

license, equivalent to an additional 10 per cent. on the total annual license fee.

Another interesting proposal in the Bill, included at the request of the Road Boards Association and others, relates to the control and regulation of illuminated signs in order to avoid confusion and danger in traffic. Many of these provisions have been taken from the Lights (Navigation Protection) Act passed in 1938. In South Australia, the Road Traffic Act provides that if any light or sign shows a light adjacent to any road or footpath, and the local authority is convinced that such light or sign is dangerous to traffic, the authority may give notice to the owner to remove the light or sign. If it is not removed within a specified time the local authority may remove it at the owner's cost. In New South Wales the Local Government Act provides that a council may regulate advertisements and structures used for the display of advertisements. "Advertisement" includes any sign, device, etc. An ordinance has been published for that purpose.

To go further afield, the report of the Select Committee of the House of Lords, England, contained the following:—

A Departmental Committee on traffic signs recommended that there should be greater supervision over advertising signs which may be mistaken for light signals, and that in addition it should be made illegal, without the approval of the highway authority, to have red or green lights for advertisement purposes in close proximity to the carriageway.

A similar provision contained in this measure can be considered by the House. It was asked for by the local authorities, and in my opinion the time has arrived when signs, particularly Neon signs may be said to have become dangerous. Other provisions in the Bill to which I have not referred have been asked for by local authorities and can be considered in Committee. I promised that the measure would be brought down as early as possible and that the Government's proposals would have a retrospective effect. We have gone the full distance of the requests made by the Royal Automobile Club and car and vehicle owners. It merely remains for the House to hold the scales fairly between those who desire a reduction in fees and those who will have to provide the roads for the users of vehicles.

Mr. Doney: I do not think that will be easy, either.

The MINISTER FOR WORKS: No. We must not be influenced too much by public clamour, because in these matters the public is vocal. The local authorities look to us for protection and are expecting a fair deal. I contend this measure will give them that. The reduction in the period for licenses and the accommodation charge may have the effect of increasing the number of licenses. I think that will be so. In any case, this Bill is the best that we can devise to hold the scales fairly between those whose petrol supplies have been drastically restricted and those who have to provide the roads. I move—

That the Bill be now read a second time.

On motion by Mr. Doney, debate adjourned.

House adjourned at 7.58 p.m.

Legislative Assembly.

Wednesday, 27th August, 1941.

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

QUESTIONS (2)—FORESTS ACT.

Mallet.

Mr. STUBBS asked the Premier: 1, Is he aware that the cultivation of mallet on the reafforestation reserves at Wagin and Narrogin has proved highly successful? 2, If so, is it proposed to extend the cultivation of this tree in suitable areas, in view of its importance to the tanning industry?

The PREMIER replied: 1, Yes. 2, Yes. The area of mallet plantations is being extended by 1,000 to 1,500 acres per annum. The total area of established mallet plantations is now over 13,000 acres.

Sandalwood.

Mr. STUBBS asked the Premier: 1, Is he aware that, fifty years ago, many thousands of tons of sandalwood east and west of the Great Southern Railway, was destroyed owing mainly to no control being exercised over its production, and that no attempt has since been made for its reafforestation in that area? 2, As there are suitable reserves of Crown lands in this district where this valuable timber can be cultivated, will he consider a vigorous programme for its re-afforestation?

The PREMIER replied: 1, Yes. Experimental sowings were undertaken at Narrogin, Highbury, Lol Gray, Bendering and Ravensthorpe. Although germination was in some cases satisfactory, establishment was found to be extremely difficult owing to rabbit and other vermin attacks. 2, The matter will receive consideration.

QUESTION—FIREWOOD TRANSPORT.

Mr. McDONALD asked the Minister for Railways: 1, In view of the petrol restrictions limiting the use of motor vehicles for the carriage of firewood, and of the resulting scarcity and increased cost of firewood in the metropolitan area, will he take up with the Commissioner of Railways the question of reducing the railway freights on firewood consigned to the metropolitan area? 2, Do not the railway freights on firewood consigned to Adelaide, South Australia, average about half the railway freights on firewood consigned to Perth?

