

*Debate Resumed.*

The PRESIDENT: The hon. member may proceed.

Hon. A. L. LOTON: Another matter about which I would like to speak and which I think concerns every member of this Chamber, and perhaps everyone in the State, is the supply of superphosphate to rural areas. During the last two seasons, Nature has been very kind to us in the matter of rainfall and we have not had an early season, which would have brought about a complete hold-up of super supplies. The railways are deteriorating in their capacity to haul super. On the other hand there will be a keen demand for the super that is going to be available.

As a matter of fact, I expect that between 370,000 tons and 380,000 tons will be required in the rural areas; and since railway rolling-stock has deteriorated, I am wondering what will be the position if the season breaks early—and we are just about due for an early break, probably about April. We might be placed in a very peculiar position with regard to supplies. During the last two years road transport has been helpful to a considerable degree, but that cannot continue for all time because of the condition of the roads—particularly between Perth and York—which have been cut about by heavy motor transport. When such transport gets on to the gravel roads, the conditions are even worse. I know that a proposal has been made that the delivery of super shall be spread over a longer period this year. I think all farmers are supposed to lodge their orders some time in the current month, about the 23rd or the 25th August.

The Honorary Minister: The 31st August.

Hon. A. L. LOTON: Then allocations will be made on a percentage basis. Farmers with a big delivery last year will have to take 75 per cent. of their delivery before Christmas. I think that is the proposal. Time is passing and up to date very little publicity has been given to the desire of the Government to have that super ordered early. I am afraid that a worse condition will prevail next year than has obtained in the last two years. We do not want that to occur, and I think that publicity should be given to the matter. The super manufacturers should be approached to ensure that immediate delivery will be given and

steps should be taken to see that when trucks go out to the country areas, they are unloaded at once and returned to the works.

The Honorary Minister: That depends on the farmers.

Hon. A. L. LOTON: Yes, to a great degree; but last year a lot of trucks lay in small, unattended sidings for a week at a time. It was not possible to bring back loads of coal, and trucks were left behind in a few cases for a week. That must not be allowed to recur. Another urgent matter is one about which Dr. Hislop gave us such a fine address. I refer to the position of country hospitals. His idea of securing trainee nurses at an earlier age is a very worthy one; and if that could be achieved, the shortage of nurses would be overcome in a very short time. It has been unfortunate that girls, before they could start their training as nurses, have taken on, as a relief measure, some other occupation; when the time for their entering hospitals for training has come, they have decided to remain where they were. Dr. Hislop's proposal should overcome that. I have pleasure in supporting the motion.

On motion by Hon. H. Hearn, debate adjourned.

*House adjourned at 7.37 p.m.*

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## Legislative Assembly.

Tuesday, 10th August, 1948.

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

**QUESTIONS.****WHEAT.**

*As to Government Subsidy for Cartage, etc.*

Mr. REYNOLDS asked the Minister for Lands:

(1) By how much has the Government subsidised truck owners for cartage of wheat from country centres to Fremantle, and/or other ports since March, 1947?

(2) What would have been the railway freight received from that amount of wheat carted?

(3) How many gallons of petrol were issued to the subsidised carters for this purpose?

(4) What tonnage of wheat was carted by road?

(5) What tonnage of wheat was hauled by railways from the various centres during this period of subsidised wheat cartage?

(6) What tonnage of coal would have been required to haul all the wheat carted by road and by rail?

(7) What quantity of coal was required to haul the wheat handled by railways during this period?

(8) When did the wheat subsidy end?

The MINISTER replied:

I am not replying to questions (3), (6), (7) and (8), as Nos. (3) and (8) concern transport and Nos. (6) and (7) railways. I have accordingly referred these questions to the Minister for Railways, who will reply at a later date. The other answers are:

(1) Wheat cartage during the 1947-48 season was subsidised by the Commonwealth Government, which, no doubt, could supply the information required.

(2) £140,000.

(4) 216,773 tons 9 cwt.

(5) 364,731 tons.

**SERVICEMEN'S LAND  
SETTLEMENT.**

(a) *As to Properties Offered and Purchased.*

Mr. REYNOLDS asked the Minister for Lands:

(1) How many properties were offered to Land Settlement Purchase Board prior to 1st April, 1947?

(2) Of these farms, how many were—

(a) purchased prior to April, 1947;

(b) purchased from April, 1947, to March, 1948;

(c) purchased since March, 1948?

(3) How many properties have been offered for sale since the 1st April, 1947?

(4) Of these, how many have been inspected and purchased?

(5) How many—

(a) sheep and wheat farms,

(b) dairy farms

were allocated prior to April, 1947, and how many of each since that date?

(6) How many have been passed as suitable for—

(a) sheep and wheat farms;

(b) dairy and/or orchard farms;

(c) either?

(7) When does he anticipate having all these men settled on the land?

(8) What steps is he taking to have that large area (approximately 60,000 acres) held by Worsley Timber Co. (Amalgamated Collieries Ltd.), between Brunswick and Collic, surveyed and inspected with a view to soldier settlement, as I suggested early this year?

(9) Has anything been done on the above lines about the large areas north of Collic and known as the Salvation Army land?

The MINISTER replied:

(1) 1,374.

(2) (a) 65.

(b) 88.

(c) 38.

(3) 496.

(4) 34.

(5) Prior to April, 1947—Nil. Since April, 1947—(a) 131, (b) 70.

(6) (a) 1,138.

(b) 265.

(c) 57.

(7) Rapidity of settlement is dependent on equipment, material supply, and labour conditions.

(8) None at present.

(9) This property is unsuitable for purchase at present for War Service Land Settlement owing to the large proportion of undeveloped land.

(b) *As to Caretakers for Properties.*

Hon. A. H. PANTON asked the Minister for Lands:

Are the proposed caretakers for the properties last allocated to be the returned soldiers to whom the farms are allotted?

The MINISTER replied:

Yes.

### RAILWAYS.

(a) *As to Engines Constructed and in Traffic.*

Mr. MARSHALL asked the Minister for Railways:

(1) What was the number of engines constructed at the Midland Junction Workshops for the year ended the 30th June, 1939?

(2) What was the total number of engines constructed at the Midland Junction Workshops, excluding A.S.G. engines, for the years ended the 30th June, 1945, 1946, 1947, and 1948, respectively?

(3) What was the total number of engines of all types in traffic for the years ended the 30th June, 1945, 1946, 1947 and 1948, respectively?

(4) What was the total number of A.S.G. engines in traffic for the years ended the 30th June, 1945, 1946, 1947 and 1948, respectively?

(5) What was the number of A.S.G. engines actually in traffic as at the 30th June of each year since the introduction of the A.S.G. engine into the Western Australian system?

(6) What has been the total cost of reconditioning A.S.G. engines in accordance with the Royal Commissioner's recommendation up to date, and is the Commonwealth Government to bear the amount?

(7) Has an A.S.G. engine been reconditioned in accordance with the second phase of the Royal Commissioner's recommendation so far as the under-carriage and front bogie are concerned? If not, is it proposed to do so, and when?

The MINISTER replied:

(1) Seven (7).

(2) 1945—two (2); 1946—twelve (12); 1947—six (6); 1948—five (5).

(3) 1945—301; 1946—295; 1947—306; 1948—293.

(4) 1945—19; 1946—9; 1947—5; 1948—16.

(5) (First A.S.G. put into service 22/11/1943). 1944—5; 1945—19; 1946—9; 1947—5; 1948—16.

(6) (a) £68,396. (b) Yes.

(7) (a) No. (b) and (c). In the opinion of the A.S.G. Industrial Board the engines are satisfactory without the second phase modifications.

(b) *As to Late Running on Collie lines, etc.*

Mr. MAY asked the Minister for Railways:

(1) Is he aware that owing to the late arrival of goods trains into Collie, perishable goods are not available for delivery for a considerable time after the train is due in Collie?

(2) That perishable goods which should arrive in Collie in time for sale on Saturday mornings are not received into the shops before closing time, thus resulting in considerable loss to traders?

(3) Is he of opinion that these perishable goods could be connected with a fast goods train which leaves Armadale at 6.40 p.m., arriving in Collie at 3.41 a.m., thus allowing for the delivery of the goods at 8.30 a.m. each morning?

(4) Is he aware that the loading of vegetables is also unsatisfactory, inasmuch as on one occasion, the 29th July last, two 6-in. iron pipes were placed on top of the vegetables, and in addition, the truck was in a filthy condition, being covered with water, coal dust and some substance resembling pitch, thus causing considerable loss to consignees?

(5) Will he have an investigation made into these matters, with a view to some adjustment being effected?

The MINISTER replied:

(1) Late running of the train recently, owing to locomotive troubles, has resulted in late delivery of perishables at Collie.

(2) Yes.

(3) It is not practicable to do this every day without disorganising other services, but arrangements are being made for transit

of Friday's perishables ex Perth to receive transit by the train referred to so as to enable perishables to be available for delivery at 8 a.m. Saturdays at Collie.

(4) The incident referred to is being investigated.

(5) Answered by Nos. (3) and (4).

### POTASH.

#### *As to Commonwealth Aid for Chandler Works.*

Mr. LESLIE asked the Minister for Industrial Development:

(1) Is it a fact that the establishment of the potash extraction plant at Chandler was initially undertaken by the State, under great difficulty, during the war years, in order to provide an essential war need?

(2) If so, has any approach been made to the Commonwealth Government for financial assistance to meet the heavy capital costs of establishment incurred in the initial experimental and developmental stages?

(3) What has been the result of such approach, if any?

(4) If no approach has been made, why not?

The MINISTER replied:

(1) First started by private enterprise, but taken over by the State for the reason stated in the question.

(2) Yes.

(3) At first rejected, but subsequently, on further representations, more inquiries were made, and following favourable reports by Commonwealth technical officers, the matter is still under consideration.

(4) Answered by No. (2).

### GRASSHOPPERS.

#### *As to Land Ploughing in North-Eastern Districts.*

Mr. LESLIE asked the Minister for Lands:

(1) Is it the intention of the Government to provide funds for the payment of ploughing of grasshopper-infested, or suspected infested, areas in the North-Eastern districts, as has been provided in the past?

(2) If so, will he make early announcement of this, and the conditions of payment?

(3) If not, why not?

The MINISTER replied:

(1) Yes. The sum of £10,000 has been placed on the department's estimates for the destruction of grasshoppers during the present financial year.

(2) An announcement as to the conditions was made early in the year in preparation for winter ploughing, which is being carried on at the present time and will be effective until a date ending on the 19th August. Summer ploughing will be effective if commenced in November, and an announcement in regard to the conditions appertaining to this summer seasonal ploughing will be made at a later date.

(3) Answered by (1).

### FISH.

#### *(a) As to Control of Price.*

Hon. F. J. S. WISE (without notice) asked the Attorney General:

In connection with control of prices of commodities that the State will shortly assume, is the continuance of the control of the price of fish contemplated when such price arrangements are transferred to and controlled by the State?

The ATTORNEY GENERAL replied:

Matters of price control are still under discussion by the State Ministers. A further meeting has been called for August 27th, when the matter will receive further consideration.

#### *(b) As to Position if Price not Controlled.*

Hon. F. J. S. WISE (without notice) asked the Attorney General:

Pursuant to the answer which the Attorney General has just given, does he realise the serious difficulties likely to obtain if the price of fish is not controlled?

The ATTORNEY GENERAL replied:

I appreciate that careful consideration will have to be given to all uncontrolled items, and fish will certainly receive such consideration.

### HOUSING.

#### *As to Permits and Rental Homes for Migrants.*

Mr. GRAHAM (without notice) asked the Minister for Housing:

(1) Are permits issued to migrants for the construction of houses, or are rental homes allocated to them?

(2) If so, under what conditions?

(3) Does the Minister believe it is fair, if such is done, that these people should receive prior favourable treatment to that meted out to local people who, perhaps, have been waiting for a considerable period?

The MINISTER replied:

The view of the Government has been that migration to this State would not be desirable in any volume at present on account of the housing situation, except in the case of nominated migrants for whom accommodation is undertaken by the nominators. As far as I am aware, the number of houses allocated to migrants would be very few. I think the Housing Commission is fully appreciative of the fact that in general, except in special circumstances, the claims of those who live here and have for some time applied for houses, deserve prior consideration. If I can give the hon. member any further information I will be glad to do so. I will discuss the matter with the Commission.

#### ADDRESS-IN-REPLY.

*Seventh Day.*

Debate resumed from the 5th August.

**MR. SMITH** (Brown Hill-Ivanhoe) [4.43]: I willingly support this complimentary motion to His Excellency the Lieut.-Governor. In doing so, I do not propose to criticise unduly the Government for begotting expectations in the election campaign that out-ran its subsequent performance. The Government's failure materially to remedy the position in regard to housing, hospitals, schools, railways and tramways and materials supplies, notwithstanding that in its efforts to do so it has incurred huge deficits and spent much time, is not so deserving of censure as is the fact that it fooled the electors at election time, with the assistance of "The West Australian," into the belief that it had a quick cure for these deficiencies. I would not condemn it to a very great extent even on that score, because it seems to me that the art of the political business is to begot expectations which will out-run performance.

The electors of this State probably know by now that they have been misled and that if the inherent difficulties associated with the social problems that so obviously arose

out of the war, could not readily be overcome by a Labour Government, no Liberal-C.D.L. Government combination could do any better. So it seems to me to be futile to criticise the Government for failing to do or to do better each or any of those things which Labour itself admitted were difficult and readily proclaimed that no other Government could do any better in connection with them, and would probably, because of less experience, do worse. The Government parties are to be excused to some extent, I think, because of the fact that their success was so unexpected.

I can quite imagine them at the election period making extravagant promises to each other in connection with the co-operation that would take place between them if they were successful, and making extravagant promises also to the electors because of the fact that they felt their ultimate chances of success at the election were so remote that they could go to any lengths for the purpose of bringing about some miracle in connection with it. Ultimately we know a miracle did happen. What seemed a remote possibility actually occurred. The combined parties opposite were then able to muster sufficient forces to be able to propose between them what, in similar circumstances in Victoria, has been called a marriage of inconvenience but what I would call, in this State, a mixed marriage. Since that time they have been enjoying, or at least having a honeymoon on the Treasury bench. Up to this time, however, although they have been in office for 12 months, there seems to be no very fixed decision or arrangement on their part as to what political faith the children they might bring forth shall subscribe to.

Mr. Styants: I do not think they will ever have any progeny.

Mr. Marshall: They are barren, absolutely.

