The Attorney General: I mean that in the prior case you referred to, they had no opportunity to apply.

Hon. A. H. PANTON: There might have been a dozen. Do not let us get at cross purposes. The policy of my party is preference to unionists, and when the Minister for Lands rushed in the other night and asked me where I stood, I said "preference to unionists." I have stood for preference to unionists all my life, and will continue to stand for it. My experience has been that a large number of returned soldiers are good unionists. Let me tell the Attorney General that if he consults the records, particularly of Government employment, he will find that 95 per cent. of the top jobs in the service are held by returned soldiers, not because this party appointed them but because they were the best men for the job. That is what should happen.

But the present Government has flaunted its policy of preference to returned soldiers —the Minister for Lands definitely said so the other night, and so did the Attorney General—and if they stand for that, they at least should have found out whether there were returned soldiers qualified for this position. A salary of £850 a year for three years is not a bad job. I suggest in all fairness to journalists who may be returned men—I do not know how many there are or their capabilities; in fact, I do not know that I am aware of the names of any of them—that these top jobs should be open to them and, so long as I am here, I shall maintain very definitely that they should be given an opportunity at least of making application.

I venture to say that when the Premier led his Cabinet down to the R.S.L. executive to be entertained by a large meeting of returned soldiers, of which I was very proud, the R.S.L. had a right to conclude that they had a Government that would honour that policy. The majority of Ministers are returned servicemen; a large number of the members sitting behind the Government are returned men, and the R.S.L. had every right to believe—as a member of the R.S.L. and an executive officer for the last 23 years I certainly believed—that all returned men would have an opportunity to apply for these jobs. I have remarked about the action of the Minister for Lands the other night in rushing in and asking what I stood for. I stand for two things and am proud of both of them—one is preference to unionists and the other is the policy of populating this country by good soldiers who gave service in the war.

On motion by Mr. Grayden, debate adjourned.

House adjourned at 4.16 p.m.

Legislative Council.

Tuesday, 12th August, 1947.

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

QUESTIONS.

HOUSING PERMITS.

As to Two-unit-family Homes, Fremantle.

Hon. G. FRASER asked the Minister for Mines:

1, In his policy speech prior to the recent State elections, the Premier promised he would issue each month permits to build a limited number of homes for two-unit-families. How many of these permits have been issued to applicants in the Fremantle area during

(a) April,

(b) May,

(c) June,

(d) July?

2, If none was issued during the above period, when does the Premier intend to allot a quota to the Fremantle applicants?

The MINISTER replied:

1, No such promise was contained in the Premier's policy speech but the answer to the question is nil.

2, It is not the policy to allot a quota to a particular area but to grant a limited number of permits on the basis of urgent need.

NORTH-WEST.

As to Personnel of Committee.

Hon. G. W. MILES asked the Minister for Mines:

In the Speech delivered by the Lieut.-Governor, it was stated that a committee had been constituted, including North-West representatives, to inquire into water supplies, refrigeration, etc.

1, Has the committee been appointed?

2, If so, who are the members thereof?

The MINISTER replied:

1, Yes.

2, Mr. R. J. Dumas Director of Works and member of the Northern Australia Development Committee (chairman); Mr. H. Butcher, pastoralist of Carnarvon, representing the southern section of the North-West; Mr. L. G. Blythe, pastoralist of Mount House station, representing the area north of Broome; Mr. G. K. Baron Hay, Under Secretary for Agriculture; Mr. J. S. Foxall, State Mining Engineer. Mr. H. R. C. Adkins, secretary of the Pastoralists Association, will act as deputy for either Mr. Blythe or Mr. Butcher should they be unable to attend a particular meeting. Mr. W. A. Leslie, pastoralist of Roebourne and a member of the Northern Australia Development Committee will also be an ex officio member of the North-West Development Committee.

ADDRESS-IN-REPLY.

Third Day.

Debate resumed from the 5th August.