The MINISTER FOR RAILWAYS replied: 1, There are already reduced rates from certain stations to the metropolitan area. 2, No; they are higher than obtain in this State.

ADDRESS-IN-REPLY.

Presentation.

Mr. SPEAKER: I desire to inform the House that, in company with the member for Hannans (Mr. Leahy) and the member for Sussex (Mr. Willmott) I attended upon

His Excellency, the Lieut.-Governor, yesterday, and presented the Address-in-reply to His Excellency's Speech. His Excellency replied in the following terms:—

Mr. Speaker and Members of the Legislative Assembly: I thank you for your expressions of loyalty to His Most Gracious Majesty the King and for your Address-in-reply to the Speech with which I opened Parliament.

BILLS (2)—FIRST READING.

1, State Transport Co-ordination Act Amendment.

Introduced by the Minister for Works.

2, City of Perth Scheme for Superannuation (Amendments Authorisation).

Introduced by Mr. Needham.

MOTION—WESTERN AUSTRALIAN WAR INDUSTRIES COMMITTEE.

As to Release of Report.

MR. BERRY (Irwin-Moore) [4.35]: I move—

That this House expresses indignation at the failure of the Federal Government to release the report of the Western Australian War Industries Committee, handed to the Prime Minister on the 6th June of this year, and insists that the recommendations of that committee, especially in regard to the inauguration of the shipbuilding industry in this State, be implemented without further delay, in the interests of the war effort of Australia.

Since I first felt constrained to give notice of my intention to move this motion, certain events have occurred. I understand that the report of the Western Australian War Industries Committee has to some extent been released inasmuch as it has been discussed at Canberra, and is either in the hands of or is to be made available to the State Government. The first portion of the motion does not need much elucidation. I regret it was impossible to discuss the matter earlier. I desired to have the position considered sooner but Standing Orders precluded that. In submitting the motion, I am actuated by a desire to do everything possible in my power to bring members to a realisation of the fact that two years have elapsed since the war started, and during that period hundreds of our vessels—over 8,000,000 tons, I believe—have been sunk. That is why I contend that that part of the report of the committee dealing with shipbuilding should be speedily considered.

Hon. W. D. Johnson: Did you say the report had been made public?

Mr. BERRY: I saw a reference to the matter in the Press. It has not been made public except in the sense that it is being made available to the State Government. That is one of the things I wanted done. Members know that I am chairman of a committee in Perth whose object is the furtherance of all industries—shipbuilding and other secondary industries, and even primary industries. We are interested in their advancement at this most opportune time. As I said in my speech on the Address-in-reply, war is not a hundred per cent. disadvantageous. There are compensations that come to countries in the British Empire, like Australia, which, through force of circumstances, are compelled to undertake secondary industries that otherwise would not have been established. I am not satisfied that we have taken full advantage of the opportunities offering. Before it is too late we must do something definite in regard to the establishment of industries, the inauguration of which was suggested to the Federal Government through the report to which I have referred. I understood from the remarks of the member for Roebourne (Mr. Rodoreda) that we have tons—I think he spoke of millions of tons—of blue asbestos. I gather that we export a certain amount from Australia but that we import a large quantity of lower-grade asbestos manufactured in South Africa. That is the kind of thing about which my committee is most concerned. We feel we can do things here. We consider that to cry out for copper and to stress the fact that we cannot develop many industries because of the lack of copper is ridiculous, particularly when we are told that there are tons of it within a few miles of Perth. Certainly there are tons of copper scattered about this country, and it can be used as can our alunite which the late member for Yilgarn-Coolgardie (Mr. Lambert) told us about so often, and which I feel, too, we should turn to the advantage of the State and the war effort.

Mr. Sampson: The Electricity Department should get hold of some of this copper.

