

Briefly, the effect of this Bill will be that all affiliated bodies will be empowered to make their own by-laws in connection with such matters as the election of officers and their own domestic finance, subject to approval by the parent body, namely, the Royal Agricultural Society, whose uniform by-laws will control all matters affecting shows, allocation of dates, etc. The Royal Agricultural Society has requested this amendment for the one reason that the uniform by-laws made under the Act are objectionable in that they have actually encroached on matters of domestic or local concern, which should have been dealt with by individual societies. I think members will agree that the amendment is necessary. I move—

That the Bill be now read a second time.

**HON. L. CRAIG** (South-West) [6.12]: The Bill deals with purely domestic matters. Affiliated societies have passed by-laws that are not consistent with those of the Royal Agricultural Society, and have infringed the Act to that extent. When the by-laws of the Royal Agricultural Society were framed, there was no intention to interfere with the domestic affairs of affiliated societies. The parent body's rules provided for instance for a certain number of vice-presidents, and it has been found that the affiliated societies have appointed more vice-presidents than the stipulated number. Similar small infringements have been disclosed, and the object of the Bill is to give the affiliated societies freedom in such matters so long as they do not act contrary to the constitution of the Royal Agricultural Society. I support the second reading of the Bill.

Question put and passed.

Bill read a second time.

#### *In Committee.*

Bill passed through Committee without debate, reported without amendment and the report adopted.

### ADJOURNMENT—SPECIAL.

**THE CHIEF SECRETARY** (Hon. W. H. Kitson—West) [6.14]: I move—

That the House at its rising adjourn till Tuesday next.

Question put and passed.

*House adjourned at 6.15 p.m.*

## Legislative Assembly,

Wednesday, 23rd October, 1940.

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

### QUESTION—ROAD CONSTRUCTION.

#### *Cement and Bitumen Costs.*

Hon. C. G. LATHAM asked the Minister for Works: In view of the necessity for economising in the use of petrol to save dollar exchange, and so that continuous employment may be provided for sustenance workers in the construction of roads, will he state, 1, Whether the Main Roads Department is in possession of information showing that in other parts of the world cement roads are superior or inferior to bitumen roads? 2, What would be the cost per chain or mile of roads constructed with locally made cement compared with the cost of bitumen-surfaced roads?

The MINISTER FOR WORKS replied: 1, The Department is in possession of information in regard to the merits of both classes of road; such information would not, however, justify a pronouncement of superiority of either class. 2, On comparable basis: Concrete, £7,000 per mile; bitumen, £4,000 per mile; generally, however, the Department's roads are built to design resulting in much cheaper costs.

### QUESTION—EDUCATION.

#### *First-Aid Instruction.*

Mrs. CARDELL-OLIVER asked the Minister representing the Minister for Education: 1. Is the Government aware that first-

aid instruction is one of the subjects which teachers must include in the curriculum? 2, What arrangements have been made to provide the necessary equipment?

The MINISTER FOR THE NORTH-WEST replied: 1, Yes. 2, None; a great portion of the first-aid instruction required by the curriculum does not necessitate the use of any special equipment.

#### QUESTION—SEWERAGE, CLAREMONT ELECTORATE.

Mr. NORTH asked the Minister for Water Supplies: 1, What portions of the Claremont electorate still remain without deep sewerage mains? 2, Are the difficulties involved in dealing with such portions financial or engineering?

The MINISTER FOR WATER SUPPLIES replied: 1, (a) Graylands Estate, North Claremont, north-west of Royal Show Grounds. (b) Low-lying portion in future pumping area immediately south of North-street and extending north to Government-road and eastward to Walpole-street and Servetus-street, Swanbourne. (c) Small areas.—West of Margaret-street. North-west corner of Grant and Marmion-streets. South-east corner of Grant and Marmion-streets. South-west corner of Eric-street and Railway-road. Fringe along foreshore of Claremont Bay from Richardson-avenue to Bay-road. Portion of University endowment lands across railway east of Showgrounds. 2, Financial.

#### LEAVE OF ABSENCE.

On motion by Mr. Wilson, leave of absence for the remainder of the session granted to Mr. Styants (Kalgoorlie) and to Mr. Tonkin (North-East Fremantle) on the ground of military service.

#### BILLS (4)—THIRD READING.

- 1, Bush Fires Act Amendment.
- 2, Road Closure.
- 3, City of Perth (Rating Appeals).  
Transmitted to the Council.
- 4, Police Act Amendment.

*Passed.*

#### BILL—OPTOMETRISTS.

Report of Committee adopted.

#### MOTION—COMMONWEALTH GRANTS COMMISSION.

*Advances for Developmental Works.*

MR. NORTH (Claremont) [4.37]: I move—

That in the opinion of this House the powers of the Commonwealth Grants Commission should be enlarged to include the making of recommendations to the Loan Council for advances for the construction of developmental works; and that this motion be transmitted to the Federal Government for its concurrence.

To those who are in agreement with me, my motion will be clear; but in case some members do not appreciate the value of the motion or my intentions in moving it, I propose to make a few remarks pertaining to it. Even in peace time, we were aware that this State, in common with South Australia and Tasmania, was not nearly as far advanced as the three larger States. We have sought by some means or other through the Commonwealth to get our State developed so that it might reach the position of the more favoured States of Queensland, Victoria and New South Wales. But now we are at war and it is more than ever necessary that we should attempt to raise the standard of the backward States. It can be said that the development of these States has been delayed for decades; but, with the demands of defence and an increasing population, we must view the situation from an entirely new angle. I do not intend to delay the House with remarks about South Australia or Tasmania, although what I may have to say would probably apply also to those States. A question may arise as to whether I am attempting to discuss monetary reform. That, of course, is not part of my motion. I am content to listen to the debates on that subject; we have had one recently in this Chamber and the matter has also been well thrashed out in other quarters, in Victoria, Queensland and in the British House of Commons, to mention a few places. There is consequently no need whatever to discuss that matter on this motion. At the meetings of the Loan Council year by year, the Premiers of the States presumably put up certain claims of a standard nature relating to roads, harbours and other works. But a young State such as Western Austra-

lia—I mean young in development—needs the carrying out of important projects before it can presume to have reached a basis corresponding to that of the larger States. Special claims are necessary and the question arises, can the Premier of a State or the Treasurer, the Minister for Works or any other Minister, be a judge in his own cause before the Loan Council? So far as I can see, he cannot. He could put up an excellent case, but he must be received as if he was a judge in his own cause.

We have the Disabilities Commission functioning for the express purpose of helping us to balance our budget and ascertaining the extent to which we are suffering under the Federal system of economics—the tariff system and our lack of secondary industries—and eventually the Commonwealth writes a cheque to help us balance our budget. That system might have been accepted in peacetime. It could be argued that over a long period of peace slowly and surely this State would improve its conditions until it was strong enough to dispense with assistance from the Commonwealth and the larger States in particular. The question has now arisen, can we afford to leave this State in its present condition in view of the existing emergency? If we cannot afford to do that, what is the best method of approaching the Loan Council—the only source open to us—to obtain additional finance? Is it possible to find some experts with a thorough grip of our affairs who could listen to arguments and plans for developmental projects so that our case for these particular works might be presented to the Loan Council?

I might urge the House to consider what sort of works the motion visualises. I think it best to picture the State as we should like to see it if all the necessary developmental work had been done. That will be the shortest way. Let me suggest a few requirements that we might easily visualise. The first would be to complete the naval base that was to have been the Henderson Naval Base. We can visualise the completion of that base and its equipment with a deep graving dock capable of accommodating the larger ships. During the recent Federal elections the matter of constructing a graving dock here was mentioned by some of the candidates. One of them was Senator Collett, who must speak with a certain amount of knowledge and authority. He told us

that this State would receive consideration after the dock now under construction in Sydney had been completed. Then we might imagine the complete development of our iron and steel industry, a factory or factories for the construction of aeroplanes and engines, large establishments for manufacturing munitions, and lastly and perhaps most important of all, large aluminium works. Given such development, we could visualise fairly solid progress in the State. A question arises whether all those undertakings come within the field of practical politics. They are quite practical in the general sense. Experts could be found to tell us or the commission that aluminium can be produced in quantities in Western Australia. I believe this is the only State possessing the necessary mineral known as laterite. The matter of producing iron and steel has often been discussed in this House, and some consideration has been given to the use of charcoal, which could be obtained in large quantities, to produce a special form of the metal known to be very valuable and now being produced in England. Once we had these industries established, we would be justified in accepting large contracts for the manufacture of munitions. We would have the bases of a developed State, and the other things would rapidly follow.

I have no intention of developing other arguments on specific lines because to do so is not necessary. If there exist in this State—as I believe is the case, because I have information that is authentic—large undeveloped deposits of minerals beyond those such as coal and gold and tin now being worked, then the present is the time to get on with such work. Somebody might ask, how could the finance be obtained? As I said at the outset, I am not discussing any question of economic or financial reform. The pot has boiled merrily on other motions of the kind and in other spheres, but it is obvious to most of us that at present by means of the disabilities grants, we are receiving a very handsome sum of money every year. If the Grants Commissioners could be persuaded and empowered to take evidence regarding possible development and could be shown what the development of such projects would lead to, they might be able to convince the Commonwealth as a whole and the creditor States in particular that the money would be far better spent over 30 or 40 years at the present rate of annual payment by capitalis-

ing such sums for these major works. When I referred to the naval base I was fully aware that such a project would be a defence measure of the Commonwealth and could not in any way become a burden on us, but I mentioned that particular work as the sort that would be much more justified when we are a developed State and have iron and steel industries and factories operating.

Even if it was said that the Commonwealth grant should continue as at present without being impaired in any way, there remains the point that during the war in which we are engaged such works as steel, aluminium and munitions could well be financed under the heavy Commonwealth defence vote now being disbursed in so many directions. During the last few weeks it has been announced that the British Empire is not in a position, even with the help of the United States of America, to produce as much steel as are our opponents. Three days ago we were informed that our opponents are able to produce three tons to our one of steel. Similarly, our opponents are known to have the means of producing—if they have not already produced—more aluminium than can the whole of the British Empire, together with our supporters in the United States of America. If it is actually a fact that on a world basis our side in the Great War is not in such a strong position as regards steel and aluminium as are our opponents, surely we have no right to sit down upon our magnificent mineral assets and leave them unworked. I know perfectly well that it is impossible for the Premier, or for anyone else in his place, to obtain the finance for these matters from the Loan Council as things are to-day. I suppose the members of that body would almost have a fit if we suggested such a thing as the production of steel or aluminium in Western Australia. But if we asked for a few more roads or harbour developments, those are matters they would understand and might grant.

Just to show that these things are not a sudden spasm on my part, I mention that in duty to my electorate I feel it incumbent on me occasionally to bring forward motions of this kind, on the subject of developing the factory aspect. Many of my electors over many years have been ardent supporters of such a policy. At the first

election at which I stood there was a cry for factory development, and luckily for the district, and for myself, there is a historical record of it—actual publication in a "West Australian" of 1924 of a speech delivered by me. This makes me feel quite old, though I hope I do not look it. In that speech, delivered in the Claremont hall, I said that we looked to engineering rather than to banking for the development of Western Australia—not meaning an attack on financial institutions, but meaning that at that time the cry was, "Get a few millions from London, and everything will be all right; never mind what you do with it." What the meeting was trying to show was that this State should be developed by engineering projects. Those are the facts. Hitler, if his aeroplanes and his tanks were taken away from him, would not be of much account to-day in Europe. It is the engineering side of his schemes that counts; and it is the engineering side of Western Australia that must be developed if we are to enable ourselves to provide a population by means of which alone we can successfully defend this country in the long run. On many occasions during past years this subject has been discussed by my electors and me. I regret that numbers of those electors have passed on in the meantime. We used to hold meetings, again and again, urging the development of the engineering side of Western Australia. Curiously enough, and indeed pleasantly enough, the Government of the day did eventually, in fact not very long after, employ for a time the greatest engineer Australia ever had, Mr. Stileman. Such was the effect of the depression that work could not be found for Mr. Stileman, and the Government of the day dispensed with his services. However, anybody who gives the slightest consideration to the official data of Western Australia must see that we are neglecting our assets except a few favoured ones such as coal, gold and tin. Here I have a very short list of items mentioned in a mineralogical project dealing with Australia generally, as to Western Australia's unused capacity in minerals. Anyone can obtain access to this paper in Chamber's Encyclopaedia, which was printed 15 years ago, about the time when I first got on to the subject from the Claremont aspect. The

statements made are still true to-day, so little has been done with regard to the matters involved. This is from the Australian edition of one of the encyclopaedias—

All the important ores and minerals of the base metals and many of the gem stones are represented in Australia. Western Australia: Gold.

I need not say anything about that.

Lead minerals (stolzite, Westonia). Powellite. Tin.

We know all about those.

Aluminium minerals. Laterite in quantity, corresponds to bauxite. Iron. Rare earths, monazite, gadolinite, ensonite, fergusonite, xenotime, thoria, uranium-lead, mackintoshite, thoroquimite. Vanadium minerals, widespread in W.A. Silicates: muscovite, in sheets of large size suitable for industrial use, occurs in legmatite in the Macdonnell Ranges. Mica, Coolgardie, giving an exceptionally clear quasi-uniaxial interference figure. Asbestos. Gypsum. Magnesite, flake-graphite in workable proportions. Jarosite, Phosphate rock. Crude emery. Coal (good bituminous).

That is a comparatively short list from dozens of items. Of those resources we have scratched a few already; but now that the world is looking round for these things, now that there is a situation where in London and all over England it is necessary to take the iron railings from the parks and private homes, where all the aluminium pots have to be ordered from the housewives' kitchens to be put into a heap to be used, can we still afford to leave our valuable assets as I have stated, lying untouched, or shall we make some effort to approach the only body we can approach under our present economic system, which in this motion is no-wise questioned, to see if we cannot, through expert advice and a properly put-up case, obtain from that body assistance from defence expenditure to meet these cases?