HON. SIR HAL COLEBATCH (Metropolitan) [4.38]: May I express the regret that I am sure will be shared by all members at the absence, through illness, of our esteemed President. I understand that he is now making good progress towards recovery and I am sure we all hope he will be back with us before long completely restored to health. I should also like to welcome the new members to this Chamber and to congratulate the mover of the motion for the adoption of the Address-in-reply on his very informative speech.

There are just a few matters referred to in the Speech of His Excellency on which I wish to have something to say. First of all, there is the reference to goldmining, and I would ask my friends who are particularly representative of goldmining areas not to think that I have any desire to steal their thunder. I have been deeply interested in the goldmining industry of Western Australia for more than half a century. I well remember in 1896—and that is 51 years ago—standing on the main shaft of the Great Boulder mine when the newly appointed manager, Richard Hamilton, told us that he had suggested to his directors that they should bring down the average grade of the ore treated to two ounces to the ton.

Hon. C. B. Williams: He was quite right.

Hon. Sir HAL COLEBATCH: That is very nearly ten times the grade which is now profitably exploited. But what I want to refer to more particularly is the fortunes of our goldmining industry during the two world wars. In World War I the Commonwealth Government—I speak in an entirely non-party spirit—took the gold at its own price. What profit the Commonwealth Government made out of it I do not know, but I do know that it involved very great losses to our industry.

Hon. C. B. Williams: The workers were kept at a very low wage. I know that.

Hon. Sir HAL COLEBATCH: The next thing that happened was that the Arbitration Court sat in Kalgoorlie, and fixed wages and conditions of labour that the good mines of Kalgoorlie could well afford to meet. It then made provision for increases in wages according to the distance from Kalgoorlie of the outlying mines. I am not going to say that that was a wrong thing to do, and I do not suggest that the miners would refuse to go into the back country unless they had better conditions, but I do know that the mines away outback were not able to pay the wages or to observe the conditions that the Kalgoorlie mines could. The result was the partial destruction of the industry. The quantity of gold won in Western Australia decreased by about two-thirds, and there was a corresponding decrease in the number of men employed.

The next step worthy of mention was the granting by the Commonwealth Government of a gold bonus. I have no doubt

that that gave some encouragement to people of other countries to send to Western Australia highly qualified men, and to institute improved methods both in the mining and the treatment of ore. This had the effect of preparing our gold mines for the stimulus they obtained when the price of gold, in terms of Australian currency, increased. The result was that on the outbreak of World War II something like one in five of the entire population of the State was directly, or indirectly, dependent upon the goldmining industry. It was that great revival in goldmining that helped us over the depression, stimulated development in Perth and benefited the entire State.

Next we come to World War II. What was the first thing that happened? There was the imposition of a tax on production! That was entirely wrong. I do not care what industry is concerned; it is wrong to put a tax on production. A tax on profits is legitimate, but not one on production. This tax was imposed with the idea, no doubt quite honestly held, that goldmining was going to prosper greatly because of the war, whereas the exact opposite is what happened. I know that some mining companies, particularly some of the London companies, thought that a tax on production would suit them better than a tax on profits, but that does not alter the fact that a tax on production is destructive, whereas a tax on profits is legitimate.

It is to the credit of the Government—and I think it was the present Commonwealth Government that did this—that it did, to a large extent, remit this tax in the case of mines not showing profits. What was the effect of that? It enabled a number of mines, which would otherwise have closed down, to carry on, but not to the advantage of those mines or their shareholders. It enabled the mines to continue to employ a number of men, unfit for military service, and to maintain several communities numbering, in some cases, up to 200 people. But it meant, so far as the mines themselves were concerned, the taking out, without any profit to the shareholders, of resources that could not be replaced. It also meant that they had to carry on under a system which made it impossible for them to do what mining companies would ordinarily undertake in the way of development.