Mr. BERRY: I cannot hear the hon. member's interjection. I am going to revert to this question of ship-building. My committee—the W.A. War Industrial Progress Association—feels that the

need for ships is most important. It has been shown that ships are the medium between secondary industries, primary production and the market. We feel that if we could produce in Western Australia three or four wooden ships of 250, 300 or 400 tons, we could actually take advantage of the enormous trade offering in the Far East. I was told only today by a man who has come from Calcutta, that on sale in the shops there can be seen hundreds of different commodities, made in Australia. I regret that these have probably come from the Eastern States and not from here. A year or so ago in this House I suggested that with proper shipping accommodation we could actually acquire the trade of the Far East and retain it ourselves if we wanted to. It has been suggested from time to time that in this State we cannot build these wooden ships, only steel ones. I understand from the recommendations contained in the report to which I have referred, that that is not the case.

The Premier: You do not know anything about the recommendations, do you?

Mr. BERRY: I know quite a lot.

The Premier: That is good.

Mr. BERRY: Perhaps I know a lot more than the Premier thinks I do.

The Premier: The Prime Minister will not give them to anyone.

Mr. BERRY: I assure this House that we in Western Australia can build these wooden ships. We have the material. We can make the iron ships, too, if we have the will. In that connection it is interesting to note that, while I directed this motion at the Federal Government, the State Government can take a good deal of the responsibility for the fact that so far nothing has been done.

The Premier: No, we cannot.

Mr. BERRY: I will give the Premier a chance to interject while I find something of interest in my notes. In the Press a few days ago appeared an announcement which I will read to the House:—

Mr. D. Lyon McLarty, M.I.E., has been appointed by the State Government as Director of Engineering and Shipbuilding at a salary of £2,000 a year. He will commence duty immediately. The Premier (Mr. McKell) said last night that Mr. McLarty (who is a director of Malley's, Ltd., Sydney) will be released forthwith by his co-directors so that the Government's plans at Newcastle can be more speedily developed.

"Ship repair work and marine engine construction at Newcastle are to be undertaken at once by the State Government," said the Premier. "No time will be lost in commencing operations because it will be a preliminary to the re-establishment of the shipbuilding industry at Newcastle, to which the Shipbuilding Board has indicated its approval. Members of the Shipbuilding Board and their officers have inspected a site chosen. The director will get in touch immediately with the Naval Board with a view of arranging for the construction of naval vessels at Newcastle."

To my mind that is a most astonishing indictment against this State Government. If that can be done at Newcastle we surely can do it in this State.

The Premier: Oh no, we can't! I'll show you directly.

Mr. J. Hegney: We have not got the equipment. You do not know what you are talking about.

Mr. BERRY: I do. If it can be done there it can be done in this State, and I do not care how many interjectors rise to their feet from the opposite benches. Thousands of people in this State are today demanding that it shall be done.

The Premier: What is the difference between Newcastle and Safety Bay?

Mr. J. Hegney: They have the Broken Hill Proprietary.

Mr. BERRY: Well, bring the Broken Hill Proprietary over here and let somebody do something.

A report was made on the 12th August which showed that we can build these wooden ships on the river in the immediate vicinity of Fremantle. I have a copy of that report. It is a good report. I read it carefully and then sent a letter to the Minister for Industrial Development on the 14th August, making a suggestion in connection with that report. Had I sent the letter to the Lama of Tibet it could not have been more thoroughly ignored. There has been actually no reply to it. I suggested in the letter that, in order to start wooden shipbuilding in Western Australia, we should form an original type of company, to wit, a patriotic company. The idea I had was that as the people in Western Australia are noted for their patriotic contributions to war funds they could easily be told that they could contribute to a company of this sort and do something, perhaps, of more advantage to the war effort, and certainly of more advantage to Western Australia than by subscribing to a series of war comforts

which, I venture to suggest, would be found whether they were subscribers or not.

