had consolidated the position; and I did not want to disturb it during the last week or two.

Mr. H. W. Mann: That was very considerate of you.

The Minister for Railways: The hon. member has not dropped the organisation yet.

Hon. P. COLLIER: No. The hon. member need not worry, because the same gang will be here three years hence, and they will be here during the intervening period also, if I have any knowledge of them. The position with regard to unemployment as set out in the Governors Speech is correct, and that has been the position which has existed in this State for the last 12 months, growing worse from month to month and from week to week. It was pretty serious, although not so bad as it is to-day. Nevertheless, it was serious from Christmas onwards, and for the very reasons which I gave, but which were not listened to by the present Premier. I know the Government will do their best to find work for the unemployed. Having referred to the very unfair promises, reckless promises, misleading promises, made by the present Premier during the election campaign, I wish to say that I realise the tremendous task the Government have before them, not only as regards the finances generally and balancing the ledger, but that most worrying difficulty of all represented by the number of people who are out of work and are not able to provide for themselves. Something will have to be done for them. I hope the State will come through successfully. I do not wish to be accused of being a pessimist. It is popular to be an optimist, and optimism is good so long as it is not a blind optimism, closing one's eyes to facts.

There is no doubt that the position of this State is not as bad as that of some other States. Some States have not yet touched bottom. The adverse trade balance which has existed for so many years has contributed largely to create the position existing to-day. We have been importing to a large extent more than we have paid for. When our importations were exceeding our exports by millions of pounds each year we did not feel it, because we were able to make up the difference by borrowing money. Now, when that resource is no longer open to us, and when the national income has fallen because of reduction in prices, the only remedy is the remedy that was agreed to by the Loan Council last week. I am glad that the meeting of the Loan Council was held, and I approve entirely of the decision that the States must balance their budgets, and that the adverse trade balance must be redressed. I agree also that production must be increased. Australia's export income is derived almost entirely from primary products—from wool, wheat, timber, gold and to some extent from fruit and frozen meat; however, mainly from wool and wheat. It is not encouraging for the people engaged in those industries to have to face such heavy falls in prices. Nevertheless I agree that we must not slacken in the production of those commodities because prices are down. We must endeavour to meet the situation by increasing our production of wheat and wool. Let us concentrate, if we can, upon meeting the difficulty by trying to secure higher yields per acre than we have been doing. To an extent that will compensate for lower prices. It is very difficult, although I think the wheat yield in Western Australia is lower than it ought to be. Still I believe we shall go on improving.

Mr. H. W. Mann: It is up to that of South Australia.

Hon. P. COLLIER: Yes, because in South Australia they have had a bad season. But even with the prices down, we ought to put a greater area under cultivation so as to reduce the overhead charges. In any case the only future for Australia is to increase its national income by producing those things which can be sold overseas. That is the only way in which we can help ourselves, that and by cutting down our importations and living within our income.

The Minister for Railways: As yet Australia has exported very little of the last harvest.

Hon. P. COLLIER: Western Australia, I understand has exported more than half. I do not know what the position in the Eastern States may be.

The Premier: We have only 10 or 12 million bushels left.

Hon. P. COLLIER: Yes, that is right, and it is going out all the time. Our own trade balance overseas is excellent, but we are down in our exports and imports to and from the Eastern States, and therefore the policy of increasing production in our own State is a sound one. We ought to cut out, as soon as we can, that adverse trade balance existing between Western Australia and the Eastern States.

The Minister for Railways: By urging the consumption of our own products.

Hon. P. COLLIER: Yes, that is a very good policy and it cannot be urged too strongly. Most people seem to think that because they buy only in small quantities it makes no difference if they select imported stuff; but when we have 400,000 people buying imported products it makes a very great difference. The consuming of our own local products keeps the money in circulation in our own State, and so we ought to aim at that policy of increasing production both for home consumption and for export as well. That is the only future for Australia, and I hope that every member of the House will co-operate towards that very desirable end during the life of this Parliament.

On motion by the Premier, debate adjourned.

House adjourned at 8.20 p.m.