It should never be forgotten that whenever a mine works without showing a profit, it is showing a loss. It cannot break even because it is taking away an asset that cannot be replaced. It was understood that the Commonwealth Government would do something in the way of helping these mines back to production; something to enable them to overtake the lag in development that had resulted from the methods of working that were compulsory during wartime. I am afraid that the Commonwealth Government is very slow in meeting its obligations in that direction. I am glad to see that the Minister for Mines has not spared himself in becoming acquainted with all the details of the goldmining industry in the different parts of the State, and I am quite willing to leave it with him to do what is necessary in order to rehabilitate the industry.

I am one of those who are bitterly disappointed that the revival in goldmining, which we had expected after the war, has not yet materialised, and I am in some fear that retrogression, such as we experienced after the last war, may be our fate now. That is possible unless—and again I say that I think the Minister will do all he can in the matter—something is done to restore the industry. It seems to me that the one simple thing that might be done is to do what the agricultural producer is demanding, and that is to allow the producer to own his own product. I think the farmer should own what he produces and should be entitled to dispose of it to the best possible advantage; and the same thing should apply to the goldminer. He should own the gold he produces and be allowed to dispose of it to the best possible advantage.

Hon. C. B. Williams: So that instead of getting £10 he could get £30 or £40!

Hon. Sir HAL COLEBATCH: I cannot conceive that it is to the advantage of Australia, and more particularly this State, that the Commonwealth Government should exercise its power—I will not say its right—to take the farmers' wheat and the miners' gold—and pay just what it thinks fit.

Hon. C. B. Williams: Hear, hear!

Hon. Sir HAL COLEBATCH: To my mind it is necessary in the interests of both these industries—the two on which, perhaps, beyond any others Western Australia depends—that the ownership should be recognised

and the producer should be entitled to receive the full value of the article he produces. With regard to housing, I congratulate the Government on its decision to appoint a woman to the Housing Commission. Members will recall that an amendment to that end was made by this Chamber, but unfortunately it was lost. There is another feature of housing that causes me a great deal of anxiety, and that is the increase in the cost. I am quite aware that a great deal of it is due to the depreciated purchasing power of the Australian pound. I recognise that that is something that cannot be avoided, but are there other factors which ought to be avoided?

The Australian Broadcasting Commission forwards me, every few weeks, a very interesting booklet called "The Australian Forum of the Air." The last one I received contained the report of a debate in Hobart, and in the course of that discussion one man said—I hope he is wrong and I shall be glad to be contradicted; and bear in mind this is not my statement but his, and I have never seen it contradicted —"Whereas before the war the average number of bricks laid per man per day was 800 to 1,000, it is now an offence against the regulations of the unions for a man to lay more than 350 bricks." I hope that is wrong.

The Honorary Minister: It is true.

Hon. Sir HAL COLEBATCH: If it is wrong, I hope it will be contradicted, but if it is true it simply means that in our present acute shortage of housing, so far as bricklaying, which is one of the essential features, is concerned, we are making only about half the progress that we should get, and at, probably, a good deal greater cost. I am not so much concerned about the greater cost because I recognise it is inevitable that wages and prices will go up in accordance with the depreciated value of the Australian currency. On the other hand, I am concerned about the question of output. We ought to be able to build as fast as we can and people who are waiting for houses ought to know, and understand, that there are obstacles that should never have been created.

I am glad to notice a paragraph in the Speech of His Excellency the Lieut.-Governor with regard to the provision of sewerage connections in all towns with over 600 dwellings where there is an adequate water supply. I realise that this is one of those undertakings that cannot be carried out at once and it will have to stay in its order of priority with other matters. But I am glad to see that the Government recognises it as one of the things it should have in view. I do not think there is anything that contributes more to the health, general comfort and well-being of the community, or makes a country town more attractive, than the establishment of an up-to-date sewerage system in the locality.

I should like to make reference to the question of education, a matter in which I have always been deeply interested, even long before I became a member of Parliament. I have noticed certain complaints by the ex-Premier about delay on the part of the Government in establishing a high school at Carnarvon. That carries my mind back. Before I left the Education Department in 1922 we had established four country high schools. That was a quarter of a century ago. During the intervening period the Labour Party has been in control for practically the whole time, and despite that fact has not established one single country high school in all that quarter of a century.