Mr. SMITH: We do find that the problems that have been raised in connection with the little they have done or have tried to do, in a political sense, since they have been in office, have mostly been referred to Royal Commissions for the purpose of giving them some guidance, and some excuse to the representatives outside of their respective political parties for the line of action they have taken. The Liberal Party, on the one hand, has probably taken a con-

flicting course in connection with its policy, and the Country and Democratic League, on the other hand, has done the same, thus representing a compromise of the two attitudes.

The Lieut.-Governor's Speech discloses that Ministers firmly believe the States are entitled to a far greater share of income tax collections under the Uniform Tax Act. It would be interesting to me to know on what ground they base that contention and whether their opinion would refer to this State considered separately. I know there has been some complaint on the part of some of the States that they did not get a fair deal under the Uniform Tax Reimbursement Act because their taxation rates were so low during the base years of 1939-40 and 1940-41, but I do not think that this State can put up that plea. I do see in the Lieut.-Governor's Speech that the word "States" is used in the plural, and evidently there is some kind of agreement between the States to act collectively on this matter and use the argument that might apply between States in the interests of all the States. But is it not true that the Grants Commission reduced the grant last year by the amount of the increase in the uniform taxation reimbursement that took place last year? So what would be the use of getting an increase in the uniform tax reimbursement if it is going to be taken from some of the other funds that come by way of largesse from the Commonwealth Government?

State Governments right throughout the Commonwealth, not only this State, seem to be pressing for more and more funds to spend, but which they themselves did not have to raise. Nothing would suit the States better than to be spending money that some other Government had to raise through the medium of taxation, bearing all the odium and criticism that arise out of taxation proposals and impositions irrespective of their rates, whether they are high or low. Experience teaches us that taxation impositions are a target for abuse no matter what their rate is, and so long as State Governments can obtain funds from some other Government that has to bear the odium of raising that taxation they can be assured of being in a good position; in fact, a very comfortable position. It is a very good principle in government that one Government should not raise the money that another Government has to spend.

Nothing, in my opinion, leads to corruption in Government more readily than a system under which some Governments draw huge portions of their funds from moneys that are raised by other Governments through the medium of taxation in various forms. In any case, I think that this State is doing remarkably well in respect of the refunds from the Commonwealth Government that are received under various Commonwealth Acts, seeing that nearly 40 per cent. of the revenue in 1946-47, came from the Commonwealth Government in that year and the amount will probably be the same this year and perhaps more. I can quite understand the Treasurer. It is natural for him to hope for more funds and be worrying about the inevitable deficit, but he is worried about the deficit because he is trained in that way. We are trained that good government rests on surpluses and that without producing a balanced Budget we have not good government. If we have not good government in those circumstances we have not had much good government in the State of Western Australia during its first 46 years of autonomy, because in those years only on eleven occasions have we had surpluses.

No doubt the deficits have not been the outcome of unproductive debt created by previous deficits, but the outcome of unwise loan expenditure in this State; loan expenditure on land settlement, upon railways in which there was no immediate hope of them ever paying, and in many other directions; loan money spent on public utilities that were profitable, that were an important factor in raising the value of land both in the city and in the country, and no attempt on the part of Governments being made to recover any of the money they spent by way of loan on those public utilities to generate that increased land value. In many instances, no attempt on the part of Governments has been made in the past—as the Royal Commissioner on Railways pointed out—to recover moneys from any of the industries that were able to use those railways and made huge profits as a result.

No attempt was made to recover any money which might have paid the interest on the loans that might have been devoted to such railways. So, I think, when one looks back, one finds that those States which incurred deficits in the war years and just

prior to the war are far better off in regard to the physical assets of the State than those who were boasting of their surpluses during that period. So far as Budgets were concerned this State might have had a good record during the war though it had a very poor one so far as its physical assets and the maintenance of such assets were concerned. Of course, I know it will be said that in this connection a strong appeal was made by the Prime Minister of the day to all the States to endeavour to balance their budgets, so that as much money as possible could be directed to the successful prosecution of the war. But what do we find today in connection with the States which did not pay, or attempt to obey that exhortation?

No one is condemning them for their disloyalty at this juncture, but praising them for the high value of the physical assets of those States which were maintained by incurring deficits, while in this State Governments of the past are condemned who obeyed the Prime Minister's appeal because the physical assets were neglected in consequence, and are in a parlous position today. In my opinion a good Government is one that knows when it is expedient to incur a deficit, for a deficit could conceivably be less of an unproductive debt than is commonly supposed. On the question of reimbursements from the Commonwealth, it seems to be inconsistent on the part of present Ministers to be constantly seizing every possible opportunity to complain that taxation in the Federal sphere is too high and that it should be reduced in the interests of production, while at the same time appealing to and advocating that the Commonwealth should give the States a greater proportion of the funds under the Uniform Tax Reimbursement Act.

Recently a referendum was held on the question of price control and the people of Australia, by a large majority, declared that they did not want much of it and that what little they did want should be under the jurisdiction of the State Governments. My belief is that the people were misled in that connection and also in connection with what the States could do in the matter, but in politics the act of being misled is something that the electors themselves must avoid. Their position is like that of a buyer at an auction sale who purchases a pot with a hole in it and loses all remedy at the fall of the hammer. Not

only are those who misled the people on the referendum deserving of censure, but the people themselves, who in such a personal matter, in an issue which was so simple, are also deserving of censure for having been misled by the widespread propaganda of opponents of retention of price control by the Commonwealth and the huge sums of money spent for that purpose.

The Speech informs us that the State Government has accepted the responsibility for the control of prices and land sales in Western Australia. That is a very brave attitude, seeing how slight is the assurance that the elected Government of the State can give about accepting responsibility for anything. Ministers recognise, we are told, that price control is essential. I am glad that Ministers recognise this. Members of both Houses are informed by the Speech that they will be asked to give urgent consideration to such measures as may be necessary to enable the Government to carry out its obligations. One of the measures that may be necessary to enable the Government to carry out its obligations is the abolition of the Legislative Council, and I am afraid the sincerity of the Government does not go so far as that. Nor will it go as far as making an attempt to abolish the Council. However, it may be necessary for the Government to make that attempt and make it successfully before its assurance that it will accept responsibility for price control can be readily believed by the people.

In September, I understand, the Premiers of the several States and, I presume, Ministers associated with price-fixing, will meet to discuss price control with a view to uniform action being taken by the States. This gathering of what I think I may rightly describe as wooden laths but which will be painted by the Press to look like iron, will sit in solemn conclave and go through a long list that I understand has already been viewed and reviewed by some special committee, so that it will be an expurgated list that the conference will consider. I can foresee a great amount of pretence and ostentation surrounding this meeting, and doubtless motions will be tabled and resolutions will be passed, and possibly but not probably some agreement will be reached as to what commodities should be the subject of price control and how it should be affected both in respect

to goods manufactured and sold in the one State and goods manufactured in one State and sold in another.

From day to day we can expect to read in the Press reports of these proceedings, and all the time the people who will have the final say as to what commodities shall be controlled and in what way they shall be controlled will neither be in attendance nor represented at the conference. I refer, of course, to members of the Legislative Council. That is the body that will have the final say on price control under State legislation. Already the Legislative Council in South Australia has given a lead in this matter to similar Chambers in the other States. Already it has amended the price-fixing Bill so that, instead of the Government's having control of the commodities and to their being subject to price-fixing by proclamation, as the Government desires, the Legislative Council will exercise control on account of having the commodities declared by regulation. Just as the Legislative Council in South Australia, by thus amending the Bill, has taken the business of price control out of the hands of the Government, so could the Legislative Council in this State take the business of price control out of the hands of this Government.

This is the first blow by Legislative Councils throughout Australia for control in this direction. The Premiers and their Ministers can meet and discuss the issues and make all sorts of penultimate decisions, but the ultimate decisions will rest with the Legislative Councils.

The Attorney General: I do not think you are quite correct in your statement.

Mr. SMITH: I am correct in my statement of the position in South Australia.

The Attorney General: I do not think you are.

Mr. SMITH: I was there recently and discussed it on the spot.

The Attorney General: I think you have made a mistake.

Mr. SMITH: I do not think so. "The Advertiser" published a leading article on the subject and that newspaper was not in favour of the Legislative Council's attitude. In Victoria recently the Lieut.-Governor, Sir Edmund Herring, addressing the returned soldiers at their annual conference, said that would-be tyrants through power

were threatening Australia's democratic structure. He did not say who those people were, but there can be little doubt that he was referring to members of the Legislative Council in Victoria and also in Tasmania, because the members of those Chambers are the only persons who through power have recently threatened what is usually referred to as Australia's democratic structure.

Where is this democratic structure of which we so proudly boast? What kind of democratic structure is it, where the Legislative Council elected by the wealthy sections of the community and some of their snobbish satellites—a section that represents 50 per cent. of one-third of the adult population—is able to build up Chambers that can, by subversive tactics, undermine and throw out properly constituted Governments elected democratically on an adult franchise?

Until we can do away with this system that builds up a Legislative Council to be a curb to democratic government, it is of no use anybody, not even Sir Edmund Herring, talking about the democratic structure, because we have not got a properly constituted democratic structure in the Commonwealth. We have not a form of government, taking it by and large and all over, that is democratic. We have one that is definitely not democratic, a condition of divided authority on the one hand and on the other a number of Governments in the several States that have behind them Legislative Councils impeding the progress of the people generally.

In the Speech we are told that increased production is essential to the restoration of economic equilibrium. I am sure that the Premier and the Ministers of this Government—and probably members on that side of the House, too—felt that they were on safe ground there in the assertion that increased production is essential to economic equilibrium. I can remember that when I was a kid the most popular panacea for all economic ills was, "Produce, produce, produce."

The Premier: That is what the Prime Minister is advocating.

Mr. SMITH: Never mind what the Prime Minister is advocating! I am making this speech, not the Prime Minister. What I am saying is that right down



through the years, as long as I can remember, the most popular panacea for our economic ills has been, "Produce, produce, produce." And where did it get us on many occasions?

Mr. Fox: Out of a job, very often.

Mr. SMITH: What is economic equilibrium, anyhow? Is it the day when everyone will have a home to live in? If it is, how long is it since we have had economic equilibrium? Before the last war, two members of the Victorian Civil Service who gave a great deal of study to the subject and undertook a great amount of research, published a book in connection with housing in Australia, in which they estimated that there was a shortage of 250,000 houses at that stage, not including those that would have to be built in order to clear the suburbs of Melbourne of the disgraceful slums that existed and that exist there to this day. Did we have economic equilibrium during the depression, when there was so much production that foodstuffs were wilfully destroyed? Did production then bring forth economic equilibrium, I would ask the Premier, Ministers and hon. members on that side of the House?

This economic equilibrium is just an ear-tickling phrase, like economic stability; they are in the same category. But there is no such thing as economic stability. As my authority I quote Professor Copland, to whom members on that side of the House are often fond of referring. He pointed out, in one of his reports to the Development and Migration Commission, that there was no such thing as economic stability, and in that report, too, he disclosed that we had had recessions in this country in times of bumper harvests and revivals in times of drought. But when we think of this question of production rectifying our economic ills, have we not only got to think of apples and fish in this State to see that what I have said is an obvious proposition?

Economic equilibrium is not dependent entirely on increased production, although increased production may be a concomitant of more favourable times. Prosperity actually depends not on the abundance of goods in existence; not on the abundance of the counters used to effect exchanges; but on the abundance of goods that are exchanged. It depends not on the fact that

they are stored in cold storage, as fish are, or lie rotting on the ground, as the apples do, or are being burnt and destroyed as potatoes are in America; but on the abundance of goods exchanged: That is on what prosperity depends. When people on that side of the House or elsewhere talk to me about increased production being a panacea for rising costs, all I have to ask them is, "What is happening in the United States of America?" I have here a cutting from the "Kalgoorlie Miner" of the 2nd August, 1948, which consists of a cable from New York dated the 1st August. It says—

American bricklayers are earning £1 an hour. But the soaring cost of living is robbing high wages of their value.

President Truman's Council of Economic Advisers, in a report today, points out that "the weight of the high cost of living is bearing down on millions of families belonging to the white collar class."

It says: "Thrift is becoming a lost virtue. The problem is to make ends meet."

The only classes to benefit from inflation have been the new crop of wheat millionaires and industrial millionaires.

Industrial workers are earning comparatively fabulous sums, but as prices soar they are realising how illusory high wages can be, the report says.

Greater production is no solution as output has reached its peak capacity.

Housing is a problem.

There is simply no new housing available at the prices most Americans can afford. Government-financed housing would simply increase the demand for material and send up costs still higher.

The report stresses the plight of schools and hospitals, which have serious difficulties in carrying on in face of continuously rising costs.

President Truman and his economic advisers warned Congress on the 4th August that a depression may be just around the corner unless something is done to curb American inflation; and shortly afterwards Mr. Eccles, a member of the Federal Reserve Bank, told the Senate Banking Committee that the U.S.A. was heading for a business slump this autumn, and finished by saying that the sooner it came the better.

I was very pleased that the member for Murchison the other night once again addressed this House on the subject of money and credit. I do not know that too much can be said on that subject. It is a pity more people cannot hear addresses such as he delivered on that occasion, or that they

do not have the opportunity to read them or, if they do have the opportunity, do not avail themselves of it. Recently I had a letter, and most members got a copy of this, from the Reciprocal Trade Federation of the United Kingdom. In it is an article entitled "The Way out of the Mess." It is written by a Mr. Holloway, who is directing secretary of the Economic Reform Club and Institute. I will not weary the House by reading all of it, but in connection with money he said—

Today we no longer worry unduly about the amount of gold in our central bank in regard to the issue of our internal purchasing power. But it is an extraordinary fact that the State still "borrows" money required for national purposes from the banking institution and pays interest thereon when in fact the banks can create such money out of nothing.

Mr. Marshall: Of course they do!

Mr. SMITH: The article continues—

It should be the prerogative of the State to create such additional money as may be required for national purposes, that is, for such purposes as Parliament may determine can properly be met in this way. This, of course, conflicts with the practice hitherto adopted of allowing the banks to create such money and lend it at interest to the Government in spite of the fact that here there is no question of saving and should therefore be no question of borrowing. During the present century, some thousands of millions of new money has come into existence in this way and this has placed a burden upon the community which, I suggest, cannot possibly be justified. While it is no doubt convenient to the Government to employ the banking system as their agents for the creation of new money, this should, in my view, involve nothing more than a payment of a charge for the service they render. This principle has in fact been conceded for all practical purposes in the case of the fiduciary issue, since the interest paid to the Bank of England on the Government Bonds used for that issue has been repaid to the Government less service charges. I am here asserting the sovereign right of a nation to determine and issue its own money supply as opposed to the idea that this vital factor in our national life should be left in the hands of banking interests.