Hon. C. G. Latham: If it was a financial prospect, would not private enterprise undertake it?

Mr. NORTH: I am quite in accord with the hon. member's point of view; but is it a question of private enterprise at this stage? Can we afford now to sit back on these valuable assets at a time when the nation is absolutely at death grips with a foe that has more of these materials than we have? I would say that this now is an opportunity to urge, without further ado, the Federal Government to give the Disabilities Commission the necessary powers. I do not expect necessarily that our Government

will support the motion, since it must be cautious. There might be suggestions that this means surrendering powers. The point I wish to convey, however, is expressed in a phrase used by the Vichy Government, about being loyal to one's conquerors. We have to be loyal to the Loan Council and try to show its members what will be suffered if something of the nature suggested in the motion is not done. Let me put the matter from the point of view of the larger States, who are finding approximately two millions annually for us to enable us to balance our books—that is, Western Australia and the other two claimant States. Would it not be far better from the aspect of the larger States to finance their poor relations by developing unused talents and assets to the point that claimant States will become as powerful as the others? What objection can there be to encouraging the big firms of the Eastern States to become interested in these projects? Why is it necessary to argue that any engineering or manufacturing work done in Western Australia is inevitably hostile to the engineering works and factories in the Eastern States? That is quite unnecessary. There is such a thing as complementary and supplementary engineering and factory development. Anyone who cares to study this position in the United States, a country that is far better developed than is the Commonwealth, will learn that the factories and so forth of the Western States are quite different from those of the Atlantic seaboard. This is our opportunity. My remarks have been on very general lines, but if the necessary power were given to the Grants Commission to get on with this work, that body might not make a recommendation promptly but upon getting the necessary information together could surely put up an extremely good case for us, with the assistance of our own Premier and others, to the central body. It could put up a case which would be not only an economic proposition but one which would lighten and eventually reduce the loads which the large States would otherwise have to carry for perhaps fifty or even a hundred years. This everlasting handing-out of cheques year after year to keep claimant States out of difficulties should cease as soon as possible.

In conclusion, I intend to link up my remarks with other statements that may be regarded as more official than my own. I have expressed my views.

Hon. C. G. Latham: And now you are going to express the views of someone else.

Mr. NORTH: I am going to quote some reports that may be regarded as more conclusive than my remarks have been. In the memorandum submitted by the State Government to the Federal Grants Commission, there are two points to which I shall make reference. One dealt with the effects of the war—that is, without the application of the motion I have moved. That implies a very definite difference. If effect is given to my motion and its provisions are carried out faithfully, then the comments I shall quote from the State's memorandum will not apply to the position. However, dealing with the probable effects of the war on the State, the memorandum contained the following:—

It may well be that one of the outstanding effects of the war on the financial relationships of the Commonwealth and the States will be to accelerate the disparity which has existed between this State and the Eastern States since Federation, and throw an increasing burden on the Commonwealth for the maintenance of the economic stability of Western Australia. While, strictly speaking, it may not be within the powers of the Grants Commission to investigate and report upon these trends, we feel that the Commission would be doing a service to the whole of the Commonwealth if it watched carefully the effects of the war on the finances of the various States.

Here is another extract from the memorandum—

Although past experience has shown that there was capital available to develop industries that had been thoroughly investigated and proved to be economically sound, it had been difficult to interest private capital to investigate projects. It was known that this State possessed many raw materials which might favour the establishment of certain local industries, but capital was required for preliminary investigations, including the provision of pilot plants.

I shall not labour these points. Members of this Chamber are quite capable of grasping the situation very quickly. I have placed the issue before them. We are now held up for what may be regarded as a comparatively small sum necessary to exploit our materials, build pilot plants and investigate new projects. We have the raw materials that are stated to be available to-day. We are all aware of that fact just as it was known during past years from official reports upon our mineral resources. Finally, I shall quote what I regard as a very well-put summary of the position that appeared in the

"West Australian" of a few days ago. This extract will, I think, clinch the argument in favour of the steps contemplated by my motion. It should assist in encouraging the Commonwealth to advance the projects I have in mind by presenting them for consideration to the Loan Council and thus enable us to have our developmental projects fostered, instead of continuing with the standardised undertakings that we have now. This is how the "West Australian" dealt with the subject—

Still Western Australia's material progress in the past 50 years has been substantial, and the development done and the wealth produced by a small population have been prodigious. Since 1890 the population of the Commonwealth has rather more than doubled from 3,150,000 to slightly over 7,000,000. But the population of Western Australia has increased tenfold from 46,000 to 465,000. In that period the State has produced almost all of its total output of roughly 46,000,000 fine ozs. of gold valued in Australian currency at more than £225,000,000; raised its sheep numbers from 2,500,000 to a peak of over 11,000,000, since reduced by drought to around 9,000,000; increased its area under wheat from 34,000 acres in 1890 to a peak of almost 4,000,000 acres in 1930, and exported approximately £90,000,000 worth of wheat and £21,000,000 worth of flour. It has produced in that period the bulk of its £40,000,000 worth of timber and sandalwood. It has developed the dairying industry, fruit and fat lamb export industries, and has built roads, railways and harbours to serve a very much greater population. Western Australia has not been idle. Neither has it been niggardly, for while its population under self-government has multiplied tenfold its public debt has risen from next to nothing to £96,000,000. It is safe to conclude that the State has reached the end of this era of expansiveness. The future points to a more intensified development of primary industries, backed by an active policy of encouragement to secondary industries designed to balance the State's economy, to prepare against the day when the gold mining industry must start to wane.—

That point has often been stressed in this Chamber by the member for Nedlands (Hon. N. Keenan)—

—and to build a population more appropriate to the size of our territory, the magnitude of our public works and the astronomical proportions of our public indebtedness. To achieve these aims in the shortest possible period will require an increasing measure of responsibility in Federal as well as State government.

I consider that pithily worded article in our leading newspaper is ample to demonstrate that the Press has provided a background for my motion. Naturally we could not expect to obtain the results indicated in

the "West Australian's" summary without some distinct boost at this juncture. I trust that my remarks will be regarded as sufficient to enable the Government to lend its support to the motion so that the Federal Government in turn may be persuaded to agree to its implementation. The Government will not be involved in any expenditure in submitting the motion to the Federal authorities, but the effect may be to achieve some good and so assist Western Australia to take its proper place among the other States of the Commonwealth.

**THE PREMIER** (Hon. J. C. Willecock—Geraldton) [5.8]: I appreciate the motives influencing the member for Claremont (Mr. North) in submitting the motion for the consideration of members. While the motion itself is broad in its scope, the hon. member confined himself more particularly to discussing the future development of the State. With those remarks and his advocacy of the projects he mentioned all must be in agreement. But the motion proceeds beyond that point and deals with the merits of the position and indicates how the objective could be achieved. I think the hon. member has a slightly wrong conception of the methods and the procedure adopted by the Loan Council. That body does not go into the merits of proposals that State Governments mention from time to time. It is the function of the State Government to formulate the policy regarding industrial development and it would be quite wrong if we were to allow people in the Eastern States to discuss the merits of propositions that the responsible Government of the State considers in the best interests of Western Australia, and perhaps thereby nullify the intentions of the State. We do not deal with matters along those lines at the Loan Council meetings. We simply put forward a programme for the development of the State and deal with different aspects. We indicate that these will cost a certain amount of money and then we argue in favour of the provision of the necessary funds within the limits of the money that can be made available for the purposes of all the States. My own experience has been that Western Australia has received more than its fair share of the money available for development purposes. That is the position regarding the Loan Council itself.

Turning now to the specific matters mentioned by the member for Claremont in connection with the development of the State.

as he pointed out, some must be regarded as purely Federal projects. If the Federal Government were interested in them, it would cause inquiries to be made and in due course would probably deal with them. I realise that the State has the responsibility of bringing various projects before the Federal Government in every possible way. I hardly think that the Grants Commission is the proper body to deal with such matters. It would be more appropriate if we could engage in a discussion regarding the development of secondary industries. I am sure the Minister for Industrial Development would be pleased to tell the House something about the different subjects he has been dealing with. The member for Claremont referred to aluminium. The Government is doing something in that regard. That also applies to cellophane and munition making. In all these matters the State Government has undertaken to provide a department in order to carry out the long and patient investigations essential for the discovery of commercial projects and the determining of which could ultimately be developed to the advantage of the State in particular and of Australia as a whole. This is necessary so that people who have money to invest and are prepared to embark upon industries, may have all the available information placed before them. Instead of those investors having to carry out preliminary investigations at some expense to themselves, the Government has undertaken that responsibility and will provide those interested with the necessary information. If, as the result of the activities of the Department of Industrial Development, it is clearly demonstrated that a certain industry can be successfully established in Western Australia and no person is at that stage willing to embark upon the venture, the Government will have to formulate a policy, for our industries must be established. All members will be in agreement on that point. The Government may have to make provision for the requisite capital and then undertake the work itself. That is not the objective at present. If Ministers find that they cannot interest capital in the promotion of industrial enterprises here, the Government will have to formulate some policy because Western Australia cannot afford to continue depending solely on primary industries. We must make progress with our secondary industries and these must be as diverse as possible.

Dealing now with the procedure suggested by the hon. member in his motion, I do not

think the Grants Commission is the body to undertake the responsibilities indicated, having regard to the policy adopted by the Commission and the public utterances of some of the commissioners. I know the member for Claremont is imbued with a desire to help the State, but I do not think the way he suggests is the course that should be followed. I am convinced that if the motion were carried, instead of proving of advantage to the State the effect would be exactly the opposite. We in Western Australia have always been deeply concerned about resisting encroachment by the Commonwealth on the sovereign rights of the State. The history of the Commonwealth since Federation has been one long story of attempts by the Federal Government to acquire additional power at the expense of the States. It has been very apparent to me when I have attended Loan Council meetings that there is a distinct attempt on the part of the Federal Government to control the financial position of the States, not to co-operate with them and help them but to exercise an absolute right of control over them. Seven or eight months ago the Loan Council dealt with matters arising out of the war. Because we were at war and it was necessary for the financial resources of the Commonwealth to be conserved in every way possible so that whatever money was available from any source could be utilised in the successful prosecution of the conflict, this State agreed to the proposed policy of works co-ordination. Representing Western Australia, I reluctantly agreed that to an extent the State should surrender its autonomy in regard to what works should be put in hand from loan money. It was agreed that a Co-ordinator General should be appointed on behalf of the Loan Council and that local co-ordinators should be selected in the various States to express the viewpoints of those States. That plan was agreed to subject to the Federal Co-ordinator's report being in the nature of a recommendation rather than an ultimatum or an absolute decision. That condition has been observed. In his first report the Federal Co-ordinator, Sir Harry Brown, pointed out that he had consulted the co-ordinating officers of the various States and recommended expenditure on certain lines. We did not, however, accept his findings, but pointed out that he had not taken sufficient account of the

necessities of the States. I forget what amount he recommended should be advanced, but the Loan Council did not accept his word as final. Collectively the States made a plea for extra expenditure on developmental work and that was agreed to by the Loan Council and, of course, by the Federal Government. Then a special plea was put forward by the three States in which there was a very small expenditure on defence works. After considerable representations had been made, the Loan Council agreed to augment the money available to those States. An additional amount of £2,150,00 was provided for division amongst all States, and Western Australia's share was £356,000.

The Grants Commission is a body appointed by the Commonwealth Government to pursue certain specific investigations. It has no responsibility to the people and is answerable only to the Government which appointed it. I do not consider that it is competent to undertake the duties suggested by the motion. We would not do right to surrender our autonomy as a sovereign State by handing over the proposed authority to a body created by the Federal Government which seems always desirous of ordering the manner in which the State's money should be spent. For a considerable time it has been seeking that power in direct and indirect ways. If the States are to remain sovereign and to retain control of their primary and secondary industrial development, the Grants Commission is the wrong body to which to entrust recommendatory power of this kind. We agreed with some reluctance to the appointment of a co-ordinator general because we recognised that his appointment would be a step in the direction of surrendering our autonomy and giving the Commonwealth Government some say as to the amount of money which should be spent on developmental enterprises.

We have two safeguards in connection with the Co-ordinator General and the expenditure of our loan funds. The Co-ordinator General has to agree with our co-ordinating officer in the matter of suggested expenditure, and furthermore his report can be regarded only as a recommendation and not as a conclusive finding. If the motion were agreed to and the Grants Commission were empowered to inquire into de-



developmental projects, and if the Commission would not recommend expenditure on such projects, we would have little chance of securing sufficient finance to put them in hand. Even though the whole of this Parliament might agree that a particular project should be carried out the proposal would be rejected if the Commission placed upon it the acid test of cold commercialism. The Commission is a properly constituted responsible body of whose findings considerable notice would have to be taken, and if the Commission did not recommend a certain project, possibly the work would not be carried out, and that would be to the detriment of the State.