Hon. C. G. Latham: That is not right.

Hon. G. Fraser: No, you are quite wrong. What about the Geraldton High School?

Hon. Sir HAL COLEBATCH: No, it is the hon. member who is entirely wrong. When I left office, the Northam High School had been established; the Bunbury High School had been partially erected; the site for the Albany High School had been chosen, and a high school had been established in Geraldton with the intention of putting up a building to house it as soon as possible. That was the position when I left office, and thus four country high schools had by then been established or provided for. It is true that the building at Geraldton was constructed during the term of office of the Labour Government, but it is also true that during the quarter of a century I have mentioned not one single country high school was established by that Administration. I do not think there is any reason to complain about the present Government in view of the existing circumstances, even though it has not so far done quite as much at Carnarvon as it

would like to do. Then there is the matter of immigration. I think this Parliament should do all it can to back up the Government in its claim that there should be some State authority for the selection of migrants.

Members: Hear, hear!

Hon. Sir HAL COLEBATCH: I remember that when I was Agent General for Western Australia we had in Australia House two highly competent Western Australian officers, but in spite of all their efforts this is what constantly happened: An intending migrant would enter Australia House. He would be asked, "What are your circumstances?" He would reply that he had £2,000 or £3,000 or £5,000. To him an official would say, "Well, there are excellent schemes in Victoria that will suit you." Another intending migrant would come in and he would be asked: "What are your circumstances?" He might reply, "I have no money but I am a good worker. I have had a certain amount of experience but no money." "Well," would be the reply, "there is a Western Australian scheme that will suit you."

Hon. L. Craig: I was that man.

Hon. Sir HAL COLEBATCH: Circumstances in regard to immigration have altered to such an extent that I think the right of the State to take part in the selection of migrants is much more pronounced now than ever it was before.

Hon. J. A. Dimmitt: Hear, hear!

Hon. Sir HAL COLEBATCH: We are all agreed that the best migrants we can get are the British. The second best are those from Scandanavia and northern European countries. From what I have seen of European conditions, they are much to be favoured but we now know that we must take other migrants upon whom we have frowned in the past. I think we have done so wrongly because they are splendid people. However, when it is a matter of being compelled to take these other migrants, this State should have officers concerned in the actual selection, officers who would be able to say, "These are people we ought to be able to absorb in Western Australia but those others are not." There has always been a prejudice against the foreigners; in my opinion, we should welcome them wholeheartedly. But I consider that when our choice is restricted as it is now, we should have people familiar with our Western Australian conditions who would be able to say that some of the people applying for passages as migrants would be suitable for us while others might not be. I certainly hope the Government will succeed in its efforts to obtain some State authority with regard to the selection of migrants.

The next matter I wish to deal with concerns transport. I would lay it down as a basic principle that cannot be offended without disastrous results, that no Government should make a profit out of transport and that all money resulting from transport should go back into it because transport is the life-blood of the country.

Hon. L. B. Bolton: This State has not made much out of its transport system.

Hon. Sir HAL COLEBATCH: A large profit is made out of road transport but the State Government makes heavy losses on account of rail transport. Unless something can be done to correct that anomaly we shall suffer as a result of that state of affairs. I believe that the revenue from transport amounts to something like £388,000,000 a year and of that £280,000,000 is on account of road transport and something like £60,000,000 in respect of rail transport. That serves to show how important road transport is compared with rail transport. With the present restrictions upon the former, apparently imposed in the interests of the railways, which are the property of the people and therefore must be preserved and protected, it is rather disquieting to find that, despite the restrictions upon road transport, our railways are losing anything up to £1,500,000 per annum. Such a state of affairs is not peculiar to Western Australia. Everywhere it is the same.