The Premier: Where did you send that letter?

Mr. BERRY: I took the letter in personally and handed it to Mr. Fernie, in the office of the Minister for Industrial Development on the 14th August.

The Premier: In what year?

Mr. BERRY: 1941.

The Minister for Labour: About two days ago.

Mr. BERRY: The Minister has been asleep for nearly 12 days. The point there is that we made the suggestion and undertook to collect this money. People have actually stopped me in the street and told me they would make contributions towards it, but we want from the State Government a practical assurance that it will do something itself to help us. We suggested that it would help us considerably if it put up pound for pound. It was suggested, in reply by Mr. Fernie—

The Premier: You said you did not get a reply.

Mr. BERRY: I have not. The letter was addressed to the Minister. Not only have I not had a reply but I do not think it is intended to send me one.

The Minister for Labour: Do not be ridiculous!

Mr. BERRY: Then answer it!

The Minister for Labour: You will get a reply in due course.

Mr. BERRY: We asked the Government if they would be good enough to subscribe, on a pound for pound basis, or some other method, in order that we could go to the people and raise the balance. It was suggested to me that perhaps the Government would consider guaranteeing an overdraft to pay for the site, which was mentioned in this particular report. The Premier may smile, but thousands of people in this State today want to know why the Western Australian Government has been inactive and done nothing for the last two years.

Mr. J. Hegney: The Commonwealth Government has been slow, anyhow.

Mr. BERRY: In this State everything we fail to do is the Commonwealth Government's responsibility. We say we cannot do this because of the Commonwealth Government, and when I bring up a motion of this sort, directed at the Commonwealth Government, I find that our own State Government

can do a great deal, if not the whole lot. The proof of that pudding is in the statement I read from the Press in connection with New South Wales. The Government of this State can provide a shipyard for the building of these vessels if it wants to do so.

The Premier: How do you know it will not?

Mr. BERRY: It has been so long doing nothing.

Mr. SPEAKER: Order! The hon. member is getting away from his motion now. He had better confine himself to the matter under discussion. I have given him a lot of latitude.

Mr. BERRY: I was afraid, Mr. Speaker, that you were about to say something along those lines. The fact remains that I have perhaps misdirected the motion.

Mr. Cross: How long is it since the Federal Government laid the keel of a ship?

Mr. SPEAKER: Order!

Mr. BERRY: We can do all these things in Western Australia, if we wish to do so. I go further and say that we have got to do them. The duty devolves upon every man, woman and child in this State to do everything possible, as a war effort, to bring back to our shores Australia's sons who have gone to the war. It is a national duty and, more than that, an individual duty to bring those boys back again. We must show them that we are doing our part so that they may meet the competition of the Germans on equal mechanical terms, and on their return, after the cessation of hostilities, we must provide them with a better chance in life. I maintain that men who served in the last war and those who have lived in the interim are the Australians of yesterday, but the boys who have now gone to the war are the Australians of tomorrow. This is their land. We must do everything we can in their interests. It is for the Government and each individual in this State, as well as for the Federal Government, to do everything possible to ensure that those boys get a chance. That is one reason why I have moved this motion. Another reason is that both here and elsewhere in Australia there are complaints regarding the cluttering up of surpluses of our primary produce. Notwithstanding that fact, I know that in Colombo, Singapore, Bombay and elsewhere our flour is wanted by the ton, but supplies are not available. It behoves us, without hesitation whatever, to

embark upon the building of ships immediately so that the anomaly may be overcome. It may be said that the profits will be inconsiderable; but what does that matter so long as we are able to bring our boys back to these shores?