The personnel of the Grants Commission has changed considerably over a period of years. Nevertheless, though the personnel has changed, the same line of reasoning appears to be followed and the same policy adhered to. As the result of the criticism we have received from the Commission in regard to works we have put in hand, and the penalties imposed on the State as a result of indulging in what the Commission terms unproductive loan expenditure, it can readily be seen that the Commission would absolutely refuse to recommend certain enterprises which we might desire to undertake in Western Australia and which though not immediately reproductive would ultimately be beneficial to the State. For some weeks past the Minister for Water Supplies has been tremendously concerned about the water held in the Mundaring Weir. Fortunately, in the last two or three weeks there has been a considerable improvement in the position and, as a result of rain, about 180,000,000 gallons to 200,000,000 gallons have been impounded, and that has been sufficient to supply all the needs of the goldfields and the agricultural districts. Six weeks ago, however, the Minister was very concerned about the inadequate supply because ordinarily at this period of the year we could not expect much rain and consequently there would be no further supplies to conserve. To ensure that sufficient water would be available to enable the important mining industry to be carried on, the Minister proposed that we should spend a considerable sum of money in joining the Canning Dam, where there is a surplus of water, with the Mundaring scheme by means of

pipelines and pumping stations. If the acid test of cold commercialism were to be applied to that project we would be informed, "That cannot be done. It would not pay. The scheme would not earn a single shilling and you would be mulet to the extent of £7,000 a year in interest on the cost of the pipelines and the pumping plant that would be necessary." Our viewpoint, however, is that whether or not the project will pay does not make any difference. The mining industry is the most important industry in Australia from the point of view of financing the war effort and we do not propose to take any risk of its being unable to carry on. Consequently we intend to connect up the two weirs at a cost of £100,000 or more. Anybody with a coldly commercial outlook would point out that we have always had beneficial rains since the Mundaring Weir was constructed, that there has always been a sufficient supply of water and that therefore the expenditure of the sum I have mentioned is unjustifiable. The Government, however, does not intend to jeopardise the future of the goldmining industry and has devised this scheme to link the two weirs. In this way, not only will the goldfields be assured of sufficient water but the outback agricultural areas, to which water is so vital, will also have an augmented supply.

Judging from the manner in which the Grants Commission has viewed State projects in the past, that enterprise would not in any circumstances be a subject for recommendation. If we handed ourselves over body and soul to a commission taking that viewpoint and adopting that attitude we would be doing Western Australia a wrong. Instead of helping the development of the State we would jeopardise its future existence. Governments are supposed to spend money on developmental projects which do not appear to be immediately beneficial and in stimulating the production of goods from which income will ultimately be derived we must be prepared to lose a certain amount of money. Then, when the income from works undertaken is not sufficient to meet the interest payments thereon, the taxpayers as a whole are expected to make up the deficiency by way of increased taxation.

Mr. North: The present powers of the Grants Commission are commercial in character.

The PREMIER: That is the outlook of that body. We have to consider the indirect

benefits to be derived by this State. At this stage, and during past stages, Governments have had to take some responsibility concerning the many developmental projects that were warranted in Western Australia. The Mundaring water scheme was a stupendous undertaking for a population of 150,000 or so people when the future of the goldmining industry was still in doubt. It certainly looked as if the industry would continue for some years, but that was as far as people were then able to see. Perhaps the member for Nedlands (Hon. N. Keenan) will agree with me that the goldfields people forty years ago did not imagine that in the year 1940 the industry in Kalgoorlie and Boulder would be stronger than it was then. It was a tremendous responsibility for the Government of the day to undertake, but, because it was undertaken 40 years ago, the State is deriving benefit from it to-day. Had the Grants Commission, comprised of its present members, been called upon to report on that project 40 years ago, no doubt the recommendation would have been that the work was not justified, and it would not have been carried out. The same thing could be said of other proposals in the South-West of this State. The Commission was very concerned about our endeavour to provide water in that part of the State, such as the Stirling Dam project and others of the kind. Members of the Grants Commission are now engaged in investigating the whole position on the spot to ascertain whether we are justified in carrying out works of that description. I admit that in the circumstances the Commission is doing a good job.

We, as a Government know, and this House knows from the reports we have seen, that many undertakings in this State will not be directly commercially reproductive so far as interest and sinking fund are concerned for the next five or ten years. Are we on that account to hold our hands? Successive Governments have undertaken works of that kind in the past. Are we to be told that we must not incur this or that expenditure? We say in the interests of the development of the State that we are obliged to go on with these large works. We sometimes hear a lot of criticism about the establishment of group settlement in this State. That project has been a tremendous worry to successive Governments, and has represented a direct loss to the people of Western

Australia. Prior to the establishment of group settlements, however, we were importing about 90 per cent. of our butter requirements. Even though we all admit now that mistakes were made, that the settlement was too hurriedly developed, that the costs were too high, and that the scheme should not have been carried out exactly in that way, the ultimate result of part of the scheme is that we are now independent of butter supplies from the other States. Whereas we were spending hundreds of thousands of pounds on butter imports, we are now self-supporting. Again, we have a condensed milk factory and are exporting condensed milk, and we have cheese and powdered milk going to various places outside the State.

If all these things were viewed in a cold calculating and commercial light, and from the point of view of whether or not they would immediately pay their way, they would not be recommended, the work would not be done, and our development would be retarded. The result would be that our population would still be battling along, and would consist not of half a million but probably no more than 200,000 people. Governments have taken risks in the interests of the State. They have done so because they had a duty to perform, and were obliged to undertake works that they knew would not be directly reproductive for possibly five or ten years after completion. Their object was to develop the State so that it might carry on profitably and provide employment for a larger and increasing population. That is why all these large works were undertaken. Let us presume that the Grants Commission would be asked to go into some particular project. It would say, "Yes, from the engineering point of view it is a work which could be carried out, but so far as its being established on a commercial basis, providing interest and sinking fund and making a profit, we do not think it can be done." People say it is possible to produce gold from the ocean if enough money is spent in the endeavour. It is also possible to make diamonds, but that too is not a commercial proposition. I suppose it is possible to make anything, at a cost. Lucerne could probably be grown in the Sahara desert if enough superphosphate and water were forthcoming. From the engineering point of view, that would be possible, but

when the acid test of commercialism is applied, it is deemed to be unprofitable.

If that was to be the attitude the Grants Commission would take up with respect to these undertakings, members can imagine that very few would ever be gone on with. The responsibility for inaugurating developmental schemes would be taken from Parliament, and from the Government which receives its instructions from Parliament, and that would have the effect of retarding the progress of the State. I do not think the Grants Commission is the type of body to which jobs of that nature should be given. There has been a definite tendency on the part of Commonwealth Governments for many years to obtain control of the expenditure of money possessed by the States. We have resisted and said, "We desire to retain complete autonomy, and to be at liberty to spend our money on the projects on which we think it should be spent. If we make mistakes and our projects do not return sufficient to pay interest and sinking fund, and we suffer a penalty as a result, we are prepared to make up the deficiency by taxation. Our people are willing to trust their Governments to get on with a forward policy so that the State may be developed." Our desire is to retain that sovereignty and autonomy. If we hand our sovereignty and autonomy over to some other body, as the motion proposes, to some extraneous tribunal appointed not by a hostile Government but by one that will not be as sympathetic as would be a Government composed of people belonging to the State, we shall have recommendations that will not be palatable in many instances to the Commonwealth Government, and will certainly not be palatable to the people of the State. By that means we shall surrender our sovereign rights. That would inevitably follow if such a policy were carried out in its entirety. I do not object to the Grants Commission. Its personnel is such that we can say justly that it has done a fair thing by Western Australia and the other States in investigating all the questions it is supposed to investigate, according to the terms under which it was appointed. I would not agree, however, to making such a commission the final arbiters so far as this State is concerned. We would have very little chance of opposing any recommendations made by a commission appointed specifically for this purpose. I

would not favour handing ourselves body and soul to a commission that was concerned more with the commercial aspects of things than with the ultimate value to be derived by the State. It would be wrong indeed to do so, and the House would be ill-advised to carry the motion. We ought to preserve our position of autonomy and sovereignty as long as we can. Many attacks have been made on that sovereignty. We should resist them so far as we can, and any attempt to obtain control over the financial resources of Western Australia.

The motion starts off on wrong premises. I give the hon. member credit for being sincerely anxious to do the right thing, but to my way of thinking it would be a wrong step to take. We recognise the necessity for development. A full-time Minister controls the department for the purpose of investigating all these things, and we have not hesitated to supply the necessary money. Money for the plant mentioned by the hon. member in connection with alunite has been provided by the Government. Many things come before me with recommendations from the department, backed up by Treasury investigations, as to this or that industry receiving assistance for the time being. Money is forthcoming so that information may be obtained to place us in the position of establishing this or that industry in our midst. Some time ago we brought a man from the other side of the world to inquire into the cellophane industry. I am not sure what the cost was, but he was an expert who was in a position to give us the best advice it was possible to get as to the possibility of establishing that industry here.

We are prepared to take a certain amount of risk as to the assistance given, after thorough investigation, to people who are desirous of establishing industries in Western Australia. In some instances we take over the whole cost of the investigation, and have a capable engineer to deal with such questions. We give that officer whatever assistance we can so that he may inquire thoroughly into every matter and make recommendations to the Minister. If any person is making inquiries regarding the establishment of some industry, we make available to him the services of that officer so that all the information possible from the developmental standpoint may be forthcoming. If all these questions had

first to be put to a commission of the type indicated, we would be making a wrong move, and one which the State would ultimately consider was a wrong move. Having put forward this viewpoint, I hope the House will be careful before carrying the motion. Particularly is the Government opposed to the second portion of the motion, namely that it should be forwarded to the Federal Government.

On motion by Mr. Shearn, debate adjourned.

## MOTION—UNEMPLOYMENT.

### *Relief Work and Sustenance.*

**MR. McDONALD** (West Perth) [5.43]:  
I move—

That in the opinion of this House the Government should review the conditions governing relief work and sustenance for unemployed particularly as to rates of sustenance for children.

On the Address-in-reply I raised the question of sustenance rates, particularly as they applied to children, and the Minister for Works replied to my observations on that occasion. Ten years have passed since this State accepted responsibility for the unemployed, and set up an organisation to provide systematic relief work for them and, where relief was not available, to provide sustenance for the worker, his wife and family.

It was thought at the time that the depression might pass and the organisation that was set up to provide relief work might later on be dispensed with. All the States have had a similar experience, that is, that there will always be a certain proportion of unemployed. Even in prosperous times there will be unemployed, and the States now recognise that the care of that section of the community is the responsibility of the State. So far as I can learn during the past ten years there has never been a substantive motion moved in the House on the question of the terms on which unemployed relief and sustenance should be granted by Governments. The question has been raised on the Estimates annually in connection with the grant for the purpose of assisting the unemployed, but apart from that it has not been the subject of a special motion. In England the terms on which relief is granted are of course well known to members. Since 1910 there has been contributory unemploy-

ment insurance and there have been a long series of Acts of Parliament which from time to time have laid down the terms under which relief is given to unemployed and their dependants. In the House of Commons the question of the terms and conditions upon which relief should be given to unemployed people has been debated by representatives of the people, and that is the case not only with regard to those who have come under the contributory insurance system, but it also applies to those people who are not members of that system. The terms and conditions there have to be decided by Parliament. In our case that is not so; the terms and conditions are decided by administrative action. I feel that after ten years of the terms and conditions of our system of providing relief works and sustenance for the unemployed, the time is opportune for a review of the position. Members of this House have had considerable experience in connection with unemployment and the condition of the unemployed and their dependants. Therefore I consider that my motion may serve a useful purpose in affording members the opportunity to bring forward constructive ideas which may react for the benefit of those people who find themselves out of work, as well as those who may in future be obliged to obtain relief from the State because of their inability to get employment. I intend to propose something that I advanced when speaking on the Address-in-reply. Unfortunately my remarks have not borne fruit and I ask again that there might be a review of the conditions of our unemployment relief and sustenance. I suggest that the Government should associate itself with a small committee of members of this House drawn from both sides. This committee and perhaps the Minister for Employment could review all the various regulations and conditions now governing unemployment and sustenance and in that way ascertain whether the conditions can be made more equitable or to what extent they might be improved.

Our objective, I take it, is to assist unemployed people to become absorbed in private employment, and in order to assist them we should, if possible, as a further objective, enable them to qualify for absorption in private employment. If they suffer from lack of qualifications we should assist them to acquire those qualifications. In the meantime it is the responsibility of the State to provide work to enable those people to maintain their interest, their

self-respect, their morale and their physical health. Periodical reviews of the unemployment position have been made by the English House of Commons and the English Parliament has set up organisations to make outside inquiries. In 1930 the Government of which Mr. Ramsay MacDonald was the head appointed a Royal Commission to inquire into unemployment and to suggest improvements to the then existing system. That Commission's investigations extended over a period of two years. In 1934 the succeeding Government appointed four independent investigators—they were not associated with any Government—to go through the country and observe for themselves the conditions regarding unemployment and make recommendations to the Government. So far as I know, we in this State have not done anything of that kind, and I feel it would be a service to the State as well as to the unemployed and the Government if the Government mobilised the experience of members of this House for the purpose of reviewing the conditions of unemployment in Western Australia and make suggestions as to how those conditions might be improved. There has been no public statement so far as I know regarding unemployment rules and conditions. I know that something has been done in the last few years to improve the position. Funds have been more plentiful and it has been possible to increase the amount men were capable of earning. Further, sustenance workers have been classified as "A," "B" and "C," according to their medical fitness. There has also been a classification of the work to be carried out and which the men belonging to the various classes might be fit to undertake according to their physical ability. All these are steps in the right direction, and I feel that they could be filled up with something more in order to assist the conditions under which unemployed men are given work to carry out. When introducing his Estimates the Minister for Works gave some interesting figures regarding the number of people who from time to time have been on relief work and on sustenance. In 1938 the Minister for Employment also gave some details, and he remarked that it was estimated by his department that about 200 men came within the category of unemployable people and that there was little or no chance of their being placed in private em-

ployment. I propose to touch upon some features of the unemployment problem which, I suggest, should receive consideration. If my proposals appeal to the Government, then possibly consideration might be given to the suggestion I have advanced that a small committee of members of this House, not necessarily a select committee, should be appointed to co-operate with the Minister for Employment and review the position and any suggestions that may be made to the Government. Introducing his Estimates a few nights ago, the Minister said that this year there were still unemployed—

Mr. SPEAKER: The hon. member is not in order in reading from "Hansard" of the current session.

Mr. McDONALD: I had intended to quote only the figures given by the Minister.

Mr. SPEAKER: The hon. member would not be in order in reading the figures from this session's "Hansard."