The fact is that other forms of transport —by road and by air—are placing the railways in a very difficult position. It means that there must be some comprehensive review of the whole position and the basis of any such review must be a recognition that all revenue derived from transport should go back into transport. I do not know how long it has to be before we shall be able to persuade the Commonwealth Government to a realisation of that fact, but I am sure it will embarrass Australia and make it

very difficult for us to compete with other countries, if we maintain this patch-work arrangement by which we are not allowed to make use of the best form of transport because that course would interfere with a second-rate type of transport. That will certainly be the position. In the meantime it behoves the Government to take into grave consideration the necessity of providing some relief for perishable products. There are other members who will be able to speak with much greater knowledge of this subject, but I assert that there are certain perishable products that cannot be satisfactorily transported by rail.

The Honorary Minister: Hear, hear!

Hon. Sir HAL COLEBATCH: The Minister controlling this department has wisely drawn attention to the effect that uncontrolled transport would have on the roads of the State, and I hope that the Government will consider the possibility of issuing licenses only to those types of road transport not destructive of roads, and policing the legislation so that only suitable forms of transport will be used, ensuring also that they do not exceed the tonnages authorised. In that way it may be able to do something to help perishable industries, although I recognise that our State Government can do very little until there is free and general recognition of the basic principle that all money derived from transport should go back into transport. Let us consider for a moment! If we were to withdraw all restrictions on transport how easy it would be for neighbouring farmers to co-operate with each other and use only one car instead of two or three to take things to market and bring them back again, or to take people in and bring out. An enormous saving would result and this would prove a great help to private industries generally.

As one who has never enjoyed the luxury of owning a motorcar I would say—greatly daring—that I think the development of a spirit of co-operation might do something towards easing the parking situation in the metropolitan area. I remember that a quarter of a century ago three of my neighbours, who had motorcars, were in the habit of going to Crawley baths for a pre-breakfast swim. One or other of them would usually take me. I got them together and said "This is silly. Why should not only one of you go to the baths, and as I have no car I will make my contribution in th form of petrol." For two summers we di that, and only one car was used. There wa thus a great saving in parking space.

Some years later I stood at a street corne in Sydney for an hour with my noteboo out. I made a careful record of passin cars and found that 4,000 cars had gone b in that time, and in the majority of case the driver was the only occupant. Th average was less than two persons in vehicle constructed to carry five. No doub people who own motorcars will be able t blow my suggestion to ribbons, but I sti believe that the development of a spirit o co-operation might solve this and man other problems.

The railway problem is one for which I d not hold any particular Government respon sible. I am neither blaming past Goverr ments nor praising the present Governmen But I do want to make one or two fact clear. I have been struck with the differenc between the railways in the Argentine an those in Australia. In both cases the rai ways were built out of British capital. Ther was, however, this great difference. In th case of the Argentine British capital wa provided for private companies. When ba times and difficulties came, as they did i Australia, it was the British investor wh had to forego dividends and face the los In Australia the railways were built fo Governments. It was the people of Au tralia who had to face the problem, an face it more severely because at no time ha provision been made adequately for amo tisation, the wiping out of the asset whe its usefulness terminated.

I do not want to say much on the que tion of wheat stabilisation, as there a many members more competent than I deal with it. I want to impress upon mem bers, however, this viewpoint: I have ver little confidence in any scheme of wor stabilisation of wheat involving, as it mus a compulsory reduction of production many countries. My objections are these When you have a scheme going, what gua antee is there that the country which fin it of advantage to break away from th scheme will refrain from doing so? The there is the matter of the forcible reductio in production. We have to face the fa that it will be necessary to impose redu tion on the indifferent farmer as well

on the good farmer. The Honorary Minister knows as well as I do that in most of good farming districts there are men who habitually obtain from 15 to 25 bushels of wheat to the acre. Notwithstanding that, our State-wide average is only about 11 bushels to the acre.

If we are going to cut down the farmer we shall destroy the economy of the industry. As in the case of other industries farming depends on the efficient man, the enterprising man, on those who get the best results. For that reason I am opposed to restriction of production in any respect. We must also bear in mind that if we get an assembly of entirely competent people to stabilise wheat throughout the world, what guarantee have we that other influences will not prevail, such as a wide-spread drought or other difficulties that would upset the whole of our reckoning? I hope that those who are interested in the agricultural industry will think very seriously before they go on with anything in the nature of restricted production.