Mr. Marshall: Hear, hear!

Mr. SMITH: The article goes on to say—

This view was clearly enunciated in the last century by Abraham Lincoln who stated that money is the creature of the law and the creation of the original issue of money should be maintained as the exclusive monopoly of the national Government. The privilege of creating and issuing money is not only the supreme prerogative of the Government, it is the Government's greatest opportunity.

I commend that letter to every member, each of whom, I assume, has received a copy, because I get copies of letters regularly from this Reciprocal Trade Federation of the United Kingdom, enclosing articles. Members should read the whole of that particular article, which it would be undesirable for me to do at this stage. By reading it they will see that the views held and enunciated for so long by the member for Murchison are also being espoused and held in highly responsible circles in Great Britain during the present financial mess in which that country is involved. I was reminded by the speech of the member for Murchison of two cuttings which I took from "The West Australian" of the 18th August, 1947. Both appeared in that paper on the same day. The first was as follows:—

India's Press was 98 per cent. in the hands of high finance said Mr. H. J. Taussig (a recently arrived Indian Pressman). Indian magnates had taken good care to buy all means to influence the population. The vast majority of Indians were totally unaware of what was happening.

In "The West Australian" leader of the same day appeared the following:—

Many Australians believe that the nationalisation of banking would be a good thing and many again believe it would be an extremely bad thing, and the great majority of the public has no idea whether in a technical sense it would be good or bad.

That sums up the position so far as Australians are concerned. A practice has recently grown up, and a very popular practice too, of baiting the Communists, and all the dogs in the community which can bark are invited to bite them. Members of this organisation are alleged to be subversive but I ask members, in what way are they subversive? Quite recently in the Commonwealth Parliament Mr. Menzies moved a vote of censure against the Commonwealth Government and in a 40-minute speech he was not able to produce one tittle of evidence to show that this body was subversive. Nor in that 40-minute speech could he give any idea to the Government as to how the organisation's activities might be controlled, apart from that which has already been done by the Commonwealth Investigation Bureau, or Secret Service, or whatever else it may be called.

The activities of men like Mr. Eric Campbell of the New Guard, who recently submitted his nomination as a Country Party

candidate again, are open to investigation. And so this bureau of secret service, or whatever it is called, has overlooked the activities of Fascists as well as the activities of Communists, but if Communists believe that industrial reform can be promoted more quickly or effectively by industrial action rather than by political action, they are entitled to that belief. It is a belief that is held not only by Communists but also by many who do not belong to the same organisation—never have been nor ever will be—but who see in the curb that Legislative Councils represent to democratic government, very little hope of rapidly securing reform by peaceful means.

The Labour Party, which is strongly opposed to Communists, can find no legitimate reason in the present Governmental set-up in Australia, with its divided authority and non-representative Houses of Parliament in the States, to forgo the right to strike when they think it is necessary. If there is any real desire on the part of the Liberal Party and their fellow-travellers to do away with industrial unrest in Australia then let them take the first step towards it by abolishing from Governments in Australia the Legislative Councils whose approach to the expressed will of the people has been subversive of their wishes. Unions today are frequently referred to as being Communist-led when they indulge in industrial action to rectify their grievances, but the unions of today are no different from unions of eight years ago when 10 per cent. of the members of trade unions in Australia were unemployed.

The Minister for Lands: Then why are your unions expelling Communists if you think so much of them?

Mr. SMITH: The unions of today, or of 10 or 15 years ago when the position was infinitely worse, are no different.

The Minister for Lands: Then why are they being expelled from the unions?

Mr. SMITH: They are being expelled because they express disloyalty to the Labour movement and because they are not of the Labour movement, and are trying to infiltrate into it. There is no difference between the unions of eight years ago and 15 years ago when the unemployment figure reached as high as 30 per cent. throughout Australia. The only difference is that the

unions of today are in a much better bargaining position than they were in those days. Everything they know about the bargaining strength and everything they do in connection with the exercise of it, has been learned from the employers when the demand for labour was much less than the supply and the dole was the reward of willingness to work. For over a century in this country employers have been teaching the workers how to use bargaining strength and industrial strength, and as a result of that teaching the unions are using it today in the same way as the employers used it in the past.

The huge reserves of coal that were built up as a result of hard work in the mines, even with inefficient methods and conditions, were used against the coalminers. Those reserves were used as a weapon to defeat attempts by the men for betterment of their conditions and these men do not forget such treatment. It is said that the Communists are subversive and disloyal.

Mr. Grayden: Is this a plea for Communism?

Mr. SMITH: To whom are they supposed to be loyal?

The Minister for Lands: Have you ever read their Constitution?

Mr. SMITH: Are they supposed to be loyal to the Legislative Councils of the various States?

The Minister for Lands: To Russia.

Mr. Styants: The young Fascist from Middle Swan speaks.

Several members interjected.

Mr. SPEAKER: Order!

Mr. SMITH: Inasmuch as we would expect them to be loyal to the Crown, are they not expected to be equally loyal to the institutions of the Crown, the Government and the Parliaments of the Crown? Should Communists and the people generally not be as loyal to His Majesty's Government at Canberra and who are less representative? Can the member for Middle Swan answer me that? What encouragement has anybody had, Communists or otherwise, to manifest loyalty to His Majesty's Government at Canberra? For nearly three years a "hate Canberra" campaign has been carried on relentlessly by the combined daily Press of Australia with His Majesty's Government

at Canberra as the main target. During this campaign His Majesty's Government at Canberra has been traduced, vilified and mis-represented and has been abused, slandered, ridiculed, belittled, reviled and maligned, and every possible method has been used to make it an object of scorn and hatred throughout this community.

Hon. A. R. G. Hawke: There is no doubt about that.

Mr. SMITH: And the leaders of His Majesty's Government at Canberra have had their characters besmirched, their statements mis-reported, their objectives misrepresented, and their achievements condemned and discounted. Every possible criticism that could be thought up by the paid servants of the Press to vilify His Majesty's Ministers, has been used for this purpose. So much abuse has been hurled at His Majesty's Government at Canberra, that the uninitiated who have no opinions, other than what they read in the papers, have been encouraged to believe, are entitled to believe, and do believe, that His Majesty's Government at Canberra is subversive and disloyal and that they owe no allegiance or loyalty to it. No more subversive activity has been indulged in in this country by any section of the community, than that which has characterised the "hate Canberra" campaign propagated by the Press from the day on which the Conservative Party dropped the alias of United Australians to facilitate the campaign, and masqueraded as Liberals.

I can think of nothing that would be more gratifying to the Communists than this same campaign, for the Communists have ever preached that Labour Governments are the enemies of the people, the shock-absorbers of the capitalist system as they call them. Now they have found in the last three years, a faithful ally in the daily Press and a fellow-traveller towards a goal which, if achieved, will do more to further the cause of Communism and resort to industrial action than anything else that could be imagined.

The Attorney General: The Communists received a rebuff in Queensland.

Mr. SMITH: I have an example in last Saturday's copy of "The West Australian," the leading article in which represents a futile search for reasons why farmers should vote for State control of marketing of

wheat as against Commonwealth control. In one part of this leader it states—

But the fact remains that a vote for the Commonwealth control will be interpreted as a vote of confidence in a system which has already robbed Western Australian farmers of many millions of pounds, while a vote for State-control will be a vote for gradual return to independence.

Hon. A. R. G. Hawke: Independence is right.

Mr. SMITH: Just imagine the freedom enjoyed by the Press in this country when it can publish such an impudent and malicious lie, indicting those who have been responsible for the Commonwealth system referred to and publicly accusing them of downright robbery of millions of pounds from Western Australian farmers. Could anything be so subversive as this assertion that farmers have been illegally deprived of millions of pounds in Western Australia alone, to say nothing of farmers in the other States? What kind of respect is this sort of loose talk calculated to inspire for Crown instrumentalities and established authority? What kind of respect for law and order will that inspire? Here is a paper that can by innuendo accuse the Commonwealth authorities of robbing the farmers of Western Australia of millions of pounds! In my opinion it is time that the proprietors of "The West Australian" secured the services of someone to write their leading articles who is not suffering from duodenal ulcers.

His Excellency's Speech informs us that vigorous approaches to the Commonwealth Government for general financial assistance to the goldmining industry have so far been unsuccessful. Why does not the Government tell us something about what it will do for that industry? If the goldmining industry is in such a parlous condition that some of those units of it which are paying 50 per cent. dividends on their original capital are in need of such aid, why does not the Government assist the industry by the suspension of lease rents, by the reduction of freight charges on necessary mining commodities or by a reduction of the charges that are made for water used in connection with treatment operations? Why does not the Government increase the amount that is paid to prospectors to encourage them to go out and find new

fields? Why does not the Government do these things and then, having done so and embarked upon the expense involved, be then in a position to use the fact as an argument before the Grants Commission in support of an application for increased funds for the State?

The rich mines in this State have, as long as I can remember, always used their poor relations as an argument for assistance. Now they are agitating for help because they have an award under which certain margins have been held in abeyance. I can imagine that this agitation will be stimulated and it certainly will be carried on during the whole time the Commonwealth Labour Government is in office. I am positive of that, and that the agitation is only being used as a political counter. The industry has no hope of getting anything from a Liberal-Country Party Government in the Federal sphere. It has never done so in the past and never will in the future. Its only hope of assistance is from a Federal Labour Government. The Liberal Party would not look at it and would not take any notice of this advocacy of general financial assistance for the goldmining industry.

I often wonder why that industry does not get down to earth and realise that the Commonwealth Government cannot give the general financial assistance sought in the shape of a bonus on gold. Members sitting on the Government side of the House know equally as well as I do that the Commonwealth of Australia is a party to the Bretton Woods Agreement. Would members opposite have Australia repudiate that agreement? Would they like the Commonwealth Government to tear it up like a scrap of paper? The Bretton Woods Agreement was intended to facilitate trading operations in the future and to help the respective countries that were parties to it over difficult stiles, at times when their imports exceeded their exports. Would members opposite have the Commonwealth Government repudiate such a document? I have even heard it advocated that we should sell our gold on the black market.

Would members deprive the Empire of the gold produced in this country, which helps Britain so greatly in connection with the Empire dollar pool? Article 4 of the Bretton Woods Agreement reads:—

The par value of the currency of each member shall be expressed in terms of gold as the common denominator, or in terms of the United States dollar of the fineness and weight in effect on the 1st July, 1944.

The inclusion of that provision was to ensure stability in exchange rates between the paper currencies of the world and the agreement is armed to the teeth to make those requirements effective. In such circumstances the Commonwealth Government could not think of providing a bonus of £2 an ounce on gold, seeing that it is party to that agreement. Canada is also a participant in the Bretton Woods Agreement. That country is often quoted as having given wonderful help to the goldmining industry. When it linked up with the Bretton Woods Agreement it brought its currency back to par with that of the United States of America and deprived gold producers of 3.5 dollars an ounce on the gold sold in the U.S.A. by the Government, which, in that country, controls gold sales.

To offset this loss somewhat, Canada, which taxes the goldmining industry as well, members should not forget, as other industries, provides for a depletion allowance for the mining industry which the Government increased from 30½ per cent. to 40 per cent., thus widening the margin of retainable profits and levying taxation on only 60 per cent. Under the uniform taxation system applying in Australia, the Commonwealth Government does not tax the goldmining industry at all. No benefit to the industry elsewhere, whether it be Canada, Southern Rhodesia, or any other country, has been as profitable or as useful to the mining industries of those countries as has been the exemption under the uniform system of taxation of Australia to the goldmining industry of this country. Up to the point where Canada increased the depletion allowance and taxed on only 60 per cent. of the profits, there was no direct assistance to the goldmining industry in that country, but in about December, 1947, a proposal was made to pay £2 2s. 10d. per ounce on some gold, not on all gold produced. That proposition had to be dropped because the International Monetary Fund raised objection to the scheme.

In the circumstances the Government has now introduced a new plan under which it pays half the cost of producing an ounce of gold where such cost is in excess of 18

dollars or of £5 10s. per ounce. This assistance is payable only on such gold as is in excess of two-thirds of the gold produced in the year ended the 30th June, 1947. Thus, high-grade ore would derive no benefit from the scheme but to the producers of five dwt. ore, which requires four tons to the ounce, it would mean a return of half the cost of production above 27s. 6d. a ton on the tonnage that produced gold above that of two-thirds of the previous year's production. Taxation, however, is still to be payable on 60 per cent. of the profits.

I am sure that the Prime Minister of Australia would be only too pleased, from the financial aspect, to tax on the profits of goldmining in this country to the extent of 60 per cent., and give to the remaining units the concession that Canada has provided for some of its producers. I find, of course, that the position of the goldmining industry is frequently misrepresented just for the purpose of making a political counter against the Commonwealth Labour Government. In the issue of the "Kalgoorlie Miner" published on the 27th July of this year, the following cable from London appeared—

"Considerable financial benefit" is expected by Great Boulder Pty. Gold Mines Ltd. if its claims for exemption from British income tax following the transfer of control to Australia is successful. This is stated by the directors in their report for 1947. Accounts for the period show total provision for tax at £52,104, after which net profit was £34,956 sterling.

Comparable profit was £48,260 for the previous year, when tax provision was £53,000. Dividend is unchanged at 25 per cent., requiring £34,375 net. In the latest period, 396,626 dry tons of ore were treated for 92,709 ounces gold, an increase over 1946 of 13,642 tons and 4,151 ounces respectively. Working costs were well controlled, rising only 7d. a ton to 35s. 3d. (Australian), excluding development.

Members will realise that this mining company paid that taxation from their profits to the British Exchequer—not to the State or Commonwealth Government. I may remind the House that 35s. 3d. represents a lower cost than the average for the raising and treating of ore on seven of the principal mines on the Golden Mile in 1924, according to the statements in the Kingsley Thomas report for that period. I recently read an account of His Majesty the King's Speech in opening the Southern Rhodesian Parliament in 1947, during the

course of which he referred to the fact that the Government was thinking about imposing taxation for the purpose of subsidising some goldmining propositions. I have read elsewhere that the Government of that country proposes to pay a premium of 27s. 6d. an ounce on gold produced and to raise that money by a 10 per cent. addition to the income tax already levied. The mining companies themselves are subject to that taxation on their profits. If the Premier could go to the next Premiers' Conference and advocate a proposition such as that by which there would be an increase in the income tax payable by everyone so that a bonus of 27s. 6d. could be paid on every ounce of gold produced, and at the same time bring the mining companies themselves into the realm of income taxation, some good might result.