Mr. McDONALD: Speaking from memory the Minister stated that there were about 5,000 men who were still on relief work, and we all know that there are many men who have been engaged on that class of work for seven or eight years. What I suggest is that there should be a survey made of the different classes of men on relief work, how long they have been engaged in that type of work and why they have not been absorbed in private employment. Perhaps an estimate could be made as to how far they could be absorbed in private employment, and to what extent it might be possible to train them for some skilled or semi-skilled trade. In his report on Youth Employment, to which I intend to make several references, Mr. A. A. Wolff, now Justice Wolff, made some important comments. Dealing with what I may call the younger class of men who form a not inconsiderable number of unemployed, Mr. Wolff said—

To this end I deprecate the employment of adults as apprentices, but at the same time I think that sufficient latitude should be given, for example, to meet the case of a youth who through no fault of his own has been prevented from qualifying for a skilled trade, or a youth who can demonstrate that he has already had some experience in the trade. Then again, there are cases where a youth who is proceeding to an executive position may desire to obtain practical touch with a trade, although he will not require the same

intimate knowledge of the trade as a youth who intends to make the manual practice of the trade his means of livelihood.

One of the first things to be done regarding the men now on relief work and their capacity for re-absorption in private employment, would be to pay particular attention to the younger class who might be perhaps from 18 to 27 years of age, and ascertain whether those young men were still able to undergo training for the purpose of qualifying for a semi-skilled trade. Next it would be necessary to ascertain the absorptive capacities of the industries of the State, primary and secondary. At this particular time such a survey might have very favourable results, because of the enlistment of thousands of men in the military forces. If some data were obtained of the proportion of those men who have left various avenues of employment, it might provide an opportunity to place a not inconsiderable number of men now on relief work in the various industries or vocations that have been vacated by the men who have enlisted. This matter was dealt with by Mr. Justice Wolff in his report. He recommended that there should be a survey of industries and trades and of the opportunity of employment in those industries and trades. He said in particular that there should be an immediate survey made of all unemployed youths between the ages of 14 and 25 years: and that the survey should include all youths in what are known as blind-alley occupations. So we have the recommendation of the Royal Commissioner with regard to both the matters I have raised, namely, a survey of the qualifications of men now on relief work and their chances of being absorbed in private industry after having been trained, and a survey of the various industries in the State into which those men might possibly be drafted.

The third matter I desire to raise is the question of training and training agencies. A great deal of attention was given to this phase by Mr. Justice Wolff. In his report, at page 15, he deals with apprenticeship and recommends that there should be an alteration of apprenticeship conditions, so that wages should be paid on the basis of experience and not on the basis of age. With regard to the training of youths and men, I submit to members the possibility of still further exploiting training in the agricultural industry. On that point members

on this side of the House who are associated with the industry may be able to give the House much more assistance than I can. We know on the one hand that there is much complaint that men cannot be obtained in the agricultural industry, not only in the wheatgrowing districts and in the North-West, but also in the attractive part of the State which lies in the South-Western belt. We know there are disputes about the competency of men who do go to farming jobs. We know also that a serious time will come in our agricultural industry on account of the unattractiveness of farm life in those districts where farmers have experienced difficulty and suffered financial adversity. When the present generation is no longer able to manage our farms, there is the possibility of such a shortage of labour as will imperil the volume of production which this State has so far been able to maintain. Mr. Justice Wolff deals with that aspect in his report. He says that there is need for extended facilities for agricultural education. He deals in particular with the facilities for such education at Muresk College and the Narrogin School of Agriculture. I do not intend to quote at length from the report, but Mr. Justice Wolff points out the necessity for inculcating upon the minds of young people—and older people, too—the qualifications required to take part in rural industries. He also intimates that they should be prepared to take their part in our rural life when those at present engaged in it have passed away.

One suggestion which I think might well be considered by the Government is that young men—as well as older men—should be given facilities to qualify for work in the farming industries. There are various ways in which it appears to me that that might be done. Short-term courses for young men might be established on experimental farms or at farm schools, such as the Muresk College and the Narrogin school, as well as at other schools conducted by charitable organisations. One of the troubles to-day is that the farm worker from the city goes to the farm and there is mutual dissatisfaction: the conditions are such as he has not been used to, and on the other hand the farmer finds that the man is not fitted to do the work on the farm. We should say to a young man, "You can take a three or six months' course on an experimental farm."

He could even be apprenticed to recognised qualified individual farmers of good character. At the end of his training period he would receive a certificate showing the course of training he had undergone; he would have become skilled or semi-skilled and would go with confidence to his employment. The farmer would know by the certificate that he was getting a man worth while employing. With regard to the absorption for training purposes of young men—and older men still able to undergo training—I would not put any limit to the age. I think it possible to explore the facilities that might be offered by individual firms. The Midland Junction workshops might be able to take in men and afford them facilities for training in certain branches of work carried on there. There are many technical industries and trades carried on throughout the State, in the metropolitan area particularly, where possibly employers—under suitable arrangements and without injustice to the workers—would be prepared to give these men not full apprenticeship, but some degree of training to enable them to take their part in private employment.

We know that at the present time very creditable work is being done by various patriotic committees. There is some tendency to disparage committees. I think that is entirely wrong, whether the committees be Parliamentary or other committees. Extraordinarily effective work is being done to-day by various committees, particularly, as I said, in the patriotic field. I believe the Government could mobilise private people to assist it in this proposition. I believe the Government could intensify the war against unemployment by getting private people to throw in all their weight behind the movement to place every possible man, boy and girl who can be placed, in private employment. One of the first steps the Minister for Industrial Development took was to associate himself with a committee of business and commercial men in order to advance the progress of secondary industries. I believe a great deal could be done in the same way by getting private people, through an auxiliary committee, to exert a maximum effort in order to ensure that every avenue is made full use of, not only to train but also to place people who have been deprived of their employment. This could be done by the influence not only of the Government, but by other means—I suggest through the agency of broadcast-

ing, by informing people of the urgent need for every citizen to take part in the duty of ensuring that no person shall remain unemployed who can be absorbed in any capacity at all, and that no person remains untrained who can have an opportunity of being trained, either by some public agency or by private employment. Mr. Justice Wolff in his report, at page 68, deals with the question of country exchanges. It has been said in this House by the Minister for Employment that country exchanges are operating in connection with the Employment Department, but I do not think they have been developed to anything near their maximum effectiveness. When the present New Zealand Government came into power, one of the first things it did was to make sure that every town and village in New Zealand had some Government official who would be active in bringing employer and employee together. That system has achieved remarkably good results. Apparently, this matter had not been developed to the satisfaction of Mr. Justice Wolff, because in his report he recommended that country labour exchanges should place farm workers, with the assistance of an inspector to supervise the farm work and conditions. He then proceeded along the lines I have previously mentioned, that farm workers should be granted certificates of proficiency by recognised schools, provision being made to protect those who have been working in the industry for, say, two years and who can show that they have attained a reasonable standard of proficiency. Mr. Justice Wolff also said that more effort should be made to interest youths in the calling of agriculture.

I pass now to another aspect of this question referred to at the end of my motion, and that is the position of the children. In speaking on the Address-in-reply, I pointed out that in terms of the basic wage, in force I think in 1933, the allowance of 7s. per head being granted by way of sustenance was worth about 5s. 10d. in purchasing power.

*Sitting suspended from 6.15 to 7.30 p.m.*

Mr. McDONALD: I was saying that in 1933 the basic wage was £3 8s. and the sustenance allowance per unit was 7s. per week. The basic wage has now been increased to £4 5s. and in terms of the cost of living compared with that of 1933 the 7s. sustenance allowance is now worth about 5s. 10d. When I made that com-

parison in speaking on the Address-in-reply, the Minister for Works quite justifiably pointed out that in 1929 the basic wage was £4 7s. and that the rate of sustenance was then the same, namely, 7s. per unit per week. He further pointed out that when the basic wage in terms of the cost of living and for other reasons fell from £4 7s. in 1929 to £3 8s. in 1933, the 7s. sustenance unit was maintained. He therefore suggested—and it is quite a reasonable argument—that if 7s. was a fair comparison with £4 7s. in 1929, it is still a fair comparison with £4 5s. in 1940. But the 7s. per unit was not reduced when the basic wage fell from £4 7s. to £3 8s. because it could not be reduced below that figure. Looking at the matter in the very best light 7s. was the irreducible minimum whatever the basic wage might be. While I admit that the Minister's comparison might justifiably be advanced it has still to be remembered that while the basic wage earner now receives £4 5s. as compared with £3 8s. in 1933, the sustenance worker is receiving only 7s., the same amount as he received in 1933. The Minister has pointed out with justifiable satisfaction that in the intervening period between 1933 and the present time the rate of payment of relief workers, that is, of men who are actually working, has been progressively increased. In the first stages of the depression the relief worker received the equivalent of only 7s. per unit, the same as he would have received if he had been on sustenance. With better times the emolument of the relief worker has been progressively increased, but the unit of the sustenance man has not been increased. It may be said that as people work partly on relief undertakings and are partly on sustenance the increase in the rate of relief work operates for the general benefit of the unemployed, taking into consideration a year's income. But the Minister knows that if a man is employed on relief work for an aggregate of seven or eight months in the year and for the rest of the time receives sustenance payments, although theoretically he is supposed to save when on relief work against the period when he may be on sustenance, actually it is extremely hard for him to do so. When a man enters upon relief work he nearly always has debts which he discharges out of his pay. Con-

sequently, for him to accumulate a bank balance to supplement the sustenance payments made to him when his job is cut out, is extremely difficult. The result is that he and his family are then compelled to subsist on the 7s. per week unit. The position of the State warrants an increase being made in that unit. After all, there has been a tremendous increase in taxation. In 1925 the total income and dividend tax amounted to £700,000 a year. The total is now in the neighbourhood of £2,000,000.

The case of the children is of the utmost importance. I do not need to labour that to members of this House. If we can make any justifiable investment, if we can strain every economic resource of the State, there is no better justification for our doing so than with a view to ensuring that the children receive the best possible nutrition and opportunities for development. Some little time ago concern was expressed by hon. members in consequence of the report of one of the State medical officers, following a nutritional survey of the children. The statement was made that the survey had not been conducted on correct lines because standards had been taken from countries whose conditions as regards the physiology of children were not applicable to this State. I understand that another survey has been made based on a new standard regarded as appropriate to the children of Western Australia. If the Government is satisfied that the survey shows the nutrition of the children of this State to be of such a standard as we would expect and desire, that would be some argument in favour of the 7s. per week unit being sufficient.

The Minister for Health: The report of the survey has not yet been received.

Mr. McDONALD: I suppose it will be received shortly. I understand the medical officer has been engaged on it for some time past. That report will be a very interesting document and will enable us to determine how far our nutritional standards for children are up to the desired pitch. If they are not, that will be an additional reason for a more adequate allowance for the children of the unemployed during the period they have to depend on sustenance. Mr. Justice Wolff—and I make no apology for referring to his very valuable report—dealt with the position of children in orph-



anages and similar institutions such as the Werribee Farm and the Ugly Men's Farm which was then carried on at Wokalup. I should like to refer to one or two observations that appear on page 70 of his report. He takes one of these homes, the Werribee Boys' Home at Wooroloo, which I believe is a farm well and economically conducted. He says that the average annual cost per head per boy of the boys in that home is £39 7s., or 15s. per week. In homes of that kind where a number of boys are dealt with and fed on a community basis, there are probably facilities for keeping costs much lower than would be possible in the individual home, but the experience in that boys' home, according to the report, is that the maintenance of a boy costs 15s. a week. Mr. Justice Wolff ended with this recommendation—

I recommend that an allowance of 10s. per week be paid in respect of each destitute orphan boy maintained and trained by these schools until the boy reaches the age of 15 years.

I feel that after the careful inquiry of the judge into these costs and bearing in mind that the home economy will not be on as good a scale from the point of view of cheap living, and bearing in mind also that for the sustenance family the 7s. a week applies not merely to a child but also to an adult, a case exists for a review of the amount paid to families and particularly to children during the sustenance period. The total cost would not be very great. According to the figures given by the Minister on the Estimates this year, there are 656 men on sustenance, which number includes single men. The figures he gave, month by month, for the last 18 months, showed that the number on sustenance sometimes fell to 400 odd. Assuming, as we might reasonably do, that there will be an increased proportion of men absorbed into industry on account of munition making in the State, and a number enlisting in the A.I.F., I shall take an average figure of 500 men including single men on sustenance. If we assume, in accordance with the Arbitration Act, that there are three dependants—a wife and two children—per man, it would mean that the 500 men on sustenance might represent 2,000 people in all who are being supported by sustenance. If the amount was increased by 1s. a week to 8s. a week, this would entail an additional burden on the Treasury of £5,000 a year.

[Resolved: That motions be continued.]

Mr. McDONALD: To make the amount 10s. per head would mean an extra burden on the Treasury of only £15,000 a year.

Mr. Cross: Does that include child welfare cases?

Mr. McDONALD: No.

Mr. Cross: They need it just as much as do the others.

Mr. McDONALD: In child welfare cases the sum is 9s. If we brought the amount up to the child welfare figure of 9s., the extra cost to the Government per annum would be £10,000, and to bring it to 10s. a week, as I have pointed out, would entail an extra cost of £15,000 a year. Even if the additional outlay involved was £20,000 a year, in view of the profound importance of the matter, it should not be beyond the Government, by economy or by some means, to make provision for it.

I now pass on to conditions relating to relief work which, I suggest, might well be the subject of re-examination. I do not intend to traverse them all because, if we do examine them by means of a committee, the investigation can be made by the committee in conjunction with the Minister. Allow me to refer to just one condition, namely, the means test. The State has been in a difficult position trying to support the number of unemployed that rested on its hands and has set up a means test. If a worker becomes unemployed and has money in the bank, then it is regarded as proper that he should first of all exhaust, or nearly exhaust, that money—I am speaking subject to correction—before he becomes eligible for relief work or sustenance. Members will have read something about the unemployment conditions in Great Britain, where the means test is also applied, and will have learnt of the strong antipathy that has been often expressed to the application of the means test there. It seems very hard that the thrifty worker, who might have saved £100 or £200, or might have an equity in a house, and then become unemployed—

Mr. Withers: He would be a novelty.