Possibly we shall shortly hear something about the inauguration of the building of steel ships in Western Australia. We have already made a move in that direction. The only difficulty at the moment is to provide an estimate for the steel shipping berth required at Fremantle. It appears that there is no one in the State with sufficient naval architectural education to provide an estimate of the cost of constructing steel yards in the vicinity of Fremantle, or wherever they are to be established. I suggest to the Government—we have already placed the matter before the Federal Government by telegram—that it should urge the Federal Government to supply the necessary officer so that we can get on with the business. There is apparently no truth whatever in the statement that steel supplies are unavailable. We can get the steel. We have the technicians and the ability to carry out the task. I hope that apathy will not continue to destroy the endeavour to have the work inaugurated. If the matter is put sufficiently strongly, I am sure a commencement will be made very soon.

Mr. Cross: Already one factory has been closed down because steel cannot be procured.

Mr. BERRY: As to that, I can only assure you, Mr. Speaker, on the authority of one who in intelligence is almost the equal of the member for Canning (Mr. Cross) that there has been no hitch in this State regarding the supply by the Commonwealth Government of the materials necessary for the munitions we are now making. I am complaining now, through the medium of my motion, that we in Western Australia have perhaps—I should not use that word "perhaps"—not made sufficient noise about this matter to secure recognition of our claims to undertake these works.

Mr. SPEAKER: Order! There is nothing in the hon. member's motion about that.

Mr. BERRY: It refers to the implementing of the committee's recommendations.

Hon. P. Collier: Could we not amend the motion?

Mr. BERRY: I feel that what I advocate must be done and that the promotion of

shipbuilding and other secondary industries in this State will form the subject of a political crisis very soon if something is not done. I formally move my motion as a tribute to 60,000 Australians who gave their lives for the Empire during the course of the 1914-18 war, as a tribute to the wonderful boys of Dunkirk, Libya, Crete and Greece in this war, and finally as a tribute to our primary producers as a result of whose efforts huge surpluses of products have been built up but cannot be shipped. For these reasons I have submitted the motion for which I claim not only the support of every member of this House, including the Government itself, but of the people of Western Australia as a whole.

THE PREMIER (Hon. J. C. Willecock—Geraldton) [4.57]: I have listened with some interest to what the member for Irwin-Moore (Mr. Berry) had to say in support of his motion, and I find myself to a great extent in agreement with what he has said. I think, however, that the scope of the motion could be widened. I do not know that we should concentrate particularly on the shipbuilding aspect. The hon. member seems to have a thorough knowledge of the recommendations of the Federal committee. Yet the Prime Minister is very anxious that no one shall know anything about them! Where the hon. member got his information, I do not know. If his information is that the committee's recommendation is to the effect that the shipbuilding proposals are to be implemented in this State, that is quite all right.

Mr. Berry: They are. Surely you know they are!

The PREMIER: I might know something about them because I have perused a copy of the report. Nevertheless the Prime Minister was particularly anxious that no one apart from the State Government should know anything about the contents of that report.

Mr. Berry: Is shipbuilding mentioned in it or is it not?

The PREMIER: As the Prime Minister has put me under bond not to say anything about the report, I shall not do so.

Hon. C. G. Latham: You will not criticise the Prime Minister because he did that?

The PREMIER: No.

Hon. C. G. Latham: It would be an awful thing if you did.

The PREMIER: I am merely pointing out that the member for Irwin-Moore referred to the contents of the report, and informing the House that I am not in a position to disclose anything about them! Naturally, the Government does not want to be the one set of people to have knowledge of this matter, which is so highly important to the people of Western Australia. The State Government and the Press of Western Australia have a genuine complaint that although the Federal committee that visited this State on public business of tremendous importance to us, no information regarding the work of the committee, or its findings, has been made public. It has been kept secret for weeks and weeks. At least the recommendations of the committee should be made public at the earliest possible moment, so that we shall know what are the capabilities of Western Australia in respect of the various matters inquired into by the committee during its recent visit to the State. If the Federal Government claims that the report embodies important matters requiring decision, there could be no objection to the non-publication of information on those points for the time being. The Federal Government naturally should take whatever time is necessary, within reason, to enable it to go thoroughly and carefully into matters that require decision. I would not complain if no hurried consideration were given to such matters of importance, and agree that the Federal Government may properly take a fairly long time to arrive at correct decisions on some of them.