The mining companies have professed themselves as satisfied with the sales tax in connection with necessary mining commodities and have published a statement to that effect, about which I have informed the House on a former occasion. Still they are arguing, advocating, pressing and using as a political counter, a plea for assistance. It is not confined to marginal mines or to mines that need assistance; but it is an all-over bonus that they require, one that will be paid to those which are paying 50 per cent. dividends on their original capital and that will sap their vitality by paying it to other sections of industry throughout the State. I do not blame the mining industry for getting into the race for assistance. It seems now to be considered right for all sections of the community to go moaning to the Government for assistance. Even when the wholesalers in the fish industry reduced the price of fish by 10 per cent., retailers would not sell it cheaper to the customers or consumers. All sections of the community are wanting to enter this blood-sucking campaign, thus sapping the vitality of other sections.

Each section is trying to assist the other and is coming in its turn for blood-transfusion to make up for the blood which has already been soaked out of it. I think the Government should consider the position and see what it can do for the goldmining industry. I resent the assertion that the Commonwealth Government has done nothing

ing for the industry. I was a member of the mining panel that considered the question of the rehabilitation of the industry at very many meetings, at which the State Mining Departments and the Chambers of Mines were represented. The Commonwealth Government agreed, as a result of representations made to it, that any money which could be justified by a report of a competent inspector would be made available to mines in need of it. Not only has the Commonwealth Government done that for the goldmining industry, but it has also given the industry a substantial benefit arising out of a recommendation made by our own Deputy Commissioner of Taxation, Mr. Cruickshank; when the Uniform Tax Act was brought down, goldmining profits were exempted from it altogether. In that alone, the goldmining industry of this State has had a very fair deal from the Commonwealth Government.

**MR. REYNOLDS** (Forrest) [6.3]: After the storm comes the calm! I think we must all agree that the member for Brown Hill-Ivanhoe has made a brilliant speech. No doubt it was very wholesome, but nevertheless it must have proved unpalatable and distasteful to the Government and particularly to those who, on every occasion, whine and moan about Communism and try, unfortunately, to libel the Labour Government about Communism. This I bitterly resent. I wish to congratulate the Minister for Education on his courage and gentlemanly demeanour in refuting the malicious and vicious aspersions cast upon the noble band of educationists who are training, to the best of their ability, our young citizens and doing their best to improve their mentality and personality. Under the protection of Parliamentary privilege, the member for Irwin-Moore accuses them, in the main, of passing on Communistic propaganda and sowing the seed of Communism. The present Minister, like his predecessor (Hon. J. T. Tonkin), is offering every possible inducement to attract to our schools men and women possessed of the highest intelligence, training and personality, in order to develop citizenship; while this member, this big shot from Irwin-Moore, is doing everything he possibly can to undermine the splendid efforts of his Minister.

I challenge the member for Irwin-Moore to call a meeting, at my expense, in any hall in Perth and there repeat the charges, which he has made on innumerable occasions against the character of the school teachers of this State. I say to him, "Accept this challenge, or for ever hereafter hold your peace." According to Press reports, the member for Irwin-Moore has made a certain sum of money available for distribution to various schools throughout his district; and, according to what he said, several head-teachers have refused to co-operate with him. They have refused, he said, to select a pupil worthy of a prize for citizenship. I should like to ask the member for Irwin-Moore through you, Mr. Speaker, what conditions he attaches to the awarding of this prize. When we know those conditions, we shall be able to judge whether the teachers did right in making their decisions.

Throughout the world, education authorities—trained men and women, who know their job, not nousey Parkers—have long realised that individual awards are poor groundwork for the training of community spirit and citizenship. They advocate that trophies, amenities or library books should be given to the school on a co-operative basis, so that the low-markers might feel that they, too, have played their part in the winning of these awards. Some children suffer disabilities; for instance, slower mentality, parental poverty, home duties in large families or unequal home training. Other children are particularly well endowed, because they have mothers who probably are good women, trained in many subjects, and this applies to their fathers also. How can the less fortunate children hope to compete with children whose parents are so richly endowed? It has also been discovered that undue praise of, and the award of prizes to, children with better opportunity do not help to bolster up a child's self-respect.

We know, too, that the awarding of these prizes is inclined to make children conceited, like the member for Irwin-Moore, for instance, who imagines that he knows everything, that he is the all-conquering hero. There is nothing he does not know, in his opinion; but we are beginning to find out a great deal he does not know about wheat, because the other night the member for North-East Fremantle exposed many figures which he submitted to the House.

If this self-appointed, superimposed inspector of school inspectors wishes to improve the lot of the pupils in his district, let him enlarge the school libraries and amenities for the benefit of the whole school; and let him try a little constructive praise, instead of destructive abuse, of teachers. He will find them quite intelligent enough to appreciate the difference. Last year he made his first ungentlemanly attack on the school teachers and got some cheap notoriety and praise from our so-called free and democratic Press.

I recall with particular delight that early this year, when we were at the University, the Chancellor gave him the opportunity to discuss the matter. If I remember rightly, it was the Leader of the Opposition who asked the Chancellor whether members could put certain questions. But what happened? We noticed that this Colossus of clay, with feet of ice, decided that discretion was the better part of valour and, like Dora, he kept dumb. Like a wolf that once has tasted blood and gets away with it, he hungers for more. He is trying to out-Goebbel Goebbels in his cheap and spurious search for limelight and propaganda.

In my maiden speech last year, I said it was my intention to do the best I could for the farmers, the workers and the small businessmen of this State. I feel I have done so. I have a list of things to report which have been well and faithfully done throughout my territory. At Jarrahdale, for instance, which is 46 miles from Perth, I am pleased to record that last year, just before the present Government assumed office, from the main Bunbury-road to Jarrahdale was being bituminised, and it has now been completed. Again, a mail service has been arranged and mail boxes and various things of that nature supplied at Jarrahdale. I have to thank the Minister for Education because he is now building a home for the teacher at Jarrahdale and effecting repairs to the school. At Glen Eagle, the Postal Department is installing a telephone system. I am sure the people who have lived there for years will appreciate this service. I have approached the Education Department, and hope the Minister will meet me on this occasion, with a view to having a larger school built there. Last year at Dwellingup I arranged a deputation to the Minister for Works with a view to trying to get the Gov-

ernment to take the main road from Pinjarra through to Boddington.

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

Mr. REYNOLDS: I had reached the stage before tea of explaining that early last year at Dwellingup a large number of people gathered together, and as a result of their meeting I was asked to make representations to the Minister for Works to take over the road from Pinjarra to Boddington and make it a main road. He, unfortunately, said he could not do so. I made further representations to the Minister, and I am pleased to say he granted £6,000 so that the road could be continued from the point it had reached when the Labour Party had spent £7,000 on it. The Minister also gave £1,000 for the construction of a road eastwards. In 1946, the then Minister for Works, the member for Northam, made a sum available for the putting down of a bore at Dwellingup. When the new Government took over it had the bore tested and found that its capacity was sufficient for the requirements of the town.

I am happy to tell members that yesterday I received a letter from the Minister for Works saying that he proposed to put in the water scheme which the previous Minister had advocated, but he could not get the necessary piping. It is unfortunate that last year, at a Commonwealth Disposals Sale at Marrinup, thousands of feet of piping were literally given away. That was a golden opportunity to have made the purchase, but it was missed. Another £600 to £700 was spent on a lighting plant for the Dwellingup hospital. As a result of questions the other night I discovered that the Government is going to spend £9,000 on the hospital—something which the hospital committee and myself have been fighting for over the last 12 or 13 months. The hotel is being renovated. As a matter of fact, the timber workers and other people in the district asked the Minister to make the renovations. Nearly £2,000 is to be spent in that direction. The school has been repainted and, as I have said, the water scheme which is much needed and will be appreciated by the people of Dwellingup, is to be completed.

A new manual training centre has been established at Banksiadale. At Holyoake, the school and the school teacher's house



have been repainted. At Hakea, a gallon license has been granted and roads have been repaired. At Nanga Brook, a bridge over the Murray River is now in course of construction. For this, thanks are largely due to the previous Minister, who had allocated £2,700 for the purpose. At Hoffman, I was able to secure £200 from a grant of £192,000 made available by the Commonwealth Government for roads. The Harvey Road Board added another £300 to that sum to ensure a thoroughly good job being made of the road for a distance of seven miles from Yarloop towards Hoffman. At Wokalup, roads, generally, have been repaired. I led a deputation to the Harvey Road Board to have these roads, and also the main road to Mornington, repaired, and an amount of £300 is now being spent on them.

Mr. Hoar: How do you manage to get all this money?

Mr. REYNOLDS: The hon. member has not got what is necessary. At Benger, also, the roads have been repaired. Last year I led a deputation to the Minister for Agriculture to get much-needed relief for the potato growers of Benger. I am sorry to say he did not see fit to make a grant available; he wanted to give the potato growers a loan, interest free. An amount of £70 was spent on the road from Collie to Treesville. At Brunswick my efforts have resulted in 62 acres of land being acquired from a farmer for building sites; also 10 acres for the railways and 12 acres for a new school site. I feel I have done something for the people of Brunswick. I also put up a suggestion to the Minister for Agriculture that an area of approximately 60,000 acres be resumed for land settlement. Tonight he said he thought it was not suitable. Of course, I realise that Amalgamated Collieries Ltd. have big interests there and, naturally, it would be unpleasant to tackle such a powerful monopolistic organisation.

The mission at Roelands is doing a great job. I am hopeful that the Premier will make a sum of money available to the people who run it. I remember last year I particularly mentioned the good work being done by that mission. At Donnybrook, a new hospital was opened last year, thanks to the previous Government. Improvements are now being made to the school there. I was able to obtain £6,000 for relief because of damage through floods to roads and bridges. When I took over my electorate I found

that the previous member had been fighting very hard to have a water scheme established at Donnybrook. I was able to get the Government to make £500 available for the putting down of a bore, and I am pleased to say that it has given another £750 for that purpose.

Hon. J. B. Sleeman: How do you get all these things?

Mr. Bovell: A sympathetic Government.

Hon. A. A. M. Coverley: One would think the Treasurer was one-eyed in regard to the South-West.

Mr. REYNOLDS: I am pleased to say that the quarries have been reopened at Roelands and at Donnybrook. I have handled many problems for farmers and have been instrumental in getting taxation rebates in excess of £2,000 for primary producers throughout my electorate. I feel I have done my job for those people who reposed confidence in me on the 15th March last. Of course, my modesty prevents me from telling many of the other things I accomplished.

Mr. Bovell: I think the Government deserves the credit.

Hon. A. H. Panton: It sounds as if it was getting it.

Mr. REYNOLDS: This afternoon the Minister for Agriculture asked me to state a case for the Commonwealth Government in connection with the forthcoming poll on the Commonwealth Wheat Agreement.

Mr. Mann: Who killed Cock Robin?

Mr. REYNOLDS: The hon. member will find his leg will be twisted and pulled before I finish.

Hon. A. A. M. Coverley: Do not take him too seriously.

Mr. REYNOLDS: No, he is just chicken feed. As I said I was asked whether I would state a case for the Commonwealth Government, but I told the Minister that I thought it was the duty of the Commonwealth Minister for Agriculture, Mr. Pollard, to state his own case. I assured the Minister that as far as I personally was concerned I would put up what I thought was a case which would justify the wheatgrowers in creating a stabilisation scheme such as that approved by the Commonwealth Government.

From 1930 onwards farmers throughout Western Australia were practically reduced

to a state of servitude. They were shackled to the banks, not through any fault of their own, but because of a drop in the price of wheat. Actually they were reduced to the status of blackfellows at a communal kitchen. I remember many men who had big equities in their properties having to go cap in hand to the financial institutions and like a blackfellow say "Gibbit money for fertiliser"; "gibbit money for spare parts and fuel"; and so on, and "If you give me those things I will produce for you what humanity requires: the wheat, the wool, the pig meats, barley, oats, and the like, and all those essentials for which humanity to-day is starving."

Now let us go back to 1917. In that year the Labour Government went out of office and a National-Country Party Government took over. From 1917 to 1929, what did we see? Rising costs, rising interest rates and farmers getting deeper into the mire! I remember in 1927 when I produced a large crop, I had to pay 16s. 6d. a dozen for cornsacks and in 1939 I was paying 7½ per cent. on my overdraft. Since the Labour Government took office those interest rates have been consistently reduced until today they have come down to 4¾ per cent. for buildings, etc., and 4½ per cent. for ordinary overdrafts. In those two things alone the Labour Government has done more for the farmers than the National Party or the Country Party has ever done or is ever likely to do. In 1915-16, when the Labour Party was in power, owing to the shortage of shipping it was unable to have the wool transported overseas and the wool appraisalment scheme came into being. The Labour Government obtained for the woolgrowers of Australia 15¼d. per lb. for wool in 1939. When the Menzies Government was in power it could only obtain approximately 13½d. per lb.—I say approximately because I have not a mind like Solomon.

In 1915-16 there was no such thing as an exchange; that was introduced in 1929, and by whom? It was suggested by Mr. Davidson of the Bank of New South Wales. I can tell the House quite a story about that, but will hold it over for another occasion. However, I repeat that the Labour Party was able to obtain 15¼d. per lb. for wool in 1915-16 and the National Country Party was only able to obtain 13½d. per

lb. in 1939, and there was no such thing as an exchange in 1915-16.

The Minister for Lands: Yes, there was.

Mr. REYNOLDS: No, there was not. The Minister cannot put that over me. The exchange was introduced in 1929 at 130 and reduced to 125. The Minister will have to wake up very early to put anything over me.

The Minister for Lands: I know that.

Mr. REYNOLDS: The exchange on 13½d. actually gave 11d. to the wool producers of the State and Commonwealth, but what happened? Within four months of the Curtin Government coming into power Dr. Evatt was sent to England to negotiate, and he was able to obtain 2d. per lb. more for the wool producers of Australia which meant an increased income of £10,000,000 to be distributed amongst those who produced the wool.

The Minister for Lands: How did he get it?

Mr. REYNOLDS: Dr. Evatt secured it by ability, something that his predecessors lacked.

The Minister for Lands: I am only chicken feed to the member for Forrest.

Mr. REYNOLDS: I now come to the point where I wish to—

Mr. Yates: Have a drink!