Mr. McDONALD: Oh, no.

Mr. Withers: What, a worker who had saved £100!

Mr. McDONALD: No, I have a case in hand, though I have not yet tested the facts at the Employment Department. This man received a lump sum in compensation and

put it into a house, and he alleges—I do not say his statement is true—that he is ineligible to receive sustenance from the department.

Mr. Fox: That is absolutely incorrect.

Mr. McDONALD: I do not say it is correct; I intend to see the department and find out. However, there is a means test. If a worker has a certain amount of property, he is expected to maintain himself until his means have been used or largely used up. If I am wrong I will withdraw the statement.

Hon. W. D. Johnson: That is correct.

Mr. McDONALD: It does seem a hardship that people who have done their best to make some provision for themselves—such as an equity in a house or money in the bank—with which to meet a rainy day, should be called upon to exhaust their resources before receiving State assistance. Such things have occurred in my experience, not once but on a number of occasions.

Hon. W. D. Johnson: It would be impossible to administer the department on any other basis.

Mr. McDONALD: It is a matter of degree. I would not suggest that a man with £1,000 in the bank would be eligible to receive assistance from the State, but conditions could be liberalised in regard to the means test.

Hon. W. D. Johnson: Such a man as you speak of would come up for taxation.

Mr. McDONALD: Not very much could be taken from a man with £50 or £100 in the bank. I mention the case as an illustration of the various aspects of unemployment conditions which could well be examined at this stage to ascertain whether they operate prejudicially, and whether they might be improved. This appears to be one aspect where there might be liberalisation. I suggest that when we examine other conditions of employment and sustenance we may find it is necessary to be more liberal in other directions in the interests of those who are obliged to have recourse to the Employment Department. I have covered a few aspects of the unemployment problem, and do not now propose to cover more. There are, however, many more that every member can think of. I have suggested that even if we have done something already in that direction we might at this stage, after ten years of administration of the department, do

something more by way of a re-examination of a number of features, by a survey of the men who have been on relief work or sustenance for a period of years, by an examination as to the possibility of assisting those men to qualify for absorption more readily into the employment market, by a more complete survey especially at this time of the different industries that may be able to absorb these men, and by providing more facilities for training, not only industrially in regard to secondary industries or technical training, but also in regard to agricultural industries.

Mr. Fox: There are at present in camps in the South-West men who are trained but cannot get a job.

Mr. McDONALD: I do not know that they are trained.

Mr. Fox: I know they are.

Mr. McDONALD: I have the positive assurance, and members on my right can tell me whether it is correct, that there are opportunities in plenty for competent agricultural labourers. If that is so, surely we can do something to bridge the gap between the men who are in the camps and the farms that are crying out for the labour. I and others could make suggestions of a much more valuable nature in an attempt to deal with this unemployment problem.

Mr. Fox: The Legislative Council might do that.

Mr. McDONALD: I have endeavoured, however, to speak with some realism. First of all at a time like this we cannot partially dislocate the ordinary economic and industrial life of the country as we might do in normal times, in order to effect a transition from the present arrangement to one that we consider would prove more beneficial. I realise that every suggestion must be limited by the demands on finance. In the comments I have made there is, I think, nothing that means any great call upon the Treasury. We have experimental farms, training farms, other facilities to give some degree of skilled instruction to men who may be qualified for work of that kind, and so on. Even an addition to the unit of sustenance would carry no great imposition upon the responsibilities of the Treasury.

In conjunction with these matters I submit in all seriousness, for the consideration of the Minister and the Government, that members might be given the opportunity, by means of a small informal committee chosen

from both sides of the House, to examine again the structure and the working of our unemployment relief activities and sustenance assistance. If that is done some ideas may be brought forward from the wealth of experience possessed by members which the Government might feel it could introduce with benefit to those who may be unemployed, and do so without any undue strain upon the Treasury. One of the things that might be done would possibly be to mobilise the general public in the way of an auxiliary committee so as to stimulate the activity and responsibility of all employers for the purpose of securing the absorption of every unemployed man wherever the opportunity offers, either in town or country. I hope that in a constructive way members will feel that after ten years of our unemployment system a case has been made out for the re-examination of its workings, that such examination might well be fruitful, and that it is a fair thing for the State, the people, and all concerned that after that period we should make provision through the Government for such review and for the adoption perhaps of more effective methods.

On motion by the Minister for Works, debate adjourned.

### **BILLS (3)—RETURNED.**

- 1, Feeding Stuffs Act Amendment.
- 2, McNess Housing Trust Act Amendment.
- 3, Mine Workers' Relief Act Amendment.  
Without amendment.

### **MOTION—SUPERPHOSPHATE, MANUFACTURE AND SALE.**

*To Inquire by Select Committee.*

**MR. BOYLE** (Avon) [7.59]: I move—

That a select committee be appointed to inquire into and report upon all matters relative to the manufacture and sale of superphosphate in Western Australia.

The question that has arisen as to the price of superphosphate is one of great moment and vast importance to Western Australia. The fact that the superphosphate bill to the farmers has increased in one fell swoop by £360,000 to £400,000 per annum is something that calls for an inquiry. From time to time we have had statements from the Federal

Price Fixing Commissioner, Professor Copland, that the necessity for the rise in price has been accepted by him, and that he in turn has fixed the price at which superphosphate shall be sold. Ten shillings was the advance made last December. Later the Commissioner approved of a further advance of twenty shillings, making a total increase of 30s. per ton. Quite recently there was a decrease of the price by 4s. per ton. It struck me forcibly that either the Commissioner—shall we say?—without sufficient grounds approved of a 30s. per ton increase, or else had done so without taking all the facts into consideration, and had then reduced the price by 4s. per ton, bringing back the added amount from 30s. to 26s. This indicates that something must have occurred to induce the Price Fixing Commissioner to change his mind. If that is so, if I am correct in my surmise, a duty devolves upon us as an Assembly in which control of the agricultural development of Western Australia is vested to inquire on behalf of our constituents to what extent the increase was justified. The bald statement that a rise in freights and extra cost of rock sulphur and bags justified the increase of 40 per cent. in the price of superphosphate needs amplifying.

Western Australia uses on an average 300,000 tons of superphosphate annually. About ten or 12 years ago the price of superphosphate was £5 7s. 6d. per ton, a sufficiently crippling impost considering that as a State we have not the rich lands of other States and are not comparable with, for instance, the Argentine, which uses no superphosphate whatever. Without disparaging Western Australian lands I venture to say that we have more need of artificial fertilisers than any other State of the Commonwealth. Therefore an impost of this kind, which has raised Western Australia's superphosphate bill to £1,500,000 per year, is a matter of grave concern; and I submit the House is entitled to examine, by means of a select committee, those in Western Australia who are engaged in the production of superphosphate. Thus we may be enabled to assure our people—that is to say, the Western Australian farmers, who are our particular care—that they are not being exploited today by certain vested interests. An inquiry cannot do any harm. Members on these benches especially have received communications from individual farmers and from farmers' associations requesting us to use

whatever influence we possess to ascertain, if necessary by inquiry, the justification for such an impost. Western Australian lands require heavy supering. From 80 to 112 lbs. per acre is quite a normal application. In addition, we have enriched the pastoral lands of the South-West, which to-day carry close upon 6,000,000 sheep, thanks to a system of topdressing which will undoubtedly suffer, owing to the reactions of the farmer, through lesser dressing. The average wheatgrower in Western Australia uses super to the extent of about 20 tons. An increase of £30 in his super bill will bring him to an annual average of about £100 for superphosphate. That will be a heavy burden for him to carry, because in spite of all the increases that have taken place there has been no countervailing influence to raise the price of the commodities he produces. Using less superphosphate will undoubtedly set us back many years in the capacity of our soils to produce.

Our super supplies are drawn mainly from Nauru Island, in the Mandated Pacific Islands, which were placed under the care of Great Britain, Australia and New Zealand. On the 2nd July, 1919, the Governments of Great Britain, the Commonwealth of Australia and the Dominion of New Zealand concluded an agreement which provided that the administration of Nauru should be vested in an administrator, that the first administrator should be appointed by the Australian Government, and that thereafter the administrator should be appointed in such manner as the three Governments should decide. In point of fact, the first administrator appointed, Commander Griffiths, has been succeeded by two other commissioners, both Australians; and to-day the administration of the island is practically in the hands of the Australian Government through its administrator. Australia takes from Nauru 67 per cent. of that island's total output of phosphate rock. This is a responsibility of the Commonwealth Government, and I was indeed pleased to see that recently our Premier protested most strongly against the increased price and suggested that the increase should be borne by the Commonwealth Government, an opinion in which I concur. In effect, if the Western Australian farmers are compelled to carry this increased load of £400,000 or more per annum,

an insupportable burden will be placed on their shoulders. The total export of phosphate rock from Nauru for the year 1939 was 932,100 tons. Of this, Australia took 588,150 tons valued at £382,207, or 13s. per ton free on board at Nauru. Now, that 13s. per ton at Nauru means to-day to the farmer, with the added cost of manufacture, £4 18s. 6d. per ton at the works. The raw material, valued at 13s. per ton, now represents close on £5 per ton to the Western Australian farmer. In 1939 New Zealand took 258,950 tons, valued at £168,318; and the United Kingdom took 77,650 tons, valued at £50,672. For last year, 1939, Australia received 67.06 per cent. of the island's total output, New Zealand 23.63 per cent., the United Kingdom 5.02 per cent., and other countries 4.29 per cent. Thus Australia and New Zealand between them took 91 per cent. The difference between Australia and New Zealand is that the Dominion Government has borne the entire extra cost on the super. I notice the member for South Fremantle (Mr. Fox) is preparing to interject, and he will probably say that the Government of New Zealand is a Labour Administration.

Mr. Fox: And so it is.

Mr. BOYLE: I do not care what Government may be in power. If any Government is statesmanlike enough to appreciate the fact that agriculturists cannot bear any such extra burden, it will have my commendation.

Mr. Marshall: It is not a matter of the brand of Government, but the fact that the Government is in control of its own monetary system.

Mr. Patrik: The New Zealand Government is paying a higher rate on its loans than are the Australian Governments.

Mr. McDonald: And that Government is enforcing a compulsory loan in New Zealand.

Mr. BOYLE: The extraordinary part is that the Commonwealth Government controls the island, and the Commonwealth Price Fixing Commissioner, Professor Copland, fixes the price of super in Australia. The British Shipping Control Board, through its agent in Canberra, fixes the freights, and the only individual who is really fixed is the farmer. Apparently there is an amalgamation or perhaps a merger. Members will recollect that Nauru

is a mandated territory, and no country exercising a mandate is permitted to make a profit in consequence. That being so, if no profit is being made out of the fixed price of 13s. on board, someone is making a profit on the superphosphate between Nauru and the farmer in Australia.

The Minister for Mines: Too right!

Mr. BOYLE: I ask the House to agree, therefore, to the appointment of a select committee to find out who is making the profit. There are other factors that enter into the problem. There is the question of sulphur and also the matter of cornsacks. Sulphur to the extent of 2 1/9 cwt. is used in the manufacture of a ton of superphosphate. The price of sulphur has increased from £6 to £10 a ton. Then again 12 cornsacks are used for a ton of super, and the price of those sacks has increased from 6s. to 11s. 6d. per dozen. I would like to know what the Commissioner had in mind when he fixed the price of super at the present figure.

Mr. Mann: And a rebate of 5s. 6d. only is allowed on returns.

Mr. BOYLE: In my opinion, the Commissioner must be at fault. In South Australia super is manufactured locally with locally-produced sulphur. Has the price of that commodity gone up to £10 a ton? In other words, has that increase been applied all round? The railways, too, have joined in, and have increased the freight from port to super works by 10 per cent. in order, I presume, to assist in the good work of putting up the price of super to the farmer. Let us contrast the position here with that obtaining in Victoria where there is a co-operative company known as the Pivot company.

The Minister for Works: You do not suggest that the railways make a profit out of the haulage of super?

Mr. Mann: Of course it is payable, and so is the haulage of wheat.

Hon. C. G. Latham: The railways charge full rates from port to works.

Mr. SPEAKER: Order!

Mr. BOYLE: Perhaps the members of the select committee could find out, through a railway department witness, whether the increase of 10 per cent. from port to the super works a few miles away has represented a profit. The Cresco works have to pay 4s. 6d. per ton to land supplies at Bayswater from Fremantle. I suggest that a

trainload of super from Fremantle to Bayswater at 4s. 6d. a ton would certainly be payable.

The Minister for Works: Who holds the shares in Cresco?

Mr. BOYLE: Cresco is a farmers' company, and therefore it is socked for 4s. 6d. a ton.

Mr. Cross: The select committee can investigate that point too.

Mr. BOYLE: A good case can be made out for an inquiry regarding the whole of the superphosphate business in this State. I was in touch with Mr. Holyoake—I think that is his name—who is the son of the founder of the Pivot company in Victoria. The concern was established in 1927 as a farmers' company and worked on the basis that anything over cost was rebated to the shareholders. A farmer there is entitled to a ton of super for every share he holds. Evidently they have gone into the matter very closely because I notice that when our super—it had a 23 per cent. content—cost us £3 12s. 6d. a ton, the Victorian farmers were paying £2 17s. a ton net. That represents a difference of 15s. 6d. per ton, or nearly 30 per cent. For the five years from 1934 to 1939 the company sold super at under £3 per ton to its shareholder—farmers in Victoria. To-day the Commonwealth Price Fixing Commissioner has forced the company to increase its price to £4 19s. a ton, less 5s. a ton for cash, which is the same as the rate charged in Western Australia.

Mr. Withers: How does the Victorian standard compare with our super?