So far as water supplies in country areas are concerned, I think circumstances have justified the action taken in this Chamber. I hope it will not be long before a comprehensive and thoroughly acceptable scheme will be formulated. Reference has been made to the Children's Court. I think it would be an admirable idea to appoint one or more ladies to that court. I suggest to the Government that it should pay some attention to the report of the Royal Commission that was presented some three years ago. That commission was representative of all shades of political opinion. Its recommendations were entirely unanimous. They did not involve any large expenditure, and I think it would be well that the Government should pay some attention to those recommendations.

I listened with great interest to the remarks of Mr. Gray. I extend to him a very warm welcome to this side of the House, and suggest that he make himself comfortable with the idea that he may be here for a long time. One or two of his remarks I cannot pass without making some reference to them. He said—and this seems to be the general cry of the former Labour Government—that no Government had entered office under happier circumstances and with brighter prospects than did the present one. If that was intended to refer to the relief and satisfaction on the part of the public in the change of Government, I cordially agree; but if he intended to suggest that the Government had the ball at its feet, that it was lying on a bed of roses and that everything in the garden was lovely, then I cannot understand a member of his long experience making such a remark.

What I am going to say is not uttered with the idea of excusing the Government should it fall down on its job or get into difficulties, but to my mind it is a statement of fact that no Government has been called upon to face graver responsibilities and greater difficulties than has the present one. Let me divide these difficulties into three sections. The first one is local. I do not know that the difficulties in providing houses for the people were ever so pronounced as they are at present. One cannot see any improvement in the supply of materials. I believe the Premier is doing a good job and all that can be done in the circumstances. It is, however, incorrect to suggest that there are no difficulties and that all is plain sailing.

I do not blame anyone for the position we find in connection with the railways. It is undoubtedly tragic. The difficulty of putting things right there is enormous, greater than it ever was before. When we borrow from other countries it is a mistake to say we borrow money; we get goods sent to us on deferred payment. There is tremendous difficulty in getting any of the goods we need for the re-establishment of our railways. Prices are soaring, partly because of the depreciated value of our own pound and partly because of the increase in prices in other countries, particularly the United States and Great Britain. We may gain some advantage, however, from the general tendency to keep down interest rates. If carried to extremes, that, of course, may discourage investments and may prove to be as much a drawback as an advantage. The necessity for putting our railways in order is acute and the difficulty of doing so is tremendous. How then can we say that the present Government is on a bed of roses? The same thing applies to hospitals, schools and extensions of the University.

All these things are urgently demanded by the public and urgently required, but the difficulty of supplying them is enor-

mous. There never was a time when there were more urgent things demanding to be done and never a time when there was more difficulty in the doing of them. The primary industries of this State are chiefly those connected with wheatgrowing and the production of gold. Any encouragement that might be given to both of those industries is being withheld because they are not allowed to reap the full advantage of world prices for their commodities. No rural industry or mining activity can be said to be in an easy position. Both are confronted with grave difficulties.

The Honorary Minister: Wheat has been sold to New Zealand at one-third of its value.

Hon. Sir HAL COLEBATCH: To what extent did our secondary industries benefit as a result of the war compared with those in the other States of Australia, and to what extent have they developed and increased here since the war ended? I am sure my colleague, Mr. Bolton, will be able to speak with much more knowledge on this matter, but my information is that we benefited very slightly as compared with the other States; and, further, that there is very little indication of that development being upheld and extended. Our secondary industries are confronted with enormous difficulties—difficulties in obtaining skilled labour and in maintaining supplies. During the war, they had a sort of continuous market for certain products. Now, very few of them can see more than a week ahead. That presents difficulties for the Government—not difficulties for which the previous Government was responsible: I am not suggesting that—which are very real. I think—and again my friend, Mr. Bolton, will correct me if I am wrong—that our secondary industries today are facing greater difficulties than during the war period. The trouble is that relief is not readily in sight in the matter of materials or skilled labour, and there is the necessity of taking the best advantage of their products.