Mr. REYNOLDS:—eulogise the intelligence and the ability of the Liberal Minister for Agriculture in Victoria. Some three months ago this Minister had the courage to come out and tell the wheatgrowers of Australia that the Commonwealth wheat scheme was an excellent one as far as he and his party were concerned and that they were heartily behind it. What did we see? A despicable exhibition! At Canberra a conference was called of the various Ministers concerned and attended by Mr. McDonald the Country Party Leader in Victoria, who criticised Mr. Dennett, Victorian Minister for Agriculture. The Liberal Party of Australia has wholeheartedly endorsed, or almost so, the Commonwealth wheat scheme because it realises that it is something the farmers want.

Hon. J. T. Tonkin: Do you know the attitude of the Liberal Party here? Nobody else does.

Mr. REYNOLDS: On Saturday the 10th July last, about 170 or 180 farmers met at York to discuss the wheat agreement. They represented, I suppose, all branches of the Farmers' Union throughout the State. It appeared to be a particularly nice set-up because York is a very conservative place, as I know it. In saying that, I am very pleased to be able to mention that when I contested York at a by-election they gave me a majority. However, it is the home of the Minister for Agriculture and everything was set because the Government thought it would be able to get away with this idea of putting one over the dopey cockey, but of course the farmer today is alive and alert to these diabolical schemes which have been hatched in the past, and is not going to be caught in the future. Members will remember that last year I debated for some considerable time the 15-point plan, because I realised it had some value and virtue, but I could not see how any Government could agree to all the points.

The Minister for Railways: You did not tell us what happened at that York meeting.

Mr. REYNOLDS: I am going to tell the Minister. He will get it with both barrels. I have here a copy of the minutes and I will let him have them.

The Minister for Railways: Good!

Mr. REYNOLDS: Unrelentingly! However, I can take the Minister's interjections; I do not mind them. I discussed the 15 points because I could not see how the Commonwealth Government or any other Government would agree to all of them, but I did not know then, as I do now, that this 15-point plan was hatched in Western Australia because, through fortuitous circumstances, the minutes of the meeting referred to have come into my hands, and I will have special delight in quoting them, seeing that Mr. Jones is mentioned also. I will touch on him shortly. Oh, yes, I cannot miss a good opportunity; I love opportunities! This is a copy of the verified minutes of that meeting—

Don Masey of Dowerin said: I want to ask Mr. Teasdale on what date he represented the Royal Commission.

Mr. Teasdale: I am not too sure—

Of course, he was always sure of other things, but on this occasion he was not too sure. The minutes continue—

—but I think it was the 1st May, 1947.

Don Masey: At the Dowerin branch at a meeting in October, 1946, just after it had been formed, a motion was suggested as to what the pool should be of that branch and that it should be forwarded to conference.

At the next meeting a motion was submitted by Mr. Metcalfe, which stated that should negotiations fail for a Commonwealth plan, that this union accept the State Marketing Act. Mr. Masey said that he had challenged Mr. Metcalfe as to whether the motion was his own. Mr. Masey said that the motion was typewritten and on the left hand corner it had the initials of the typist and of the originator. These initials were not those of Mr. Metcalfe, but those of a man who dictated the motion. The motion was presented to the branch meeting, and all the references to State marketing were altered to Commonwealth. It was later submitted at the inaugural conference of the Farmers' Union. This same motion eventually became almost word for word the 15-point plan of the A.W.F. Mr. Masey stated he tackled Mr. Metcalfe and asked him—

Mind you, this is what happened at York; it is not mere fantasy.

Hon. A. R. G. Hawke: This is the information the Minister for Railways wanted.

Mr. REYNOLDS: He will chortle and enjoy it, and I hope the Minister for Agriculture will enjoy it also, because I have something that will interest him intensely. Continuing with the quotation—

Mr. Masey said he tackled Mr. Metcalfe and asked him directly whether Mr. Teasdale had given him the motion. Mr. Metcalfe stated that Mr. Teasdale had given him the motion. At the next meeting of the branch, Mr. Metcalfe tried to pass another motion which stated that failing immediate agreement on the Commonwealth proposals we agree to the system of State pools.

I continue to quote from the minutes—

I wish to point out, ladies and gentlemen, that since that time there has been no co-operate action in the Australian Wheatgrowers' Federation. There is no doubt in my mind, and in the minds of thousands of other wheatgrowers that this stone-walling at the Federation is directly connected with the action of Mr. Teasdale and Mr. Metcalfe. I know what we will get. A State pool. I ask you, is this not a remarkable state of circumstances? Mr. Metcalfe has admitted that the proposal originated with Mr. Teasdale. I ask Mr. Teasdale to answer this: Mr. Teasdale said that Mr. Masey was attempting to create a false impression and would not comment. He said that he did not send any such documents and apparently the documents had followed the opinions of the Royal Commission.

Last year, I honestly and conscientiously did support the idea of a State pool. I

thought there were some great minds behind it and it was going to be something in the interests of the farmers of this State. I felt the Commonwealth Government could not agree to those 15 points because they were too severe, and I stated my reasons when I discussed the 15 points seriatim. Members can find my comments in "Hansard." I want to clear myself on this. Quoting from "Hansard," I said—

To me it is important also because it embodies something that has been a hobbyhorse with me for the last 22 years. Away back in 1926 I advocated a compulsory pool.

I would not have anything to do with the State pool because it was too small. I could see that we wanted something bigger; we wanted an international pool, and it was only through international control and through that measure and system that we would be able to control the price of wheat and obtain a reasonable deal for the wheat-growers, and also regulate production with a view to a sensible and sound marketing scheme. That is why I advocated that in 1926. I am passing this on because of information that has been given to me and as I am convinced that the idea of the 15-point plan was hatched in the minds of a "Klu Klux Clique," and the money mammons of Wellington-street. They endeavoured to get complete control of the wheat, and I will explain why.

The Minister for Lands: But they are great co-operators.

Mr. REYNOLDS: They were out for a big thing and in the past they made a marvellously good thing out of it. Coming to this wonderful paper—I might add that I buy it because I do get good information from it—the "Farmers' Weekly," first of all I will quote:—

#### Pertinent Questions.

Replies by the wheat section. The president of the Wheat Section of the Farmers' Union (Mr. K. E. Jones) has forwarded the following questions and answers dealing with the wheat stabilisation proposals.

This is what Mr. Jones has to say—though Mr. Jones has had his fingers scorched on several occasions during the past five or six years.

The Minister for Lands: That is not fair comment. You know he has put up a great fight for the wheatgrowers.

Mr. REYNOLDS: I know all about that.

The Minister for Lands: While you have been stalling all the time.

Mr. REYNOLDS: He has put up a great fight for the Wellington-street people and the St. George's-terrace people. The Minister cannot pull the wool over my eyes.

The Minister for Lands: I know that is impossible.

Mr. REYNOLDS: The next question was, "Are the new proposals a sound business proposition?" The reply was, "No, they are bad all the way through." What wonderful reasoning! What a logical thing to say!

Mr. Mann: You are taking advantage of your political position. Why do not you debate the matter with Mr. Jones?

Mr. REYNOLDS: I am prepared to debate the subject of wheat with Mr. Jones or anyone in the industry. Before I sit down, I am going to make the member for Beverley withdraw a statement that he made. Getting back to these questions and answers, Mr. Jones asked, "Why is that?" And the answer was, "Because in every line of the plan, it takes away something from the producer. You cannot give to the producer by taking things away." Mr. Jones knows perfectly well that never in the history of Australia has any Government done more for the wheatgrowers than the Commonwealth is doing under this 15-point plan.

The Minister for Lands: You have a one-eyed biased opinion. I can see that.

Mr. REYNOLDS: No, the Minister has a one-track mind and a wrong track at that. Mr. Jones further asked, "Does not the plan give the costs of production?" The reply was, "That is just where you are wrong. That is what is wrong with the plan. Wherever 6s. 3d. is mentioned, it is cost-minus all the time." That is just too bad for Mr. Jones because last year, at the request of the Australian Wheatgrowers' Federation, a costs committee was set up to inquire into the actual cost of production. The committee consisted of Mr. Justice Simpson, Mr. Connolly, and a very capable man from Western Australia whom I have met on two or three occasions, Mr. Walker, a wheatgrower. The committee took evidence throughout all the wheat-producing States, but when it came to Western Australia, this is what happened. I quote from "Hansard" of 1947 at page 1373.

The member for Irwin-Moore asked whether I have given the matter considerable thought and I am fully alive to his statements. Continuing, he said—

Yes. Of the 6,000 sent out, only 723 were returned. In a statement from Bruce Rock, according to the morning's issue of "The West Australian" appears the following:—

Replying to an inquiry as to the reason for the poor response, Mr. Connolly said there was no doubt "they had been dumped by the Farmers' Union."

This costs committee was set up at the request of the Wheatgrowers' Federation and at big expense to the taxpayers and came here to do the job. I know full well that the member for Irwin-Moore was careering around his territory advising his farmers to put the forms in the fire and not to give any evidence to the committee. Naturally, the committee of the Farmers' Union prepared its own costs. I dealt exhaustively with that phase last year. The costs committee found that the cost per bushel was 6s. average siding price, which is equal to 5s. 10½d. bulk and 6s. 0½d. bagged. In its recommendations, the committee deducted the income from sidelines from the gross costs and, in averaging the sidelines income, assumed from various statistical sources that such sideline income would not be maintained. It accordingly held an adjustment of 15 per cent. or 6d. per bushel to be unwarranted and not likely to eventuate in actual fact. Hence the Commonwealth Government quite rightly disregarded this 15 per cent. reduction in sideline income.

The over all result was that the 5s. 10½d. siding became 5s. 4½d., which was actually correct from the findings of the committee. Members should bear in mind that not one word of criticism was ever levelled by the wheatgrowers of this State at the Australian Wheatgrowers' Federation, and that that organisation passed a vote of confidence in the costs committee, said it had done a wonderful job and congratulated it upon its work. Yet here we find Mr. K. E. Jones, of the Farmers' Union, ridiculing that committee. It obtained written and oral evidence and produced figures to justify the conclusions at which it had arrived. There members have the true story of the costs factor.

The other night the member for Irwin-Moore said that there was no cost index. He must have known that that was an untruth; alternatively, he was not sure of his facts. I think that he knew the position and was merely out to deceive members. Fortunately,

Who finds the money to support the guarantee? The growers of course. You would not expect the Government to provide it. Let me touch on this because it is a vital point. As members are aware, when the war started, the price of wheat was 2s. 6d. a bushel and the average price of wool was round about 13d. I said previously that the Commonwealth had agreed to give our wool away for 13½d.

Mr. Mann: That is not true.

Mr. REYNOLDS: Of course it is true.

Mr. Mann: It is not.

Mr. REYNOLDS: The hon. member cannot refute it. I challenge him to try to do so. I have all the information before me, all the statistical data, and the hon. member cannot get away from that. In 1939 the price of wheat was 2s. 6d. bushel. During 1946-47 there was a spectacular rise, for by the 1st January, 1948, wheat had touched 19s. 9½d. and by the 16th of the same month it was 20s. 5½d. The Government, at the request of the Australian Wheatgrowers' Federation, said that it would introduce a stabilisation scheme and put it into operation. The point I stress is that had the Government not introduced a stabilisation scheme, the money would have gone to the Government in the form of taxation; but the Government, realising that the price of wheat would fall probably by 1951 or 1952, decided to create a stabilisation fund in order to guarantee the farmers a minimum price over a number of years. As members know, and as the member for Irwin-Moore has said, from 1929 to 1939 the price of wheat averaged about 2s. 6d. a bushel. That is why the Commonwealth agreed to the stabilisation fund. Instead of this money going in taxation, it will be paid into a fund for the benefit of the wheatgrowers of Australia. I now wish to deal with another red herring which Mr. Jones tried to drag over the trail. It is a very smelly one. He said—

Is there any safeguard that wheat will be sold to best advantage? No. Remember the New Zealand wheat deal. Anything like that could happen again, so long as they return growers 6s. 3d., plus minus index.

Consider that statement! In this State we have a gentleman by the name of Mr. Thomson, who is reputed to be an authority on wheat. He undoubtedly is; nobody can deny

it, because he was selected to represent the Commonwealth Government on the Wheat Board. This is what Mr. Thomson has to say about the Wheat Agreement—

A guide to opinion at the time is obtained from a statement by the former General Manager of the Australian Wheat Board, Mr. J. Thomson, dated 3rd March, 1947.

Do not forget that this is the wheat agreement which Mr. Jones and quite a lot of his satellites have always sought out in an endeavour to damn the Labour Government, because that Government made a marvellous deal at the time.

Mr. Mann: Are you referring to the sale to New Zealand?

Mr. REYNOLDS: I hope I am speaking intelligently. Perhaps the hon. member does not understand me.

Mr. Mann: I would not want to.

Hon. F. J. S. Wise: Was it wheat for pig feed?

Mr. REYNOLDS: I will tell the House about that; it is a "stunner." Mr. Thomson said—

Referring to discussions which he had with a senior official of the Commerce Department relative to the proposed New Zealand deal, Mr. Thomson said, "I drew up a table something like this: 1945-46, 9s. 6d.; 1946-47, 9s. 6d.; 1947-48, 7s.; 1948-49, 5s.; 1949-50, 4s." Mr. Thomson in his letter added quite frankly, "The foregoing was my guess."

Here we have a man, acknowledged to be one of the greatest authorities on wheat, saying he had to make a guess and that that was his guess! Continuing, he said—

"The foregoing was my guess at what might be market prices and so far it has proved very well on the mark. The average was around 7s. a bushel and I offered to put a proposal to the Board that it should supply New Zealand for five years at 7s. 3d. a bushel, f.o.b., Australian ports."

It so happened that in July, 1945, wheat was in the doldrums and it will go down again, unfortunately, as I shall presently explain, despite the figures of Sir John Boyd-Orr which were quoted by the member for Irwin-Moore. Of course, it is easy for men to be wise after the event. That is Mr. Jones's position; he was a critic after the event, and I ask members not to forget that one of the greatest authorities in Australia made this guess. Do not forget that he is the General Manager of Westralian Farmers Ltd., a man who might play a big part in the State pool, which will never eventuate, as I shall convince members.

The Minister for Railways: What, again!

Mr. REYNOLDS: Do not worry, do not get excited, Mr. Minister.

The Minister for Railways: I am not. I am laughing.

Mr. REYNOLDS: I shall be taking the Minister to task about the railways. That is a promise. I have reached a stage where Mr. Jones was putting up piffle to the farmers of Western Australia; but, of course, they were too fly. Mr. Jones said—

What is export wheat today? Roundabout 17s. a bushel.