As for the recommendations, which I think were put up in good faith so that we could extend our war effort, I see no reason why they should not be made available to the people of Western Australia and indeed of Australia in order that we might ascertain the productive capacity of industry in this State in which we are all so interested. This might have been done earlier.

Steps have been taken by the State Government to have the publication of the report expedited. The report might contain a few matters that should not be disclosed in the public interest and from the standpoint of the enemy's obtaining knowledge as to where and how certain things are intended to be done; those matters could be excised from the report. But the recommendations of a responsible Federal committee, which consisted of Senator Collett, a member of

the Federal Government, the Leader of the Opposition (Mr. Curtin) and Professor Mauldon having been made, I see no reason—and I have told the Prime Minister so—why the people should not be informed of the conclusions of that body after having heard the evidence and considered what could be done in the matter of producing war requirements here. I repeat that I see no reason why the people of Western Australia should not be informed of all the recommendations. Whether the Commonwealth Government or the State Government can do this, that and the other thing will be a matter for each to consider and bring down appropriate proposals to deal with them. As to the premises on which our ultimate war effort from the standpoint of local industrial capability should be built, the sooner we know all about it, the better. This has been our attitude from the time the committee was appointed.

I would like to trace the history of the committee and give some idea of what led to its appointment. When it became apparent, soon after the outbreak of war, that considerable quantities of munitions and other war requirements would be manufactured in Australia, we took steps to bring before the Commonwealth Government the industrial resources of Western Australia for the purpose of ensuring that as much of this work as possible should be carried out here. Some orders were secured, but we were not satisfied that the State was doing all it was capable of in this connection to assist the war effort and to increase industrial activity in Western Australia. A proposal was therefore made for the appointment of a State committee, which, with the co-operation of the Minister for Industrial Development, would conduct a comprehensive survey of what the State was able to undertake and make recommendations that could be submitted to the Commonwealth Government. I had invited three gentlemen to constitute this committee when I received a telegram from the Prime Minister's Department stating that the Commonwealth intended to appoint a committee and asking whether we would be prepared to assist in constituting a small committee to investigate the question of the manufacture of munitions. That hung up the matter for two or three days, but we reached an agreement. The Commonwealth desired a committee of only three members,

but as one gentleman was the nominee of both Governments, I suggested that as I had already approached two other gentlemen to act, the Commonwealth should agree to a committee of five in Western Australia, instead of a committee of three as in each of the other States.

Mr. SPEAKER: I think the Premier is getting away from the motion. The hon. member started to criticise the Commonwealth and the Premier is setting out to defend what the State Government has done. There is nothing at all about the State Government in the motion.

Mr. Berry: On a point of order, I think the motion is all-embracing and that the Premier is in order. The motion asks for the implementation of the recommendations.

Mr. SPEAKER: I rule that the Premier is not in order in discussing the motion along the lines he is following.

The PREMIER: I desired to give a historical review of the events that led to the appointment of the committee, and then indicate why the report was important and why the recommendations should be made available almost immediately. I do not think there should be any objection to my giving a historical review of what led to the appointment of the committee. If I am permitted to do that, we can reach a proper understanding on the question why the report should be made available.

Mr. SPEAKER: It is wide of the motion; that is all.

The PREMIER: If I may be permitted to proceed, I shall not dwell upon that point. I have explained that the Commonwealth appointed a committee while we were taking steps to the same end, and, by co-operation between the two Governments, we got a committee of five members. The committee had a big and responsible job, and did it well. The object was to expedite all the contracts for war munitions made by the Commonwealth with different shops in Western Australia and to ensure that they secured supplies of the requisite materials. At the same time, the other aspect was not given the prominence that we thought it should receive. We found in practice that the Board of Area Management Committee, as it was known, operated mainly in expediting and assisting definite proposals put before it rather than in exploring the possibilities of further production. Some opportunities were thus being lost and the

State Government, in May last, appointed two further committees known as the War Production (Government Workshops) Committee, and the War Products (Private Industries) Committee. The charter we gave to these committees was as follows:—

To co-operate with the Board of Area Management.