Mr. BOYLE: The Victorian super has a phosphoric acid content of 22 per cent., or 1 per cent. less than our super. Yesterday I received a letter from the company in which the secretary said—

This season's prices are, of course, governed by the Price Fixing Commissioner, and show an increase to £4 19s. per ton, less 5s. for cash. The rise is mainly due to increased freight rates. All fertiliser companies in Victoria now pay a rebate equivalent to this company's minor rebate. If you refer to the Tariff Board's report on the bounty on sulphur, dated the 26th June, 1939, you will note—on page 10—interesting matter concerning this company's activities. It is to be borne in mind that we commenced manufacturing operations in 1928.

So this company is the policeman company of Australia, according to a claim it makes. I have no reason to disagree with that claim,

for I find that in the company's report the following appears:—

As Victoria sets a price standard for other States, the establishment of one truly co-operative company in the fertiliser trade has exercised an enormous beneficial influence throughout Australia.

Because of the enormous beneficial influence exercised throughout Australia, the Price Fixing Commissioner compelled the company to fall into line with other super companies of the Commonwealth and sell its super at the same price as the others are charging elsewhere. Naturally we have also been forced into line. The necessary powers have been vested in the Commissioner under the National Security Act, so that there is no possibility of the Pivot company attempting to evade the commands of the Commissioner.

There are two factors that really count in this particular matter. One concerns the price of phosphatic rock at Nauru and the other is the shipping freights from the island. Last year 126 steamers were dispatched from Nauru and they conveyed 932,000 tons of super. With the advent of the war, the British Shipping Control Board, whose agent is at Canberra, has had the chartering of all super ships to Australia. If any member looks at the map he will find that Nauru is situated in the Pacific about 2,000 miles from the Queensland coast. It is one of the safest spots in the world to-day for shipping, yet we are told that the enormous increase of 40 per cent. is on account of shipping freights. Can it be seriously suggested that the British Shipping Control Board in Australia has arbitrarily fixed shipping freights without reference to the commissioners, who are the controllers of the Island of Nauru? Is it a law unto itself? All these freight rises are to be passed on to the agriculturists of Australia without question, let or hindrance. We should certainly protest. The freight charges have nothing to do with the conduct of the war. It appears to me that the shipping authorities have arbitrarily fixed the rates so high that it will be impossible for our agriculturists to pay for superphosphate. If the inquiry that I ask for will do no good, it will do no harm. It would be inexpensive, it would not involve travelling, and the witnesses would be people in the trade in this State. Their mistakes in Western Australia stand out like monuments. There are at

Bunbury superphosphate works which I believe cost £30,000. These are not being operated. We know that the State has been zoned—and properly so—from a railway point of view, and that we have particularly cheap freights for superphosphate.

The Minister for Railways: The cheapest in the world.

Mr. BOYLE: I would not say that. It is a big assertion.

The Minister for Railways: I have inquired into the matter.

Mr. BOYLE: I shall in a moment make a suggestion to the Minister with regard to that matter. I would like him to act upon it. Superphosphate freights are not to be despised by the Railway Department. They certainly are low; I am aware of that. I have had super railed 200 miles for 6s. 6d. a ton. The Railway Department deserves full credit for that, but the department is compensated for these concessions by high freights on other goods.

The Minister for Railways: Not on wheat.

Mr. BOYLE: The Railway Department charges the highest rate in the world for wool.

The Premier: Nonsense. Absolute nonsense.

Mr. BOYLE: The Minister said that superphosphate in Western Australia was carried at the lowest rate in the world. I know that wool is carried at the highest rate.

The Premier: No.

Mr. BOYLE: Or at a very high rate.

The Premier: No.

Mr. BOYLE: It would run very close to the highest rate. From the statements and the facts that I have gathered from the Commission's reports, I am of opinion that these phosphate deposits are being exploited. The reports set out the tonnage of rock placed on the ships and the cost of the rock at the island is shown at 13s. per ton. We are entitled to know how the £4 5s. is made up that is added to the other charges from the time the vessels leave Nauru until the superphosphate is sold to the farmers here. The price of sulphur has increased, as we know, and there have been increases in the price of cornsacks. The point I wanted to bring under the Minister's notice is this: Why should not superphosphate be carried in bulk in Western Australia? Over 2,000,000 cornsacks per year are used in this State for

super. If we can carry wheat in bulk, I am confident we can also carry superphosphate in bulk. That would mean, according to the merchants' own figures, about 11s. per ton less. I see no insuperable difficulty in the way. I remember that in another sphere we went into the matter of the carriage of superphosphate in bulk and ascertained it was a practical idea.

Mr. Patrick: In paper bags.

Mr. BOYLE: I do not know the cost of paper bags, but I think it is rising. It is far better in organised industry to have bulk conveyance of supplies.

The Minister for Railways: How would you suggest taking the superphosphate from the station to the farm?

Mr. BOYLE: If the farmers can convey wheat in bulk in wagons, they can cart superphosphate in bulk also. I have seen fine wagons constructed of steel which are eminently suitable for carting wheat in bulk. What is to prevent those vehicles from being used for superphosphate?

The Minister for Works: How many farmers have such wagons?

Mr. BOYLE: More than the Minister thinks. Some organisations were opposed to the bulk handling of wheat. Now there is hardly a wheat-growing district in Western Australia unequipped with bulk handling facilities.

Hon. W. D. Johnson: You did your best to prevent it.

Mr. BOYLE: I did nothing of the sort.

Mr. SPEAKER: Order!

Mr. BOYLE: I will tell the hon. member what I did. I told the world then, and I tell it now, that I did my best to keep bulk handling in the control of the farmers themselves and to prevent its becoming a monopoly of any concern.

Several members interjected.

Mr. SPEAKER: Order!

Mr. BOYLE: If I had my way—

Hon. W. D. Johnson: There would be no bulk handling.

Mr. BOYLE: That is entirely wrong.

Mr. SPEAKER: Order! I ask the member for Guildford-Midland to keep order.

Mr. BOYLE: I think I have made out a case for the appointment of a select committee.

The Minister for Works: No.

Mr. BOYLE: Yes. The big increase of £400,000 which our farmers must pay to-

day is a subject for inquiry, not acceptance. As I said before—I repeat it now because the Premier is in the Chamber—I was very glad that he raised his voice in protest to the Commonwealth. It is a matter the Commonwealth should shoulder, because I feel convinced that something is going to the Commonwealth. I do not make any charge; I have nothing to go on, but I fail to understand how our agricultural industry can stand an additional impost of £360,000 to £400,000 a year. That must result in a decreased use of superphosphate, which in itself would be a major calamity. Those farmers who have developed the lighter lands of the State know they are wasting time unless they use 112 lbs. of superphosphate to the acre. It is to the light lands that we must look for our wheat yield in dry years. I said recently we would probably have an average of five bushels to the acre; a little later the authorities announced the yield would probably be 19,000,000 bushels. I think my estimate of five bushels to the acre will be an under-estimate. In my opinion the yield this year will be 20,000,000 bushels or more, but the greater quantity is coming from the light lands of the State.

Mr. Berry: Apart from wheat, top-dressing of pastures will be affected.

Mr. BOYLE: Yes. I have already pointed that out. Future development of our light lands depends upon the use of superphosphate. If we could use 100 lbs. to 125 lbs. per acre, we would get a corresponding increase. In my electorate we have some of the richest farming land in Western Australia, but unfortunately the average rainfall is only 12in., which is insufficient for the quality of the land. In other parts of my electorate we have light lands and these are totally dependent for a return upon an adequate supply of reasonably priced superphosphate. Everybody seems to be happy except the farmer. Everybody seems to be going along quite all right. The shipping people appear to be quite satisfied and the superphosphate companies have every reason to be. They are all declaring dividends and I notice that the preference shareholders of one company received eight per cent. The companies' reserves are being built up, but the very people on whom they depend will be seriously inconvenienced if this increased price is passed on to them. So I claim that I have made out a case for

the appointment of a select committee. I know that the Premier does not like select committees. He says they are expensive; but this would be the least expensive select committee the House had ever appointed.

The Premier: The Price Fixing Commissioner, with statutory powers, has gone into this matter.

Mr. BOYLE: With whom? With the manufacturers of super, with the representatives of the people who control the original place of production of the phosphatic rock.

The Minister for Works: This would be an appropriate inquiry for the Federal Government. Your party is in control there.

Mr. BOYLE: The Federal Government is everybody's Government now. The Minister suggests the good old game of passing the buck.

The Minister for Works: No; this is an Australia-wide matter.

Mr. BOYLE: We in this State must accept a little responsibility. The duty of this House is to inquire into these charges.

Hon. W. D. Johnson: Who could enforce the carrying out of the findings of the select committee?

Mr. BOYLE: First catch the rabbit. The hon. member is not a rabbit this time, but he is drawing red herrings across the track.

Hon. W. D. Johnson: It is common sense.

Mr. BOYLE: The hon. member has not a monopoly of commonsense in this House.

Mr. SPEAKER: I must ask the member for Guildford-Midland to keep order. I have already warned him.

Mr. BOYLE: I have nothing further to say but have pleasure in moving the motion standing in my name.

On motion by the Minister for the North-West, debate adjourned.

## **BILL—NATIVE ADMINISTRATION ACT AMENDMENT.**

### *Second Reading.*

Debate resumed from the 25th September.

MR. SEWARD (Pingelly) [8.35]: This small Bill, as explained by the hon. member who introduced it, is designed to impose an additional penalty on a native who is supplied with liquor. The Bill proposes to amend Section 48 of the Act, which states—

(1) Any person who sells, supplies, or gives any fermented, spirituous, or any other in-

toxicating liquor, in any quantity whatsoever, either alone or mixed with any other substance, or any opium to any native shall be guilty of an offence and liable, on summary conviction, to a penalty not exceeding one hundred pounds, or to any term of imprisonment not exceeding six months, or to both.

(2) Any native who knowingly receives any such liquor or opium shall be guilty of an offence, and liable on summary conviction to a penalty not exceeding £5 or to imprisonment not exceeding one month.

The Bill seeks to add to that section the following:—

(3a) Any native who asks, solicits, or otherwise attempts to procure any other person whomsoever to purchase or to obtain the supply or gift of any fermented, spirituous or other intoxicating liquor in any quantity whatsoever, either alone or mixed with any other substance, or any opium for such native, shall be guilty of an offence and be liable on summary conviction to a penalty not exceeding £5 or to imprisonment not exceeding one month.

As I have pointed out, two penalties are already provided for an unfortunate native or half-caste who is convicted of obtaining spirituous liquors. Furthermore, another penalty is provided in the Act for a native found on licensed premises. In introducing the Bill the hon. member stated that he was solicitous for the welfare of the unfortunate natives. I consider that I also have at heart the interests of these unfortunate people. I use the word "unfortunate" advisedly. When the Native Administration Bill was before the House attention was drawn to the particularly unfortunate existence led by these people. Their situation is no different now. Even yesterday I noticed on a native reserve a whole conglomeration of bark and bag huts in which these people exist. If one attends any of the sports gatherings that are frequently held in country districts he will find the natives gathered in one part of the grounds all by themselves. White people do not wish to associate with them and when any events are contested a note is displayed to the effect that coloured people are debarred from competing. It is about time we tried to uplift these people instead of inflicting more penalties on them. We should give them some reason for living and an opportunity to improve their position instead of always attempting to run them down and punish them.

Later on in his speech the hon. member stated that he was desirous of inspiring the natives with respect for our laws. I do not consider that this Act is likely to give the



natives any fear of the law. Far better would it be if we attempted to assist them though the Education Act. I have been informed recently of instances in which half-caste children were attending a State school, but immediately an objection was raised by white people against their attendance, they were compelled to leave. However, we do not provide these native children with another school where they could receive education that would help them to understand our laws. They are cast out and prohibited from attending the school frequented by white children and their education is neglected. It is time we took up the matter seriously and attempted to uplift the natives instead of inflicting further penalties on them. I was impressed by the remarks of the member for Beverley (Mr. Mann) when he was supporting the Bill. He mentioned that a sub-normal white person had been punished in Beverley for supplying liquor to half-castes. I ask the House to consider this point: Under the Bill we are going to condemn a native on the uncorroborated evidence of a sub-normal. I can imagine the hue and cry that would be raised if it was proposed that any white person should be convicted on the uncorroborated evidence of one man.

Mr. Mann: But in the case referred to, the constable happened to see a man giving a bottle to the native.

Mr. SEWARD: If that is so, there is no need for the Bill, because the native was seen getting the liquor. The member for Williams-Narrogin said his concern was to meet cases in which the native had already consumed the liquor, and consequently it could not be said that he was getting it. When this man was seen by the constable getting the liquor, there was evidence of the offence for which a penalty is provided in the Act, and there is no need for any new law. I emphasise the very hard principle involved if we make it possible to condemn an unfortunate native on the uncorroborated evidence of a person who, when charged with supplying liquor to a native, would very naturally say that the native asked him to get it. He would do that in order to save himself. We should not put a provision of that kind in our legislation.

Mr. Marshall: That person would not save himself. He would still be fined.

Mr. SEWARD: But he would endeavour to mitigate the punishment by saying that

the native asked him to get the liquor. That is not a fair proposal and I object to it.

Mr. Marshall: I am with you on that.

Mr. SEWARD: Plenty of penalties are already provided for the unfortunate natives. If we tried to uplift them and gave them some encouragement to improve their status in life, we would be doing them far greater service than by adding a provision of this sort to the Act. There would be no question of fining a native for an offence; he would not have £5 to pay by way of a fine and would have to go to gaol for a month. That sort of thing would not have any good influence on these unfortunate people. That is the whole substance of the Bill and there is no need to argue it at great length. Briefly put, it would inflict an unduly harsh penalty on those unfortunate people and for this reason I oppose the Bill.