I have the latest report, dated the 2nd August, on wheat. It states, "Manitoba, Canada, No. 3. The closing quote for July delivery, ex St. Lawrence, was 8s. 5½d. per bushel, f.o.b." That is expressed in English currency and in our currency it would be roughly 10s. 7d. per bushel. Yet this wonderful man says that wheat is 17s. a bushel! Further on in the report I have mentioned it is stated that Chicago values have slumped to 11s. 3d. That is, the price closed at 11s. 3d. per bushel. It was stated that values were slightly lower in Chicago. I am blasting Mr. Jones's untruths one by one. I could proceed and pull the skin off him. Now we come to the State Minister's complaint. This is what he says in a letter to the Press—

As a considerable amount of misrepresentation is going on in respect of the powers of the Minister under the State Wheat Marketing Act, I hope you will publish the sections of the Act dealing with this matter as follows:—

He proceeds to quote the section and then continues—

This is the greatest power the Minister has, and it is in no way comparable with the powers of the Federal Minister, who may sell wheat to anybody and at any price he likes. This was done in the New Zealand deal.

How these people like to bring in the New Zealand deal, forgetting that the man who prompted the Commonwealth Government to make it was the General Manager of Westralian Farmers Ltd. Notice the subtlety of it. He continues—

Section 30 (1) of the Act reads—

Subject to this Act, the Board may to the best advantage of growers, having regard to all relevant circumstances, sell or arrange for the sale of all wheat of which it becomes the owner, to such persons and at such prices and on such terms as it deems proper.

Then he continues—

The Minister has no power of veto or direction in the matter of selling wheat which section 30 gives to the producer-controlled board.

The publication of the above should put an end to the lying propaganda which is being carried on with the object of confusing the minds of the wheatgrowers in the matter of Ministerial direction. Yours etc., G. B. Wood, Minister for Agriculture.

In the very next column is a letter signed by R. J. Anderson, of Jennacubbine, which I think is just near Northam. Here is what he has to say—

As a comparatively new wheatgrower on a small scale and anxious to cast my vote intelligently—

There is a wise man!

—at the forthcoming wheat poll I read with interest Mr. Teasdale's assurance that in the W.A. Wheat Marketing Act, 1947, the temporary board appointed by the Governor—doubtless on the advice of his Minister—cannot hold office for more than 12 months.

Later on he says—

If my limited lay ability, which has not the ability to probe clauses to the ultimate which can be extracted from them, reasons correctly, this paragraph (c) can be vital inasmuch that the current business of the temporary board could be extended over the life of the Act. In this case the Act could not be said to be administered under grower-elected control, subject, of course, to the inevitable Ministerial veto.

The Minister said there was no veto, but here this man points out that there is. Of course he is a layman, but I will show what the Act says to prove that there is a very powerful veto. The letter concludes—

In conclusion, no doubt Mr. Teasdale can, through the columns of your paper, quickly tell us the real meaning of paragraph (c) and so dispel any doubts, or fears, some of us might have.

Here is the Act, and it is very nice! It says that the temporary board shall consist of five persons appointed by the Governor. Of the five, one shall be the chairman of Co-operative Bulk Handling Ltd., one shall be the chairman of the trustees of the Wheat Pool of Western Australia constituted under the Wheat Pool Act 1932, and three shall be nominated by the Minister. And there is no veto! Oh no! If the Minister appoints them there will be no veto! Further on, the Act states that the Minister shall cause to be prepared in time for the election a roll of

the persons qualified to vote and shall appoint a time for enrolment.

The Minister for Lands: What is wrong with that?

Mr. REYNOLDS: I am coming to it. It says definitely that the Minister has absolute control and the Minister knows that perfectly well.

The Minister for Lands: We are waiting for you to prove it.

Mr. REYNOLDS: The Minister can see that I have given the matter great thought and a certain amount of study. I have pulled it to pieces, section by section, and shred by shred, and I think I have got the "innards" of it.

Mr. Mann: What a genius you are!

Mr. REYNOLDS: I am not a genius.

Hon. F. J. S.-Wise: Do not let him lead you off the track.

Mr. REYNOLDS: He is trying to. I was talking about the meeting at York. Those minutes are still to come but they will keep. I said that the Commonwealth plan has tremendous advantages over the Western Australian Marketing Act. That is so because: (1) The Commonwealth plan does guarantee a price on a cost index and neither the Minister for Agriculture nor the member for Irwin-Moore can deny that, because it is definitely in the Act. Moreover, in that plan there is a provision which enables a review of that cost index; and I would almost make a wager that before the Commonwealth Marketing Act comes into operation the Commonwealth Government will increase the price from 6s. 3d. to 6s. 7d. a bushel. The State Act, as the member for Irwin-Moore knows very well, does not give a guarantee. (2) The Commonwealth Act gives a stabilisation fund and I know that you, Sir, have given thought to this, and will agree with me that the State does not and cannot do so for many reasons which I explained. (3) The board is appointed by the growers under the 15-point plan but, as I have explained, under the State Act the Minister appoints three members of the board and one comes from Co-operative Bulk Handling Ltd., and one from the farmers. It is just a political set-up.

The Minister for Lands: You supported that Act last session.

Mr. REYNOLDS: Yes, and I gave very clearly and definitely my reasons. I did not know that it was a diabolical hotch-potch, that it was something that would put the present Government on the spot.

The Minister for Lands: You should make sure of your facts before supporting a Bill.

Hon. A. H. Panton: You led him astray when you introduced it.

Mr. REYNOLDS: Let me swing off from that to convince the Minister. I quote from a telegram—

Meeting of Executive of S.A. Wheat and Woolgrowers' Association carried resolution unanimously in favour of wheat plan as agreed to at Canberra and supporting A.W.A.'s suggested improvements to plan further that Stott be made available to address meetings in Victoria and Western Australia in support of plan for ballot of growers Stop Nicholls Chapman will also speak meetings Victoria Stop Organisation pledged to give Victoria every assistance in carrying ballot Stop Enabling legislation will be introduced into Parliament on Tuesday in S.A. stop

I might say that in South Australia that sensible man, Mr. Playford, is heartily behind the federated scheme. The telegram goes on—

Ballot of growers will be taken immediately after passage of Bill Stott says ballot will be carried by overwhelming majority in South Australia and Victoria Stop Meetings held all over west coast Coomandook Coonalpyn Bordertown carried resolutions unanimously in favour of plan large meeting for district stirring address by Stott This executive will arrange campaign this State.

The telegram is signed "Stott." Let us come to this State. This is a "stunner." The member of Beverley will enjoy it. Listen to these gems of wisdom—

Naremben—6th August, 19 in favour of Commonwealth Wheat Stabilisation, five in favour of State marketing.

Bruce Rock—7th August. Unanimously in favour of Commonwealth Stabilisation.

Bruce Rock is right in the heart of the electorate of the member for York. When I contested the York seat, I beat him in his home town. I got more votes than he did at Bruce Rock.

Dowerin—Support A.W.F. proposals.

Cadoux—This branch favours Commonwealth Wheat Marketing and Stabilisation scheme.

Dongolocking—Supports A.W.F. 15-point plan and "under no circumstances will vote for State pool."

Kulin—Unanimously decided accept present wheat scheme.

Bindi Bindi—Decided support Federal scheme. Need a Commonwealth wheat scheme to safeguard future.

So say the wise men of Bindi Bindi!

South Caroling-Quairading—If we have to resort to State pool, separate pools with one selling authority.

Pithara—Re-affirms 15-point plan.

Nungarin—Utterly opposed to State wheat marketing and demands acceptance of Commonwealth scheme.

Look at that! Now do they not wilt and wither! Where are these great fellows from Irwin-Moore?

Hon. A. H. Panton: Rust has got into the crop.

Mr. REYNOLDS: I will continue —

York—Supports A.W.F. 15-point plan.

That is the conservative centre where this great meeting of farmers took place. I now pass to the Midland Zone Council, which is the home of Mr. Jones—

North Midland Zone—Supports A.W.F.

Beenong—Supports Commonwealth Wheat Marketing Scheme.

Kalamie—Expressed satisfaction of the agreement reached between Commonwealth and States on wheat stabilisation.

Salmon Gums—Support the union 15-point wheat stabilisation plan.

Trayning—Is opposed to Mr. Jones's attitude in advocating a State wheat pool in opposition to the union's policy of a Commonwealth plan.

Bolgart—Unanimously supported A.W.F. in accepting Federal Government scheme and requesting State Government to implement necessary legislation.

Now we will take a little journey back to York, or should I continue with this? Once and for all I wanted to ask the Minister about this. He probably thought I was just silly. As a matter of fact, today I was challenged to touch on wheat tonight. I had only a few hours to put my stuff together, but I have, over a period of years, been able to put the information I have received into a little box, and I was able to get straight down to it. When I accepted the Minister's challenge to speak on wheat tonight he said he would come along and listen to me, but he has vanished into thin air.

Hon. F. J. S. Wise: He could not take it.

The Minister for Lands: You are such a novice he could not stand it.



Mr. REYNOLDS: A member from another place said to me, "What do you know about wheat?" I said, "I have bought some for fowls on odd occasions and I have chewed a bit of wheat." He said, "Are you going to make a speech on wheat without knowing anything about it?" I said, "Will you give me a hand for, say, 15 minutes to prepare a speech?" He said, "No, I am against it." I said, "That does not suit me." I might tell members that I have here a watch presented to me by the Royal Agricultural Society in 1927-28 when I won the No. 4 Zone crop competition with a yield of 35 bushels, and that record holds today.

Hon. A. H. Panton: What happened at York? That is what I want to know.

Mr. REYNOLDS: Do not worry about that! I know perfectly well that the member for York and the member for Mt. Marshall are going to try to pick up anything I have missed and slate me. I want to deal with everything. I have here a copy of the Mukinbudin-Lake Brown "Dampier Herald" of the 21st September, 1933, of which the member for Mt. Marshall was then editor. This is what he had to say, "Mr. A. G. Reynolds' remarkable success in the wool section can only be recognised as a fine tribute to the quality of the sheep he breeds." He goes on to say, "Patron's Trophy, donated by Mr. C. Maddox, for most points in horses, cattle, sheep, pigs and wool, won by Mr. A. G. Reynolds." So, I know a little about sheep and wool, as I do about something else. I think I had reached the stage of speaking about ministerial power. Later I said the Commonwealth plan was accepted by the majority of growers in all States. That is so.

I am pleased that the Commonwealth Government has seen the wisdom of accepting this 15-point plan. I hope the election which is due to be held will be fair and clean, and I think it will, but I would like the rolls which are prepared annually by the Australian Wheat Board to be used rather than those now being prepared by Co-operative Bulk Handling Ltd., because that is an ambitious commercial organisation which is greatly interested in the election. If the decision goes against Co-operative Bulk Handling Ltd., it will lose all the power and the sweetmeats in the way of handling charges which, as the member

for Irwin-Moore knows perfectly well, amounts to tens of thousands of pounds.

In the past, under the Australian Wheat Board, these charges were passed back to the farmers who got the benefit of them. But of course the Country and Democratic League members are prepared to sell out the farmers in order to see these money manumons of Wellington-street get a monopoly of our wheat. I am here tonight, fighting, as I have been for the last 20 years, in the interests of the farmers and the wheatgrowers. In 1929-30 I had a big financial interest in this State. I had over 3,400 acres of cleared land. All my property was netted and fenced, and I had 23 miles of internal fencing. My overdraft was a very small one—about £5,000. I carried an overdraft and I know that the member for Beverley probably had one as big.

Mr. Mann: Probably bigger than yours.

Mr. REYNOLDS: What did we see? Almost overnight, the bottom dropped out of the wheat market and the farmers became shackled to the financial organisations. It is because I do not want to see the wheat farmers of this State again tied to these organisations—I will be mild—that I am fighting in the interests of the wheatgrowers. In 1930, men like John Mulqueeney, I. G. Boyle and others helped to form the Wheatgrowers' Union. We were treated as outcasts because we had the courage to fight for the wheatgrowers. I might tell the House it was at Mukinbudin that the first branch of the Wheatgrowers' Union was formed. I invited a Mr. H. Parker from Quairading to be present, and within three or four months 120 branches had been formed with a membership of approximately 4,000. Unfortunately, when men like Mulqueeney and others passed out of the union it once again became amalgamated with the Farmers' Union. Today the wheatgrowers are alive and alert to the position, and on the 30th September it will be seen that the wheatgrowers will exhibit their commonsense and show in a practical manner that they are overwhelmingly in favour of the Australian Wheat Federation scheme. The member for Irwin-Moore knows that after that date he will have to get back into his burrow, and I hope he will have a good hollow log for the occasion.

The U.N.O. admits that by 1952 there is a possibility that wheat prices will drop.

I do not think there is any doubt about that when we consider that today America is again producing a 1,000,000,000-bushel crop—the fifth in succession and the sixth in all—and we will possibly experience a record crop in Australia, and the Argentine crop has exceeded expectations. I might also add that there has been a tremendous increase in the growing of rice in Asia and also in Australia. Due to the wisdom of former Governments, we commenced growing rice in Australia, and during the war we were able to export large quantities of it.

The four main wheat exporting countries, the United States, Canada, Argentine and Australia, hope to establish a record export of over 1,000,000,000 bushels for the 1948-49 season. The previous best was in 1945-46 when 834,000,000 bushels were exported. I am not going to worry the House with numerous figures.

Hon. A. H. Panton: Do not forget about the York meeting.

Mr. REYNOLDS: I will come back to that later, but I want to stress the point that this is a big problem.

Mr. Bovell: It is a long one.

Mr. REYNOLDS: The hon. member has not the ability, or at least he has not exhibited it as far as I can see, to stand on his feet and talk for any length of time or with any wisdom.

Mr. Bovell: Brevity is the soul of wit.

Mr. REYNOLDS: The hon. member has no soul and he certainly has no wit. The stocks of wheat today exceed 200,000,000 bushels and 173,000,000 bushels are held in the two North American countries of America and Canada. If the 1948-49 season comes up to expectations, the production in America will be 1,130,000,000 bushels, and in Canada 400,000,000 bushels, in Argentine 200,000,000 bushels, and in Australia 175,000,000, making a total of 1,905,000,000 bushels. These countries hope to export the following quantities of wheat—America, 330,000,000 bushels; Canada, 250,000,000 bushels; Argentine, 80,000,000 and Australia, 90,000,000, making a total of 750,000,000 bushels.

As the member for Irwin-Moore knows perfectly well, today there is no such thing as a world parity; it just does not exist, because the various Governments make con-

tracts between themselves on a Government-to-Government basis, and that is a very vital point because we are apt to be slaughtered as the law of the jungle prevails. The wheat market is a type of spoils to the victors who, unfortunately, continue to exploit and rob the have-nots. There are four exporting countries and they all have different prices. The Australian price, with the exception of 15,000,000 bushels which is being retained as a carry-over, is 17s., although, of course, I know that difficulties have been experienced in New South Wales in transporting wheat to the ports because of unpredictable floods. The socialistic railway system was held up to ridicule, but commonsense tells us that they just cannot handle the wheat.