Ascertain the present capacity for production of war materials of existing factories and workshops and measure the possibility of increasing such capacity.

Arrange for action to be taken to ensure that all factories and workshops capable of producing war materials are kept continuously and fully supplied with orders.

Where thought necessary, make recommendations regarding the extension of existing factories and workshops and plant and equipment therein.

Make suggestions for the establishment of new munition factories and other new war-production enterprises in Western Australia.

Develop the greatest possible co-operative use of suitable factories and workshops as well as skilled labour in the production of war materials.

Mr. SPEAKER: Order! The Premier is now getting a long way from the motion.

The PREMIER: I have explained what led up to the appointment of the committee. The Leader of the Federal Opposition also made representations through the Advisory War Council for an investigation of the capacity of Western Australia in the matter of war production, and asked the then Acting Prime Minister, Mr. Fadden, to appoint a committee to inquire into the productive capacity of industry in Western Australia, and report to the Commonwealth Government. Then it would remain for the Commonwealth and State Governments, individually or in conjunction, as the case might be, to determine what action should be taken. The committee was appointed, and that is the committee I am now dealing with. I wish to give full credit to the Leader of the Federal Opposition, Mr. Curtin, for the action he took towards getting the committee appointed. The committee has been appointed, has visited Western Australia, and has exhausted the complete evidence tendered to it here. I considered that the furthering of the committee's recommendations was the most important thing the State Government had to do during this year.

Mr. SPEAKER: Order! The State Government has nothing to do with the motion.

The PREMIER: I am speaking about the committee and the evidence tendered to it. The evidence had to be submitted by somebody, and the State Government undertook the task.

Mr. SPEAKER: The motion merely asks—

... that the recommendations of that committee, especially in regard to the inauguration of the shipbuilding industry in this State, be implemented without further delay, in the interests of the war effort of Australia.

The PREMIER: I propose, Sir, later to move an amendment excising the latter portion of the motion and dealing with the committee itself. Surely many more important matters are dealt with in the committee's report, matters transcending even the highly important question of shipbuilding, about which the mover of the motion is so concerned.

Hon. C. G. Latham: It seems to me unfair that the Premier should go on discussing a report which none of us knows anything about. The Premier knows something about the subject, and he will not give us the information.

The PREMIER: No, No! We are now dealing in this motion with the committee. The committee came here, and someone had to submit evidence to that committee so that it could make recommendations. This Government, in collaboration with the Chamber of Manufactures and the employers and employees, prepared what I consider was excellent information and submitted it to the committee—information on which the committee's recommendations were based. That evidence having been given, it was highly important to Western Australia that proper recommendations should be made. In my opinion that has been done. When the committee arrived here, the Leader of the Federal Opposition happened to be in the State for a few days; but unfortunately Senator Collett arrived only on the morning of the day when the committee was to begin taking evidence, and he decided that he would prefer the evidence to be taken in camera. Had it not been taken in camera, it would have been known all the time, and this would have been a very good thing. That is just my opinion. Doubtless Senator Collett had good reasons for holding that the evidence should be heard in camera. We protested against that. The State Government de-

sired to have just the evidence made public property. The evidence was collated by the State Government, and the work was paid for by the State, and employers and employees had gone to considerable expense to place proper information before the committee. We thought the Western Australian public was entitled to know what was the evidence given by the highly competent people appointed for the purpose.

Now we have reached the stage when we consider that the evidence at least should be made available to the people of Western Australia, so that they may know what we want. I know that the mover of the motion says, "Western Australia can do all sorts of things to help the war effort"; but it is no use for either the hon. member or myself or anybody else merely to say, "This wants to be done, or the other thing wants to be done." What is needed is a competent committee to make a complete investigation that will result in convincing the Federal Government that a thing ought to be done.