Again I am speaking subject to correction, but I believe there are Western Australian industries capable of exporting large quantities of their products at high prices, that are, however, compelled to refrain from exporting more than one-sixth. I am not going to say that is wrong or that it is not essential that the Australian requi ments should be met first; but I do ass it is setting up a very great difficul in the way of our secondary industries. am not going to question the necessity a great many of the controls we have present, but I contend that a lot of tho controls are making it extremely diffic for enterprising men in different industri to launch out and do some of the thin they would like to accomplish. So, from t point of view of our secondary industri we are by no means on a bed of roses, a our Government has enormous difficulties fact.

Then there are industrial difficulties. am not going to dwell on them, but I noti that at a conference held—I think, in Ca berra—a little while ago, strong objecti was raised to the offering of incentives workers to do a little more. Are we Australia in the position that we can quietly back and say that it does not matt how much anybody does? I know that certain circles there is a tendency to dec the profit motive, but I have always he that if we abolish the profit motive we a confronted with one of two things: T one is deterioration resulting from less pr duction; the other—and I have no hesitati in saying that it is the worse alternative is forced labour. If we in Australia a going to break away from the profit moti and say, "You must not do a little mo work in the hope of getting a bit more p and providing yourself with a home and that sort of thing"; if we take that attitu we are going to be faced with one of the two alternatives—either retrogression forced labour. I do not particularly obj to price fixing; but I think that in ma instances it is being imposed with too lit knowledge on the part of those who ma the regulations, and there again I thi that State control of all these things infinitely better than Commonwealth co trol.

When we turn to Federal matters, wh are the difficulties confronting the Gover ment? It has to try to restore the fede system. The present Commonwealth Go ernment and the party that supports have always been opposed to federati They have aimed always at unification, a I hope that the present Government will everything it can to restore the fede system. To my mind, it was broken do

in three ways: First, by the abolition of per capita payments and the abolition of the provision in the Constitution which orders the Commonwealth Government to return to the States all surplus revenue; secondly, by the Financial Agreement, introduced by the party of which I was a member, though none the less I opposed it for all I was worth; and, thirdly, by the adoption of uniform taxation which was introduced as a war measure under definite promises that have not been kept.

Whichever way we turn we find this encroachment of the Federal authority in spite of the fact that referendum after referendum has shown that the Australian people do not wish to concentrate all power and government in Canberra. That is one of the difficulties our present Government has to face. I am a firm believer and always have been—and all I have seen in the world has strengthened my conviction—that if we want individual freedom and economy and efficiency, none of those things can be obtained except by government close to the people who are governed. That is one of the difficulties our Government has to face. Mr. Gray suggested that everything in the garden was lovely. Can any of us feel that world conditions are favourable or helpful, and is anyone foolish enough to suppose that we can cut ourselves adrift from the rest of the world and carry on no matter what happens elsewhere? I do not think we can.

I am quite prepared to admit that foreign affairs are a matter for the Commonwealth Government; but at the present time we find that foreign policy is not ordered by the Commonwealth Government but is dictated by certain trade unions. We find the Prime Minister appealing to these unions to let up a bit—not to give up the dictation of foreign policy, but to let up a bit. And the unions say, "We will meet again next Thursday and let you know whether we are prepared not to hand over foreign affairs to the Commonwealth Government, but to let up a bit on our control of foreign affairs." Suppose the trade unions were good enough and considerate enough of Australia's interests to do as the Prime Minister has suggested and allow Dutch ships to come here, provided they bring only the things we want and provided they take the things we have to offer them somewhere else rather than to the Dutch. Is it to be supposed that the Dutch people will agree to anything of that kind? Is it not more likely that the Dutch will say, "If you do not want our shipping, we can sell our products in other countries; we can take our things to other places. Unless we are given our reasonable requirements, we are not coming at all"?