Australia was selling at four different prices. We were selling to New Zealand at 6s. 6d. per bushel. This question has been trotted out as something detrimental to the Australian Government, but it was done only at the behest of that great authority on Australian wheat, Mr. Thomson. India was paying 17s. a bushel at the time when we were selling wheat to New Zealand at 6s. 4d. a bushel, and the American Government was selling it at 12s. 6d. a bushel, based on Australian currency. The member for Irwin-Moore cannot deny that. We were asking this from down-and-out people. We were asking these poor starving Indians to pay an un-Christian price of 17s. per bushel, and the member for Irwin-Moore, with tears in his eyes like a crocodile, stood up and slated the Commonwealth Government for selling the wheat at that price. At the time a feeling of loathing and contempt cropped up within me because I saw the 40,000,000 starved faces of emaciated boys and girls before my eyes crying out and chanting, "Give us this day our daily bread."

I do not know whether the member for Irwin-Moore understands the meaning and import of that human prayer. He wanted the Commonwealth Government to turn round and exploit the unfortunate position of these people. I wonder if he has ever experienced adversity. I wonder whether he has experienced mental worries. I might tell members that I have had plenty of them; that is why I am so grey. It is man's inhumanity to man that makes millions mourn. Returning to many things, I know there is one in particular I wish to stress. It is a vitally important one because I am going to

pillory the Minister with it. I am going to put him right on the spot. No intelligent person can deny that the world's wheat demands are statistically sound and that reasonable harvests will be reached within the next few years. One reason for the demands is the increase in population.

The member for Irwin-Moore quoted a couple of authorities. One was Sir John Boyd-Orr and he said that the population had increased by 150,000,000. Some two or three months ago I asked for a certain book from one of the officers of this House, because I had seen in that book a series of figures which I thought would be illuminating to submit to members. Fortunately, I have memorised some of those figures and their correctness cannot be denied. The hon. member made this mistake. He stated the population had increased by 150,000,000 throughout the world during the past decade, but members will see that he had a purpose in doing that. He had a definite purpose. He wanted to show the wheatgrowers that there were great possibilities ahead for their wheat and there was no possible chance of a shortage. However, I went into it very exhaustively and I discovered that 74.8 per cent. of that increase had taken place in countries populated by the yellow, brown and black races, and most of those people, as the member for Irwin-Moore should know,—anyway he will know now—live on rice, vegetables and fish. I think I have exploded that point very thoroughly.

During the war, production of rye, which is Europe's bread grain, fell more rapidly than the production of wheat. No one denies that. Unfortunately, however, due to a shortage of fertiliser and inefficient and inadequate machinery, these people have not increased their production as rapidly as we in Australia who are more advantageously situated. However, progress is being made in that way. The fourth point I wish to make is that during the war there was a wholesale slaughter of stock due to increased Army requirements and this unfortunately created a shortage of essential fats, oils, meats, etc. It then imposed a greater burden on cereals.

Turning from Europe to Asia we see unfortunate Asiatics writhing in the pangs of poverty and with a paucity of wheat and rice. Yet the member for Irwin-Moore wants to increase their burden and difficulty

further by asking them to pay more than 17s. per bushel for wheat. The Argentina, at that time, was getting 30s. 3d. for her wheat. Turning to the International Wheat Agreement the member for Irwin-Moore stated that he hoped it would never be revived because it was a foolish sort of thing. To-day we have to face broader issues and realise that the world is an integral whole. We are part of a whole system and, if one portion of the universe is being exploited and robbed, then that portion in turn has to push up its prices in order to get a bit back from those countries that are exploiting it. That is the unfortunate position. In Asia rice is a more important thing in the diet than wheat and rye. I think I have exploded that matter fairly well.

The member for Leederville asked me if I would touch on this York matter. First of all I will give a little titbit.

The President, Mr. E. G. Turner, welcomed Mr. Teasdale, Mr. Woods, Mr. Hamilton and Mr. Ackland to the meeting.

Actually, when I have the time, I intend writing a humorous story on this and put it up in the form of a Gilbert & Sullivan play. It would make a good play; it would, so help my goodness, and I have no sense of humour!

In his address, he said that events in wheat marketing and especially the latest proposals put forward by the Commonwealth Government to the State Ministers, were of great importance, and that this meeting was called so that Mr. Wood would go to a conference in Canberra on Monday with a clear expression of the wishes of wheatgrowers.

Those clear expressions were given in no uncertain terms, because despite the fact that they had the big guns which later turned out to be popguns and their ammunition squibs, the Minister for Agriculture spoke and also John Teasdale, the financial magnate of Wellington-street. He spoke at great length. As a matter of fact, the politician, Mr. Hamilton, was there to damn and blast the Commonwealth Government which he inevitably did, and he opposed them for 25 minutes. But despite all this tirade of abuse, when the motion was put as to whether they were in favour of the Commonwealth scheme, as I explained, the setting was arranged so that the Minister would go away to the conference saying that this meeting of farmers at York voted in favour of the State marketing scheme, but

of course they turned round and voted overwhelmingly in favour of the Commonwealth scheme. Continuing the President said—

This meeting was called so that Mr. Wood could go to the conference at Canberra on Monday with a clear expression of their wishes.

The Honorary Minister for Agriculture (Mr. Wood) said—

He had been told or accused that the meeting had been called for political reasons.

Mr. Turner also made a statement to the same effect and said that he wanted the meeting to be held only so that the Minister could go away with a clear expression of their wishes. The report continued—

Mr. Wood stressed that he had nothing to do with the meeting, and that the York branch of the Farmers' Union confirmed it, and he had been asked to attend. He wanted all views expressed on the matters coming before the meeting. He outlined negotiations between the State Ministers, the A.W.F. and the Commonwealth Government since the beginning of this year. Continuing, he said—"I stress this point that Mr. Pollard is uncertain of his power and wants the State to do his dirty work."

Well, the farmers of this State have expressed their view in no uncertain terms that there is no dirty work about it and are convinced that the wheat scheme is a wonderfully fine one. The report continued—

When he (Mr. Pollard) asked the States to fix the price, he was holding a gun at their heads, and said that if the States did not do certain things, the Commonwealth Government would not fix an export price. Victoria and South Australia were not one scrap concerned with wheatgrowers, but the Western Australian Government had the wheatgrowers' interests at heart. Victoria and South Australia are fighting more in the interests of the poultry and pig-raiser. I repeat that Mr. Pollard said, "No State price fixing, no guaranteed price."

Mr. Dennett's statement at this conference bears out this fact, namely, that they were fighting more in the interests of the poultry man and the pig-raiser.

I admire Mr. Dennett because he stood up to the Leader of the Country Party and said what he thought of the matter. Now here is a gem I have been holding in reserve. Mr. Wood said—

I did not comment myself, but decided with Mr. McCloudy that we would go home and discuss the matter.

What a brave, silent Colossus! He went to Canberra at the expense of the taxpayers and did not say a "blinking" word, but

waited until he returned. What a brave, silent man! The meeting was convened with the object of discussing the matter and that was the logical place to discuss it, but the Honorary Minister came back here to discuss it.

He then referred to the State Marketing Act, and said that there had been criticism that the State Act had too much ministerial control. The powers of the board were certainly limited, but there was no direct control by the Ministers.

The powers of the board were certainly limited. They were limited to the extent that the Government could appoint the three grower members. Thus they could sit over the other two members, and if that is not tantamount to veto, I do not know what is. The report continued—

Interjection: The State Act would bring us back to the open market.

Mr. Wood: That is a stupid statement.

Interjection: It appears that you think the present high price of wheat will remain. How long will it be that price?

Mr. Wood ignored the interjections. He went on to say—"I am going to Canberra to listen as I am not satisfied. I am coming back to Western Australia to ask growers to let us have done with the Commonwealth schemes and let us have four boards, a selling organisation overseas, by which we can retain and deal with our own produce on the overseas market."

The Minister, before leaving for the conference, stated that he was going to say nothing but was coming back to recommend the wheatgrowers to have done with the Commonwealth scheme. I hope the Premier is listening to this —

"If I do not agree with the Commonwealth proposals on Monday, I will ask growers will they have a State board by a poll of growers. I have asked Mr. Braine how long it would take for a poll. He said two or three weeks. That is democracy, I say."

I suffered many sleepless nights over this. I put in a crop of wheat at a cost of 5s. a bushel in 1929 and after harvesting it I received 1s. 7½d. a bushel. Thousands of farmers have suffered headaches for the same reason, and it is because I do not want to see thousands of farmers suffering headaches in future that I am putting up a battle for them tonight. I do not want to see them make a foolish mistake. They have a God-given opportunity to get security for ever and a day. The proposal is based on the cost of production. I stated that Mr. Teasdale put up a 15-point plan. I have

before me a pamphlet on which I contested the York election in 1942.

Mr. Bovell: Are you going to contest the Mt. Marshall district at the next election?

Mr. REYNOLDS: However, we will not discuss that matter. This paper says—

A. G. Reynolds stands fighting for—

(1) An economic automatic basic price for all primary products—wheat, wool, meat, bacon, etc.,

Mr. Perkins: The electors did not think much of it; they put you third on the poll.

Mr. REYNOLDS: I was beaten by 22 votes for second place. The second man was defeated by 42 votes. Had I gained another 12 primary votes I would have won the election by 72 votes. As the member for York knows well, the second man was an Independent. On three previous occasions he had contested the York seat. The member for York knows perfectly well that at that time the Federal Minister, Mr. Ward, unfortunately, had brought out a harvest award which was detrimental to my chance of winning. Before the election took place, I was in a shop at York and told him that I would beat him in his own town. The member for York cannot deny that I did beat him in his own home town.

MR. SPEAKER: Order! Will the hon. member address the Chair!

Mr. REYNOLDS: Thank you, Mr. Speaker. These members are not worrying me; they are simply prolonging the agony. As I say, I advocated an economic basic price for primary products. That was the genesis of the 15-point plan. I challenge members of the Country Party to prove that, prior to that date, this idea was ever advocated by any farmers' organisation in Australia. My second point dealt with farm and debt reconstruction based on the automatic basic price. It was my object to reduce the farmers' debts to a point and then fix the price of primary products so that the farmers would have a sense of security forever and a day. My third point was a basic wage for all farm workers, founded on the automatic basic price and adjusted on the cost of production. Continuing, Mr. Wood said—

There is one thing worrying me more than that, and that is milk.

The Minister for Lands, who is the Minister who should rightly be dealing with this matter, has been delegating these unpleasant problems to his subordinate, who has to carry the burdens and probably he thought they were just a little too thorny for him. At that psychological moment Mr. Teasdale rose and said—

It has been suggested that there is a motive behind the meeting, but I tell you I had nothing to do with it.

Why should the chairman of the meeting, Mr. Turner, suggest that there was something "phoney" about it? Someone had said that it should not have been called and that it was called for political purposes. Why should the Honorary Minister of Agriculture make the same comment and why should Mr. Teasdale say that it had been suggested there was a special motive behind the meeting? Of course, Mr. Speaker, you are a barrister and solicitor, and you know as well as I do that he protested too much. The Minister then said—

What I am concerned about is the marketing of the forthcoming crop.

Of course he was deeply concerned about it, because he wanted to get the whole of the wheat controlled by one organisation, and John S. Teasdale would be the wizard who would control the wheat. I do not blame the Minister. He was after the power to control the farmers' wheat. He had said that the Federal Minister should not have that power, but he did not mind getting it himself. He was commercially ambitious. He said—

My opinion is that Mr. Pollard's attitude has been most unreasonable.

Mr. Teasdale outlined negotiations of the International Wheat Agreement, stressing the point that Britain was the main objector to the price range and the ceiling of the 12s. He said that Britain's economical advisers had recommended to the delegate at the conference a lower price for a maximum, as they considered world-wide prices would drop heavily for the forthcoming harvest. He said that the Commonwealth Government had contended on this agreement to give them powers for the acquisition of wheat. Now that Britain had refused to sign the wheat agreement, it would pass out of existence.

His prophecy was ill-founded, because only on Saturday morning last I heard over the air, on a shortwave from America, that the American Government had ratified the wheat agreement and would keep it going,

so the Minister slipped again! The Minister also said—

Fancy in this democratic country a man making a statement like this!

He said, too, that Britain did not make up her own mind and that she was a satellite of the United States of America. This man made that diabolical and damnable statement.

*[The Deputy Speaker took the Chair.]*

The Minister for Lands: Is that in black and white?

Mr. REYNOLDS: Of course it is. He said—

The day marked the parting of the ways in regard to wheat marketing in Australia, especially Western Australia. The urgent question is—What form of marketing do we need in the future?

The wheatgrowers of Western Australia have frankly and definitely said that they want the Federal wheat scheme. Then he continued—

There were legal objections against the Government forming a pool where wheat was compulsorily acquired.

Unfortunately for him, last Saturday there appeared in "The West Australian" a leading article. I pay this tribute to Mr. Ernest DeBurgh; I have met him only on three or four occasions, but I realise that he is a man of mentality and ability. He has studied this problem over long years. Very often what he says is against labour principles and against the Labour Party, but on this occasion he excelled himself and expressed a very well-considered opinion. In some portions of the leader, however, different shades of meaning can be given to what he says. He said—

The problem as we see it is that while a vote for Commonwealth marketing will give the Commonwealth complete authority over wheat disposal, a vote for State marketing cannot give the State the same power.

He admits that it cannot give the State the same power and also that the Commonwealth has compulsory power to acquire the wheat and dispose of it how and where it likes. It has that total power.

Hon. E. Nulsen: It has control of exports.

Mr. REYNOLDS: Quite right! I knew that the hon. member would interject with words of wisdom. Here is another extract—

"The State Marketing Act was drafted on the report of a Royal Commission of which I was chairman," said Mr. Teasdale. "It was appointed by a Labour Government and heavily financed when a change of Government took place.

The report goes on—

Mr. Teasdale said there was no political pressure. He said the Ministerial power was a veto, but a specific veto, not a general one.

Of course it was a special one! It was total; it was comprehensive; it was devastating; it was everything. There is no doubt about that.

The State Act was not based on public ownership but full powers of grower control. How could there be full power of grower control? Had not the Minister the power to elect three growers? So how could there be grower control? If the Minister did not like Bill Smith or Keith Jones or someone else who did not do his bidding, he could kick him out. I do not suggest that he would do that, but he could. The report goes on—

Interjection: There is ministerial veto in every clause in the Act.