**MR. MARSHALL** (Murchison) [8.43]: To a degree I endorse the remarks of the preceding speaker. I do not think we shall be doing the right thing if we bring in a separate law to control aborigines while we have Asiatics and other people in this country who are subject to only one law, namely the law to which all citizens have to conform. On the second reading of the native administration measure I raised that point. Why should we have a separate and distinct law to coerce the natives while we permit coloured individuals from other countries to be subject to only one law? There is another aspect. The Minister will be sure to bring forward the point that a native might obtain exemption under the Act so that he will not be deemed to be a native within the meaning of the Act. In that event he would not be subject to the provision contained in this measure, should it be passed. I am inclined to support the view of those natives who have a good deal of white blood in them. They rightly resent having to ask for a permit to be excluded from a special law that deems them to be natives. They become indignant. I suggest that if a law was passed requiring Australian-born people without coloured blood to seek a permit to be excluded from certain legislation, they too would resent it. The unfortunate native has constantly been subjected to two laws.

Mr. Mann: Which two laws?

Mr. MARSHALL: The Native Administration Act as well as the law to which all whites have to conform. The hon. member is not subject to the Native Administration Act, but the native who comes under that Act has also to comply with the law applicable to whites. There are many full-blooded natives who are particularly well educated and behave as good citizens. I believe that one has been ordained as a minister of religion. If they behave as good citizens, I cannot see why there should be a special law that would have the effect of giving them an inferiority complex. We do not give them a chance to rise, but continually remind them that they are natives. In fact, we have a special Act to make natives of them. Bad and all as that is, what must be much worse is that many are half-bloods who are well educated men leading good clean lives. Some are excellent citizens, and are working as farmers, prospectors, shearers, kangarooers and sandalwood-pullers and following other occupations. Still, they are natives. I say frankly and without reservation that the Native Administration Act should not apply to any individual with a particle of white blood unless he seeks to be included, or behaves in a manner that makes his inclusion necessary. While those men with some white blood lead clean lives and behave as good citizens, why have a special Act? We talk about our desire to uplift them and make good citizens of them, and then we proceed to amend an Act which is coercive, pushing them back, constantly reminding them that they are natives. The member for Williams-Narrogin put up a fairly good case for the Bill, but I suggest that while it is now possible to get a conviction against a white man who supplies liquor to a native, if this Bill becomes law, the evidence will not be available once a native becomes aware of the fact that he is jeopardising his own liberty. If he realises that he is likely to be caught and penalised, he will refuse to give evidence at all.

Mr. Mann: The natives refuse to give evidence now.

Mr. MARSHALL: That might be so, but the sponsor of the Bill said that convictions could be obtained against white men, but not against natives because of the difficulty of finding the liquor on them.

Convictions can only be obtained against a white man by using the evidence of the black man. Once a native realises that he is going to give evidence against a white man he will close up. If he gave it the white man would retaliate by saying that the native solicited the liquor from him, and a conviction would ensue. When the natives realise that by giving evidence against a white man they will render themselves liable to conviction, that will put an end to all possibility of a successful prosecution. I do not think the hon. member will attain his objective by this Bill; indeed, he will lessen the possibilities of doing so. One aspect of the measure is both unfair and un-British. It does not come within the realms of British fairplay and justice. In this Chamber members have constantly protested about putting the onus of proof on the accused. However serious that may be in the case of a person who thoroughly understands the law, how much greater is the wrong when an unfortunate native is concerned? Under the Bill all that has to be done is to charge the native, and the onus will be upon him to disprove the charge. That is carrying things too far.

Hon. C. G. Latham: I do not think that is the case.

Mr. MARSHALL: The hon. member will find it in the Bill. The onus of proof will be on the native. Once he is charged he will have to prove that the charge is incorrect. That is contrary to justice and British fairplay. As I have said, that is bad enough in the case of a white citizen who is presumed to be intelligent and to be able to understand the law, but it is infinitely worse when it is a native who is charged. Members have constantly protested against that sort of thing, and very rightly too. It is a negation of British justice. We now propose to apply that principle to the native. We know that the unfortunate wretches will not understand the law. Because of their ignorance and their inability to understand the law they are liable to suffer. A native would hardly be in a position to invoke the aid of the member for Nedlands (Hon. N. Keenan) to defend him.

Mr. Mann: You do not realise the cunning of the half-caste.

Mr. MARSHALL: Probably the hon. member knows more about natives than I do, because of the number of them found in his district. What I wish to imply is that

this Bill will make the native more cunning. It will force him into the position of having to be cunning.

Mr. Withers: Oh, No!

Mr. MARSHALL: If the hon. member suddenly found that there was a law that continually interfered with his freedom and liberty, he would develop a cunning. Everyone would do so in similar circumstances. We would devise ways and means of avoiding anything that was coercive. We ought not to do things like this to people merely because they are natives and ignorant. It is remarkable that an American coon can come into this country and enjoy all the privileges of citizenship that we enjoy. For some reason we are continually interfering with and coercing the unfortunate natives, because they are unable to release themselves from the position into which they are continually being coerced by law. A native is always subject to a special law, either because of the administration of that law, or because of some amendments that are made to cover him.

Hon. C. G. Latham: An American nigger can only come here on permit.

Mr. MARSHALL: I am not sure about that. At any rate, no European can come here without a permit, and that puts them all on the one plane. It is not a matter of granting a permit to people to come here, but when they are here they have only to conform to our laws, such as every other citizen has to do, to be able to enjoy all the privileges of citizenship. A native who has white blood in him remains a native. The Act is all wrong. If we have any desire to encourage the natives to rise from the lowly standard on which they have existed for so many years, we cannot expect to do it by coercive laws of this kind. We are not offering them any encouragement. They remain natives wherever they are, no matter how they behave, or how keen they are to improve their social standards. We cannot expect them to rise from the position they are now in until we adopt a more humanitarian attitude towards them. If this Bill becomes law I can see no hope of getting the convictions sought. If a conviction is obtained against a native all possibility of obtaining one against the white man who supplied the liquor will vanish. When a native has once been caught, and knows the danger that will exist under the law, he will give no further evidence against

a white man. I know that natives do not keep mental balance when affected by alcoholic liquor. The same can be said of many white men. Hundreds of Australians of British blood, become by no means normal when affected by alcohol.

Hon. C. G. Latham: What bad company you keep!

Mr. MARSHALL: I was walking down Hay-street a few days ago, when an Australian, under the influence of liquor challenged me. It was just after 9 p.m. when I met him, and the souks had all closed. I passed him by, but he followed me in an effort to get into conversation with me.

Mr. SPEAKER: Order! Will the hon. member please connect his remarks with the Bill?

Mr. MARSHALL: I am comparing the white man and the black under similar conditions. Some people think that a native is the only person to become unbalanced when under the influence of liquor. Many white men are not safe under such conditions, but we do not prevent them from getting drink. If white men behave in such a way as to make themselves objectionable, they come under our laws, and the same laws would do very well for the native. Whilst members maintain these ideas we can never hope to do much for the natives. We shall never permit them to rise from the lowly status under which they have been living. We are offering no encouragement to them nor are we giving them any chance to improve their lot. People cannot be made good or moral by laws of this description.

Hon. C. G. Latham: You admit that the laws of the country act as a deterrent.

Mr. MARSHALL: Yes, so far as public observation is concerned.

Mr. Mann: Do you suggest that only half-castes should be given a permit?

Mr. MARSHALL: I suggest that half-castes already go into hotels. I know any number who after shearing come down with a big cheque and get inebriated just as the white man does. What a delightful thing it is to know that men who go out and work like that, and who behave themselves as well as any white man does, who when coming into town enjoy their liquor like white men and mix with them, do not possess the rights of citizenship. If the member for Beverley (Mr. Mann) unhappily found

himself in the invidious position of a half-caste, he would hold a view entirely different from that which he holds now.

The Premier: Natives can get permits.

Mr. MARSHALL: I know that, but am not permitted to discuss it now. I mentioned it at the start. The Bill robs the administration of the opportunity to secure a conviction, because a native after his first conviction knows full well that his evidence must convict himself. No more evidence is to be obtained from such a native. I positively object in this instance, because of the fact that natives cannot read and understand the law as we can, to putting the onus of proof on the accused. That is absolutely wrong and unfair. I suggest to hon. members that they do not support a Bill containing such a provision.

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

## **BILL—MONEY LENDERS ACT AMENDMENT.**

*In Committee.*

Resumed from the 25th September. Mr. Marshall in the Chair; Mr. Cross in charge of the Bill.

The CHAIRMAN: Progress was reported on Clause 5, "New sections," which had been partly considered.

Mr. CROSS: When the clause was being discussed previously, there was a suggestion that special provision should be made for interest on short loans, and on that account I agreed to report progress. I share the view that if a maximum rate of 20 per cent. was fixed for short loans, it would spell the end of that business. I have drawn up a schedule, which appears on the notice paper and the insertion of which I shall move later, to meet members' wishes. Meantime I move an amendment—

That a further proviso be added to Subsection 1 of proposed new Section 11A, as follows:—"Provided also that so long as the prescribed maximum rate of interest on loans generally is twenty pounds per centum per annum, interest may be charged on loans not exceeding ten pounds which are repayable in less than six months at a rate not higher than that applicable according to the several maximum rates set forth in the Second Schedule."

It will appear that the rate of interest chargeable on such small loans is 1s. per

month. I shall explain the proposed Second Schedule later.

Hon. N. KEENAN: I have some doubt as to whether the amendments appearing on the notice paper are practicable. The member in charge of the Bill intends to provide for short loans a higher rate of interest than that set out in the schedule. Apparently that is to be arrived at on the merits. Am I correct in saying so? But loans are renewed again and again. On some public works it is the habit of employees to borrow money for urgent necessities, and they give a shilling for the use of a pound for a month. Inevitably the man borrows another pound next month. The unfortunate history of all borrowing is that one borrows once and goes on borrowing. The rate proposed for short loans not exceeding £10 is 60 per cent. per annum—not only for a month, but 60 per cent. for the whole year, because the borrower renews the loan again and again and again. The result is that at the end of a year he has actually paid 60 per cent. I am personally aware of the fact, from men who have told me of it and who I have every reason to believe are conversant with what they tell me, that it is a matter of great facility to workers to be able to borrow £1 for a month on many occasions. There may be a shortage the borrower has to meet, and for certain reasons it may be necessary to borrow; possibly the man is going to take a holiday, or make a wager on the Melbourne Cup. For some reason or other the necessity arises. He borrows the £1, and he will never stop. He is quite willing to pay a shilling for the loan of the pound. If we pass the Bill in its present form—

The CHAIRMAN: I remind the hon. member that we are dealing only with the proviso, and not with the whole Bill.

Hon. N. KEENAN: If we pass the amendment in its present form, it will be absolutely impossible not to have breaches of the law. If the lender got the 1s., he would not be entitled to lend the pound again for six months. What is the use of passing legislation that cannot be enforced? Already we have too much legislation on the statute book which, because it is of a class opposed to the wishes of the great majority of the public, is not capable of enforcement. For instance, in certain parts of the State our licensing laws are utterly incap-

able of enforcement. It may be very proper to restrict the rates of interest chargeable on loans, but to imagine that we can cope with the position that exists to-day by providing for an average of 20 per cent. while allowing a range of a considerable extent, is utterly impossible. I would like the member for Canning to explain how it is possible.

Mr. CROSS: The member for Nedlands referred to loans for a period of a month which could be renewed. The schedule, which I will move as a further amendment, makes provision for such instances. The loan he referred to would not be for one month, but for two months. I suggest the Committee pass the proviso and discuss the schedule later.

Mr. WATTS: I was astonished to hear the member for Canning say that the loan would not be one for a month, but for two months. Obviously if a loan is provided for a month, that is the period of the loan. If renewed, I should say it would be a renewed monthly loan. I know perfectly well what the member for Canning has in mind and I am in agreement with him, but I share the opinion of the member for Nedlands that the proposed schedule will not overcome the difficulty. If a loan is arranged for a month at 60 per cent. and it is extended for a further month, what interest rate will apply? If it is regarded as a two-monthly loan, the interest must be at the rate of 54 per cent. and if a renewal takes place, the third month will be at 44 per cent. But so far as I can see, the rate will be 60 per cent. throughout. The proviso will leave a loophole that the member for Canning seeks to close. I suggest the schedule does not by any means overcome the difficulty.

The CHAIRMAN: We will deal with the schedule when we reach it.

Mr. WATTS: The schedule is referred to in the proviso, and it does not meet the position at all.

The Minister for Justice: Can you suggest a way out?

Mr. WATTS: That is impossible at the moment.

Hon. C. G. Latham: Why should we suggest it?

Mr. Cross: Could not something be added to the proviso showing that the small loans shall not be renewable?

Mr. WATTS: That might fill the bill. Unless the hon. member is content to allow a horse and cart to be driven through the schedule, he had better give further consideration to amending it in another place.

Amendment put and passed.

Mr. CROSS: I move an amendment—

That a new subsection be added to proposed new Section 11C, as follows:—

(2) Any such regulation may differentiate between the maximum rate of interest on loans generally, and the maximum rate on small loans for short periods and in relation to such small loans may prescribe different maximum rates for different amounts and for loans repayable at or over different periods.

Provision is made for regulations to be framed fixing the maximum rates of interest, and the amendment is necessary to enable that to be done.

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

New clause:

Mr. CROSS: I move an amendment—

That a new clause, to stand as Clause 6, be added as follows:—

6. A schedule is inserted in the principal Act as follows.—

#### The Second Schedule.

Maximum rates of interest chargeable on small loans for periods of less than six months, which are only applicable when the loan does not exceed ten pounds.

In the following cases the maximum rate of interest chargeable is as charged and calculated in accordance with section eleven B shall be the rate applicable in accordance with the following table, viz.—

- (i) if repayable in one month or less—60 per cent. per annum.
- (ii) if repayable in more than one month but less than two months—54 per cent. per annum.
- (iii) if repayable in more than two months but less than three months—44 per cent. per annum.
- (iv) if repayable in more than three months but less than four months—36 per cent. per annum.
- (v) if repayable in more than four months but less than five months—30 per cent. per annum.
- (vi) if repayable in more than five months but less than six months—28 per cent. per annum.