The last thing I wish to do is to interfere in the present difficult position in Indonesia. I have no complaint against the Prime Minister for having urged that the United Nations Organisation should deal with this matter, although I must say that my faith in the United Nations Organisation has been greatly shaken. But I ask: Is it not possible that in days to come we, in Australia, may feel that we have been rather short-sighted in helping to drive the white men out of the East? It is a possibility that suggests itself to my mind. Think how things have altered in recent years! Most members will recall the time when the Mediterranean was virtually an English lake. What is the position today? If we look further east we see the waning of British influence in India and Burma. Are we now going to drive the Dutch out of Java?

When all these things are done, what is going to happen? To my mind the most probable thing is a coalition between Russia and Japan. There has never been very much separating totalitarian nations. We saw that in 1939 when the agreement was made between Stalin and Hitler, each thinking it was going to be to his own advantage, and each sure it was going to be to the disadvantage of Britain. Is there any acute improbability in the idea that Russia and Japan might come together for very much the same reason? Then we, in Australia, might well find ourselves in the position of having to do what we were told. I have never been a keen supporter of the extreme White Australia policy. I have always hoped that there might be some genuine co-operation between Australia and the Eastern peoples, particularly the grand people of China. But I do not contemplate with any satisfaction the possibility of the time coming when instead of some helpful, healthy co-operation, we shall be dictated to and told what we are to do.

There is only one other reference made by Mr. Gray about which I would like to say a word. He spoke of the good work

the British Government is doing in the matter of ameliorating the conditions of the people. For a long period I have received from the British High Commissioner at Canberra three or four long foolscap pages every week, each one of them referring to £1,000,000 for this and £2,000,000 for that and £3,000,000 for something else, every one of the things concerned being entirely desirable. Knowing as I do several of the leading members of the British Government, I am sure that they have been inspired by the highest ideals. But I have to ask myself this: Are six years of devastating war a fitting background for a new world? Does that background set up a condition of affairs in which it is possible to tell people that they can work less and earn more and indulge in all sorts of socialistic experiments? Yet that is what has been done. No-one is sadder than I to see what it has led to.

I firmly believe that if when the present Labour Government took office in England it had recognised the seriousness of the position, it could, by imposing conditions not half so arduous as those it finds necessary to impose now, have given relief to the position; and that is what we have to consider. We here are in a very happy position, largely for two reasons: (1) We were not invaded—and we have to thank other countries for that, such as China, Britain and America; (2) we do produce most of the things that are essential. Those happy circumstances should not blind us to the necessities of the times. I am afraid that because so many people have so much more money in their pockets than they ever had before, they think that everything in the garden is lovely.

Does it make sense that during the war when productive work was practically at a standstill, the Australian people increased their savings to the extent of £100,000,000 per annum? It does not make sense and we shall have to come back to sense. The sooner we realise those facts that the Prime Minister is constantly thrashing home—that we can only maintain present conditions, let alone improve them, by the highest possible standard of productive effort, with the closest co-operation between all sections of the community—and that implies a political co-operation which, I am sorry to say, we in Australia are far from achieving—the better it will be for the nation. I suppor the motion.

On motion by Hon. G. Bennetts, debat adjourned.

House adjourned at 5.32 p.m.

Legislative Assembly.

Tuesday, 12th August, 1947.

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

CHAIRMEN (TEMPORARY) OF COMMITTEES.

Mr. SPEAKER: I desire to announce tha I have appointed Mr. Hill, Mr. Brand and Mr. Triat to be temporary Chairmen of Committees for the session.

QUESTIONS.

DAIRYING.

As to Stock for Soldier Settlers and Dairymen.

Mr. LESLIE (on notice) asked the Minister for Agriculture:

1, Has he seen a newspaper report of a recent meeting at Rockingham whereat it was proposed to submit to the Government a request that cows and heifers now held by the Government for stocking farms under the Soldier Land Settlement Scheme should be made available to replace stock owned by dairymen which is destroyed because of T.B. infection?