Mr. Teasdale: There is no such thing.

Interjection: There is. I have the Act.

Mr. Teasdale did not answer.

Of course he did not want to answer! He went on to the question of stock feed again. The member of Irwin-Moore said—as a matter of fact I have it in black and white—that he was in favour of the Commonwealth scheme. But at York he said he was in favour of State marketing. I will come to that later. It is a matter of time. There is plenty of time between now and midnight and I am still feeling fresh! Mr. Teasdale did not answer, but he said that Mr. Pollard had acted shabbily. Fancy a Federal Minister acting shabbily! I think Mr. Pollard has acted very generously and wisely. Wheat-growers of the Australian Wheatgrowers' Federation thought so highly of him that they sent him congratulatory messages. That is what they thought of Mr. Pollard. But Mr. Teasdale, who wants to get control over wheat, naturally thinks Mr. Pollard acted shabbily because he would not let him have that control. There are "perks" in wheat. You can operate in futures if you have control of wheat. There is nothing to

prevent you from doing so. When it turns out a bad proposition you can put it back, but when it is profitable you can pluck the plums. I would not suggest—oh, no!—that John S. Teasdale has made great wealth through adopting those tactics. I know he is an honourable man.

The Minister of Lands: You do not speak as though you mean that.

The DEPUTY SPEAKER: Order!

Mr. REYNOLDS: The Minister is speaking as though he means it! The report of Mr. Teasdale's remarks continues—

The reason I advocate a State pool is because it gives growers greater control than under the Commonwealth plan.

I have blasted that from point to point, but I missed one or two points. When I referred to the member for Irwin-Moore I was dragged off the track by the Minister for Lands who caught me napping. This is a vital matter. The member for Irwin-Moore said he was opposed to the Australian wheat scheme on two scores. One was that of stock feed. He said that the stock feeders of this State should pay more than 6s. 3d. a bushel. I asked the Minister for Lands who caught me napping. This is about this matter, and of course he told me to give notice of them. However, I did not worry to do so, because it was obvious he was trying to sidestep the issue. The point in regard to stock feed—and I would be pleased if the Premier would listen to this because it is vitally important—is that India yearly purchased from Australia 30,000,000 bushels of wheat either as wheat or as flour.

These wise men are establishing a scheme of self-sufficiency and, according to advice that I have received, by 1951 they will not be buying one bushel from Australia, assuming that crops reach average expectations. They are out after self-sufficiency. What will happen if we lose that valuable market? That is the market that the member for Irwin-Moore wanted to exploit—the market consisting of those millions of upturned faces pleading "Give us this day our daily bread." What will happen if we lose that market? This is a vital matter. You, Sir, have noticed as well as I, that the British Overseas Corporation, with a capital of £50,000,000, is undertaking the production of grain sorghum in Queensland. At War-

wick in Queensland they have planted 30,000 acres and on the Atherton Tableland and other selected places, by the winter of next year they hope to plant 300,000 acres. It is estimated that within four years 40,000 million bushels of grain sorghum will be produced and that it will be possible to supply—I am sorry the member for Irwin-Moore has gone—the stock requirements of Australia by 1952.

What is going to happen if we ungenerously exploit the stock feeders? Do members think they will give the wheatgrowers consideration, or will they say, "Keep your wheat, we will buy grain sorghum and feed that to our stock"? That is a very vital factor and I hope that somehow or other I will be able to make that very valuable information available to the wheatgrowers of Western Australia. There are some little tit-bits here that I have not dealt with. Where is the member for Beverley? Last year when I made a statement about the Commonwealth Bank and the financing of wheat, he said that I was talking rot.

[*The Speaker resumed the Chair.*]

Hon. A. R. G. Hawke: Yes.

Mr. REYNOLDS: Very definitely. This has come into my hands—

Mr. Johnston (Dowerin): We have heard much criticism of the Commonwealth pool and much more praise of State pools, especially in respect to the Ministerial power. I ask Mr. Teasdale—are we going to get a guaranteed price?

Mr. Teasdale: No, there will be no guaranteed price and without an international agreement there cannot be any guarantee of export price.

The member for Irwin-Moore said he was opposed to an international wheat agreement. Had Australia not signed the I.W.A.—that is not the Independent Workers of Australia, but the International Wheat Agreement—this country would have been forced to align herself with Russia and Argentina. They are the two barter countries and they have Communistic ideologies. What a wonderful opportunity it would then have been for the member for Irwin-Moore to say, "There you are, this great socialist Government, instead of signing the International Wheat Agreement, has gone over and signed it with Communists." What a joke that would have been!

Hon. J. B. Sleeman: What has that to do with the member for Beverley?

Mr. REYNOLDS: I am coming to that. This report continues—

Mr. Wood: Mr. Braine and myself approached one of the largest financial institutions in England.

Interjection: The one that financed the pool after the last war?

Mr. Wood: We said that we wanted £20 million. The banker said that that would be easy. We approached the State bank and it stated that it could guarantee five million, but over that the Commonwealth Bank would have to come into the picture. I prefer the English source.

I imagine the State bank referred to there is the Rural and Industries Bank. Now, just fancy an Australian preferring an English bank and English finance to an Australian bank! Prior to the war we had in the nine Associated Banks in Australia and the Commonwealth Bank £650,000,000 of purchasing power. According to the latest publication of the Commonwealth Bank, we now have nearly £1,600,000,000 of purchasing power. Why cannot we use our own money? Was there ever any necessity to get it from England? Never! That is the position. They wanted to get the money from England with those millions and millions of pounds here. I know men who want to lend money but the banks will not give them more than 1 per cent. interest. I know one hotelkeeper at Narrogin who had ten thousand golden googlies in the bank and the bank manager said he was sorry but he would have to reduce the interest. He could only give him 1 per cent. The report continues—

Mr. Teasdale jumped to his feet and said, "That is so, Mr. Wood. I would like to explain further. After the last war, bills for our wheat were backed by a syndicate of bankers at never more than 1 per cent. higher than overdraft interest rates. The finance was raised by pledging wheat by a form of mortgage as an assignment of documents. These bills were sold on the exchange."

There is definite proof of the statement I made last year from this very seat, that money was raised oversea. It is admitted that a syndicate of banks subscribed the money. I said at that time that the money was paid into the Commonwealth Bank and when that bank wanted to transfer it to one source it was told it had to send it in five different parcels. The reason for that has been explained here. It was because it

concerned a syndicate of bankers. As Mr. Teasdale said, it is never more than 1 per cent. higher than overdraft. Why should the farmers be exploited to the extent of that 1 per cent.? That is something the wheatgrowers of Western Australia should remember. I think in 1923 they were charged 1 per cent. more than overdraft rates. The finance was raised by pledging wheat by a form of mortgage as an assignment of documents. The bills were sold on the exchange.

I could say a little more about these bills but I just won't blow the gaff. The facts were that at an accounts office I saw a bundle of promissory notes of £200 each, bearing interest at 10 per cent. I was informed that they had been endorsed by Western Australian Farmers, franked by one of the insurance companies, and the money to provide for the discounting of the promissory notes was being found by the directors of Western Australian Farmers. If any member likes to interject, I will, on some other occasion, explain that.

The Minister for Lands: What is that in connection with?

Mr. REYNOLDS: Ask them down there and they will give the Minister the information. The report continues—

Mr. Sadler, Goomalling: "Mr. Wood, do you think it is any more possible for the States to agree on a central selling organisation and a guaranteed price fixing, when they can't agree on the present A.W.F. 15-point plan?"

Mr. Wood: "Yes, more chance."

Just fancy—six States with six different selling organisations! How could we get agreement? Members know perfectly well that if a man has five or six sons and he dies, and there is some slip-up in the will, the sons invariably come to blows over the spoils. If we cannot get five or six brothers to agree, how can we expect five or six States, with different problems and economic set-ups, to agree? The report goes on—

Mr. Wood: Yes, more chance. After the last conference I had a private conference with State Ministers and I think we can reach an agreement.

They think they can reach an agreement! We could shoot holes through it. I quote again from the report—

Mr. Maisey: Could Mr. Wood tell us whether concessional sales would continue under State pool?



Mr. Wood: I am not prepared to answer that question, but concessional sales will be made for flour.

We can see a knotty problem was put forward. It so happens that at York there are some of the big men like Mr. Burges, Mr. Boyle—

Hon. J. B. Sleeman: The McLartys.

Mr. REYNOLDS: No, they do not live up there. Mr. Burges is one of the biggest stockbreeders in the State. He buys about 4,000 or 5,000 bags of grain a year. It would be an invidious position if they forced the price up. The Minister did not want to say, while he was at York, just what he had in mind in regard to concessional sales. I refer members again to the report—

Mr. Maisy: Do you think that the question of concessional sales for flour would be debated in the House?

Mr. Wood: I am caught on that. Would it?

Mr. Teasdale: Yes, it would.

Mr. Wood: I am not against cheap wheat for pig feed, but it should be subsidised.

Hon. J. B. Sleeman: That is where the member for Beverley would come in.

Mr. REYNOLDS: Of course if it has to be subsidised the money would have to come out of the pockets of the taxpayers. To proceed—

Mr. Marwick, Greenhills: If wheatgrowers called upon the pig and poultry raisers for a sacrifice, do you think they would do it?

Mr. Wood: Growers have not been given a fair go, and I am going to ask Mr. Ackland to add to this remark.

Mr. Ackland: I wanted to speak to the motion later on. I wanted to speak to a motion which will be presented later on in the meeting.

Interjection: What do you know about a motion?

Mr. Ackland: I am reluctant to release these figures, as I want to use them later on to support State marketing.

And yet in this very House the member for Irwin-Moore definitely made a statement that he believed in Federal marketing.

The Minister for Lands: It is nothing to laugh about, anyhow.

Mr. REYNOLDS: No, it is a very serious matter.

The Minister for Lands: Then why do you not treat it seriously?

Mr. REYNOLDS: I am very seriously concerned about it, because it is such a

foolish thing for a member to state on the floor of the House that he is in favour of Federal marketing and yet at a meeting at York he states that he supports State marketing. He said—

The Minister for Education: I think you had better read the hon. member's speech a little more carefully.

Mr. REYNOLDS: I have read it very carefully.

The Minister for Education: Try again, and you will find something in it that you have missed.

Mr. REYNOLDS: The hon. member went on to talk about the flour tax, and he mentioned that when the drought occurred in New South Wales money was paid from the flour tax funds to dairymen, but when West Australia asked for relief it was turned down. He stressed the point that flourmillers should be able to purchase wheat at home consumption price or even lower; he was even prepared to give the flourmillers wheat at this lower price. On the other hand, he was prepared to ask the pig and poultry feeders to pay a higher price.

The notes continue—

Mr. Sadler, Goomalling: Was not the Federal Government pledged for Western Australia's share?

Mr. Ackland: I do not know about that.

Of course that was a knotty problem and he would not know anything about it. The notes are most interesting and Mr. Johnston of Nungarin had this to say—

I do not think that this meeting should offer any opinion or request Mr. Wood to act one way or the other, as it is not a representative meeting of wheatgrowers. I represent 70 wheat members at my branch and all of them, with two exceptions, are strongly in favour of Commonwealth marketing and stabilisation. I am merely a delegate and have one vote, whereas if this was democratic I would have seven votes. Further, this meeting in York which is not predominantly a wheatgrowing district cannot be a true opinion. Mr. Wood and Mr. Teasdale should come to a wheatgrowing district if they want to hear wheatgrowers' opinions.

I have shown tonight that at Nungarin wheatgrowers overwhelmingly supported the 15-point plan. Mr. Albert, of Greenhills, was against any form of Commonwealth stabilisation or marketing and said

it was a critical deception. The notes continue—

Mr. Sadler, Goomalling: Moved as an amendment that Mr. Wood should adhere to the policy of the Australian Wheatgrowers' Association at the forthcoming conference at Canberra.

Mr. Ackland jumped to his feet and said that it was ridiculous to ask Mr. Wood to be tied down to such a request. He attacked Mr. Cullen of the Wheat Stabilisation Board in Victoria for spreading publicity on behalf of the Commonwealth plan.

As only a propaganda agent of Mr. Pollard, said Mr. Cullen.

Mr. Maisey supported Mr. Sadler's amendment and warned Mr. Wood that he would not be in his shoes—

I would like the Premier to take note of this—

—if in the future the State Marketing Act threw growers back on the open markets.

That is the point about which I am concerned. Just imagine if the wheatgrowers were to be thrown back to the wolves on the open market, and conditions such as existed from 1929 to 1939 were to come about once again. I consider that I have given a fair exposition of the wheat position.

Hon. J. B. Sleeman: What about the member for Beverley?

Mr. REYNOLDS: I think that I will leave the hon. member alone. However, I feel convinced that the wheatgrowers of this State are going to vote whole-heartedly in favour of the Australian Wheatgrowers' Federation scheme.

The Minister for Education: What Mr. Pollard suggests is not the wheat federation at all; it is something quite different.

Mr. REYNOLDS: What is it?

The Minister for Education: It is something different. Work it out for yourself.

The Minister for Lands: That is the point. The hon. member should know.

Mr. REYNOLDS: Had the Minister for Education been in the Chamber earlier, I would have convinced him.

Hon. J. T. Tonkin: That is impossible.

Mr. REYNOLDS: In conclusion, I trust that I have not bored the House but I have endeavoured—

Hon. A. H. Panton: You have done a very good job.

The Minister for Lands: You have thrilled us.

Mr. REYNOLDS: The facts and figures I have given will stand up to any investigation because my information has been extracted from authoritative statements and the statistical figures are irrefutable.

On motion by Mr. Graham, debate adjourned.

*House adjourned at 9.48 p.m.*

## Legislative Council.

Wednesday, 11th August, 1948.

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

### QUESTIONS.

#### ROYAL PERTH HOSPITAL.

(a) *As to Patients and Intermediate Beds.*

Hon. C. F. BAXTER asked the Chief Secretary:

(1) How many patients are located in the new Royal Perth Hospital?

(2) When will the intermediate beds in the new Royal Perth Hospital be available to patients?

The CHIEF SECRETARY replied:

(1) 189.

(2) Date of opening is governed by availability of nursing staff. This has been affected seriously by the poliomyelitis epidemic. Every effort will be made to open these wards at the earliest date.

(b) *As to Estimated and Actual Costs.*

Hon. A. THOMSON asked the Chief Secretary:

(1) What was the estimated cost of the first section of the Royal Perth Hospital?

(2) What was the actual cost?