The amendment embodies the schedule to which I have already referred. It sets out the rates of interest to be charged on short term loans ranging from £1 to £10 and the periods from one month to six months. The member for Katanning suggested that

money-lenders would merely renew loans at the end of each month. We could get over that difficulty by adding to the schedule the words "and such small loans shall not be renewable."

Mr. Sampson: Then people would be in the soup.

Hon. C. G. Latham: That would make it worse still.

Mr. CROSS: In actual practice little business is done in very small loans and most accommodation is for £5, £8 or £10. When people want smaller amounts they usually go to pawnbrokers. I agree that people would be far better off if no opportunity were given them to obtain small loans. If they borrow, they are prevented from paying tradespeople for the necessities of life. I hope the amendment will be carried, so that the measure may be transmitted to another place for consideration at an early date, otherwise it might not receive the attention it deserves. I feel sure the member for Katanning would be willing to assist in that direction. I have prepared a table showing the interest that would be payable under the measure on small loans. When a similar measure was discussed last session, the member for West Perth said that if a person desired to borrow £5 from a money lender for a month at 20 per cent., the money lender, who would receive only 1s. 8d. for interest, would probably not make the loan. Under this measure, if a man borrowed £5 for a month, the interest would be 5s., or 1s. in the pound. That is the rate charged at present. For two months the rate of interest would be lower, the charge being 9s. For three months the charge would be 11s., four months, 12s.; five months, 13s. 4d.; six months, 14s. People to whom I have spoken on this matter and who have had transactions with money lenders inform me that if they were to borrow £5 at the present time, the interest would be £3, in addition to procuration fees. So my amendment is a distinct improvement. A person borrowing £10 under this measure would pay for the accommodation just twice the amounts I have stated he would pay if he borrowed £5. At present, a money lender charges £6 interest for a loan of £10 for six months, which is extortionate. Members must bear in mind that if borrowers at present fall into arrears with their weekly payments, the money lender promptly makes another loan,

but does not forgo the interest on the first loan. I have endeavoured to meet the wishes of the people who cater for persons desiring small loans. For any loan extending over a period longer than six months, the maximum rate under this measure will be 20 per cent.

Mr. MANN: I hope the Committee will not agree to the amendment. I am astounded that such a proposal should be put forward by a member of the Labour Party, which claims credit for looking after the under-dog. The measure provides that the enormously high rate of 60 per cent. may be charged.

Mr. Cross: Borrowers are paying more than that at present.

Mr. MANN: It would be better to bring down legislation to prevent such people from borrowing.

The MINISTER FOR JUSTICE: I fail to see anything unfair in the amendment. It is not unreasonable. Members opposite apparently desire to prevent a poor man from obtaining accommodation which he may require in an emergency. We must bear in mind that these borrowers are just as brainy as we are. I recently received a letter from a widow who had borrowed the sum of £9 for six months and paid £3 12s. interest. That loan was from a very reputable loan office, one of the oldest in Perth, but the rate of interest works out at about 80 per cent. The lady's reason for writing to me was to find out whether there was a maximum, because she thought that £3 12s. for six months on a loan of £9 was too high. The people desiring to borrow from money lenders want only small amounts. Whether they want the money for starting-price betting or not is of no consequence. That has nothing to do with the matter. If the Bill is defeated the poor man with no security will be debarred from borrowing a few pounds in a time of need.

Hon. C. G. LATHAM: I am surprised at the Minister for Justice expounding such a theory. If the member for Murchison were in his seat I am sure his blood would run cold. It is proposed to establish by Act of Parliament that a person may borrow for one month at 60 per cent. per annum. Talk about Shylock! Anyone who had read Shakespeare would be horrified to see this piece of legislation being placed on a statute-book in a civilised country.

This is an invitation for rates of interest to be extended in this State, and I am surprised that the Minister for Justice has declared these to be fair rates of interest. There is nothing fair about them. If the Government's policy is to encourage the borrowing of money in small sums, let the Government open a pawnshop down the street. That would be a far better method. I cannot imagine one member on that side of the House, apart from the Minister for Justice, agreeing to such exorbitant rates of interest; it would be a scandal. Far better to leave the law as it is.

The Minister for Mines: You sound almost in earnest.

Hon. C. G. LATHAM: I am. I can excuse the member who sponsored this measure, because he is always anxious to do something to oblige his electors, though it is hard on this occasion to discover which section of his electors he is seeking to oblige, whether it is the money lenders or the borrowers; but I cannot excuse the Minister for Justice declaring these rates of interest to be fair. Does the Minister realise that these would be minimum as well as maximum rates?

The Minister for Justice: Only small amounts would be borrowed.

Mr. Cross: Tell me what rates operate at present.

Hon. C. G. LATHAM: Whatever rates operate, I do not propose to have any put on the statute-book if I can prevent it. To agree to such a course would be disgraceful. I depend on this Parliament to protect poor people against themselves. What happens to people who borrow at these rates of interest? No one knows that better than you, Mr. Chairman. For the welfare of the Treasury of this State rates of interest must be kept down. We must be consistent in that regard, but there is no consistency between the doctrine preached by the Treasurer—a right one—and that preached by the Minister for Justice. The Minister does not often make a mistake, but he has made a shocking one on this occasion, and I hope the sponsor of the Bill will withdraw the schedule in order to protect his Minister. Here we propose by Act of Parliament to set down the rates of interest that may be charged. We do not even limit the amount. It may be £100 or £1,000.

The Minister for Justice: Ten pounds is the maximum.

Hon. C. G. LATHAM: Very well. A man may obtain ten £10 loans. What does he pay for them? I hope that even at this late stage the hon. member will see the folly of this provision and not ask us to pass legislation that will place on the statute-book rates of interest that are a disgrace to any civilised community.

Mr. J. HEGNEY: Many years ago Shakespeare wrote, "Neither a borrower nor a lender be." He contended that if a man were neither borrower nor a lender he would be true to himself. To my mind the Bill is rather dangerous and I do not propose to support it, though I have no doubt that in spite of the remarks of the Leader of the Opposition, the member for Canning had the highest motives in sponsoring the measure. He intended to protect the small man.

Hon. C. G. Latham: The borrower or the lender?

Mr. J. HEGNEY: He proposed to protect the borrower from the rapacity of the lender. Even if the Bill is passed, borrowing and lending will continue. It has taken place in every workshop in which I have been employed. Always there is one man who is known to be willing to lend money. But the rate of interest suggested by the hon. member is too high, and the Committee should not agree to people being charged as high a figure as 60 per cent. No doubt the intention of the member for Canning is to help borrowers, but he would be wise not to persist with the schedule. These rates would be usurious and I am not prepared to approve of their incorporation in the law.

Mr. McDONALD: We have to deal with realities. Every day people are being charged more than the rates set out in the schedule.

Mr. Cross: Three or four times as much.

Mr. McDONALD: Sometimes, but ordinarily far more than the rates proposed. The Bill makes a drastic reduction of interest rates. On any loan over £10 the maximum rate is to be 20 per cent., whereas to-day people often have to pay 60 per cent. and more for loans up to £100. However, I think the hon. member would be well advised to report progress and recast the schedule. A money lender who lends £10 could get far more interest than if he lent £11 or £12. A more scientific basis is necessary. I believe the measure will have a tendency to reduce

the liability on small loans and as regards loans of over £10, it will compel a substantial reduction in the rates of interest.

Mr. CROSS: In listening to the member for Beverley and the Leader of the Opposition one would think I was proposing an increase of interest rates, whereas the contrary is the fact. Apparently those members have overlooked the provisions of the Bill, which are designed to prevent the charging of compound interest. It also provides for the computation of interest at monthly rests, which means that if a man pays £2 off a loan, no longer may interest be charged on that sum. The present practice is to add the interest to the amount loaned and the borrower pays it off at so much a week. If a man borrows £10, interest amounting to £6 is added plus procuration fees, and the borrower repays the loan at 10s. a week. In that case the interest rate works out at 150 or 160 per cent. A man borrowed £20 and was charged 30s. interest for the first two months. He missed a couple of payments and then had to raise another loan. Eventually he found himself owing £71 2s. 2d., although he had not borrowed more than £20. After paying for years he found that he owed more than twice as much as he had borrowed originally.

Mr. Fox: Had he given any security?

Mr. CROSS: Yes, a bill of sale over furniture worth £100. Money is not lent without security. My aim is to lower the rates of interest charged. I would be prepared to make the maximum 20 per cent. and would consider that to be too high, but members would not have it. Those who are sticking up for the Jews intend to defeat the schedule they asked for. If the schedule is accepted, it will prevent the charging of extortionate rates, which are more like 200 or 300 per cent. than 60 per cent. Several people in my electorate are already in the money lenders' net, but if they took my advice they would not pay any more. If the Jews went to the court they would have no chance of getting more out of their clients. I am not surprised that Hitler threw the Jews out of Germany if they did some of the things I know they have done here. The only way to prevent those practices is to limit the rate of interest. In a small transaction involving, say, £5 loan for a month it is fair that 5s. should be paid to cover overhead expenses, but when money is bor-

rowed for a longer period it is not right that an excessive rate of interest should be charged.

Mr. MANN: I hope the hon. member will accept the advice of the member for West Perth, and report progress.

Mr. Cross: You want to delay the Bill.

Mr. MANN: No. Parliament exists to pass laws for the protection of the people. The average wage-earner could not afford to borrow money even at the rates of interest set out in the present schedule. We should either prevent all borrowings or fix a low rate of interest. I am afraid the schedule will tend to encourage further borrowings on the part of people. Even on the basis set out in the schedule those who borrow money in future will never be able to repay the loan. It is unjust to expect anyone to pay as high a rate of interest as 60 per cent.

Mr. J. H. SMITH: I hope this Bill will become law. The member for Beverley fears that the schedule provides for too high a rate of interest. If that is his opinion, why does he not move an amendment? Hundreds of people of my acquaintance have been ruined by money lenders, and will never get out of their troubles. When a private member endeavours to assist such people in a definite way and release them from the Shylocks in the community, we find obstruction is offered by those very members who have declared their sympathy for the working man. They have a peculiar way of showing their sympathy. Under the parent Act there is no control over the rates of interest charged by money lenders. When a Bill is brought down to indicate to the borrower exactly what he will have to pay we are faced with this criticism. I advise the committee to pass the schedule. If an alteration is required that can be made in another place.

Mr. WATTS: It has not occurred to most of us, who have had no transactions with money lenders, that the rates of interest they have been charging are considerably higher than those set out in the schedule. The member for Beverley thinks that the 60 per cent. provided in the schedule is too high. If one computed that as 4d. in the pound per month one would not realise that it meant interest at 20 per cent. I appreciate the hon. member's attitude. He assumes



that Parliament will be giving its blessing to a charge of 60 per cent. Ordinarily no one would be expected to have to pay so great an amount of interest. At the same time, however, we cannot act altogether on those lines in the face of the evidence put before us by the member for Canning and the member for Nelson. We hear that the rates of interest have at times amounted to hundreds per cent. All the committee has to do is to make up its mind whether the position to-day is worse than it is likely to be should this schedule come into force. If the schedule will provide better conditions it will represent a step in the right direction. The member for West Perth suggested that no money lender would lend £10 for a return of 3s. 4d., and that it would not pay him to do so. The member for Canning departed from his original intention, which was a maximum charge of 20 per cent, and has brought down a schedule providing for a charge of 60 per cent. We, who are unused to this frenzied type of interest, may feel that we are overstepping the mark and that Parliament may be giving its blessing to a rate that is altogether too high. I think I am satisfied that the present position is considerably worse than it will be if this Bill becomes law. I hope, therefore, the member for Beverley will come to the conclusion that this is a step in the right direction, and that we should not seriously oppose the figures set out in the present schedule. In many cases the new provision will bring down the interest rates from 200 or 300 per cent. to a maximum of 60 per cent., which in shillings and pence does not become an excessive amount. No one is a money lender now unless he charges 12½ per cent. interest or more. We cannot contemplate a rate of interest which provides for a lesser rate than that fixed. The security that would be obtained on a loan of £10 would be something of a moveable nature that could be destroyed and would probably rapidly deteriorate. As I am satisfied that a rate of 60 per cent. is a substantial move in the right direction—that of bringing down interest rates—I will support the schedule.

New clause put and passed.

Title—agreed to.

Bill reported with amendments.

*House adjourned at 10.2 p.m.*

## Legislative Assembly.

*Thursday, 21th October, 1940.*

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Registration of Firms Act Amendment, 2R., Com. ....	1515
Civil Defence (Emergency Powers), Com. ....	1519

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

### QUESTION—SEPARATIONS AND DIVORCES.

Mr. MARSHALL asked the Minister for Justice: 1, What was the total number of applications—successful or otherwise—for separation with, or without, maintenance in all courts in Western Australia for the year ended the 30th June, 1940? 2, What was the total number of divorce petitions—successful or otherwise—heard in all courts in Western Australia for the year ended the 30th June, 1940?

The MINISTER FOR JUSTICE replied: 1, 365. 2, 287.

### QUESTION—PETROLEUM, PERMITS TO EXPLORE.

Hon. C. G. LATHAM asked the Minister for Mines: 1, On what dates were the three applications lodged for areas under the Petroleum Act Amendment Act? 2, What were the names of the applicants? 3, Which applicant is the holder of the 134,000 square miles granted by him? 4, Why were the applications for the permits to explore the areas of 11,000 and 4,612 square miles respectively not approved?

The MINISTER FOR MINES replied: 1, (1) 8/10/1940; (2) 8/10/1940; (3) 10/10/1940. 2, (1) Caltex (Australia) Oil Development Proprietary, Ltd.; (2) Oil Search, Limited; (3) Freney Kimberley Oil Company (1932), No Liability. 3, Caltex (Australia) Oil Development Proprietary, Ltd. 4, These two applications were for areas included within that granted to the Caltex.