Mr. Berry: How long will that take?

The PREMIER: As regards the information on which the committee's recommendations will be based, the best evidence procurable in Western Australia was presented. After the evidence had been presented by the State Government at the State's expense, the evidence thus being the property of the Western Australian people, we desired that it should be printed; but the Prime Minister did not share that view. We may be able to learn at some time what evidence was given; but the motion is concerned about what recommendations will be or have been arrived at on the evidence submitted by highly competent people.

Hon. N. Keenan: As to shipbuilding?

The PREMIER: No. The first part of the motion says—

That this House expresses indignation at the failure of the Federal Government to release the report of the Western Australian War Industries Committee, handed to the Prime Minister on the 6th June of this year, and insists that the recommendations of that committee, especially in regard to the inauguration of the shipbuilding industry in this State, be implemented without further delay, in the interests of the war effort of Australia.

The motion asks that the whole of the information should be made public, and es-

pecially the information relating to shipbuilding. I have been desirous of having the information made available to our people, and on the 29th May, 1941, I wrote to the Prime Minister as follows:—

During your absence from Australia your Government appointed what is now known as "The Western Australian War Industries Committee." The members of that committee visited Western Australia and received comprehensive evidence covering the man power and productive resources of this State.

The State Government, through several of its departments, presented what is considered to be very important and valuable evidence to the committee.

The proceedings of the committee were conducted in camera.

At my suggestion the Minister for Industrial Development in this State recently made representations to the chairman of the committee (Senator Collett) for permission to have the case presented to the committee by the State Government published in the columns of the "West Australian." Senator Collett has replied stating that the committee has no authority to sanction the publication of any of the evidence tendered. He has, however, referred the whole matter to the Honourable the Acting Prime Minister, Mr. Fadden.

The people of Western Australia are anxious to obtain information covering the general case presented to the committee, and particularly the case as presented by the Government. It is felt strongly that they are entitled to be informed in that regard.

There is a general feeling in this State that Western Australia has not received very much consideration in the distribution of orders for materials required in connection with the war effort. There is also an idea abroad that the case for this State in that connection has not been presented strongly or comprehensively enough to your Government. I feel sure that the publication of the evidence given on behalf of my Government to the committee in question would create a much better feeling amongst our people, and would provide them with very useful and helpful information. I am sure, also, that it would be of value to the people of Australia as a whole to know that in this time of crisis your Government recognises that there are in Australia avenues of potential production which must all be fully exploited for the war effort.

I trust, therefore, that you may be able to see your way clear to grant the permission required, and I should very much appreciate an early reply.

I received the following communication, dated the 19th June, from Mr. T. J. Collins, writing for the Prime Minister:—

I desire to refer again to your letter of 29th May regarding the question of the publication of the case presented by your Government to the Western Australian War Industries Committee.

It is considered that pending an examination by the Commonwealth Government of the Committee's report it would be inadvisable to publish any evidence submitted to the Committee. Your request will however be kept in mind and a further communication addressed to you as early as practicable.

That letter also was merely in regard to the evidence. What we now want is that the committee's recommendations should be made public. As regards the release of the report, which is referred to in the motion, I can only say that I certainly agree it would be a good thing for Australia if all the information regarding our potential capacity for production of war munitions and of all things associated with the war were made public, and the committee's recommendations in this regard implemented.

This thing goes on. The last time I was in Canberra I told the Prime Minister, in a perfectly friendly way, in connection with his contemplated trip to Western Australia, that he would be seriously embarrassed if he came to this State without making some public comment on the committee's recommendations. I stated to the Prime Minister of Australia that if when he came to Western Australia he wanted to get in touch with its people and have a successful trip he should be prepared to make a public statement of the nature indicated. I told him that in my opinion he would be very seriously embarrassed upon coming here if he made no mention of the report and the findings of that committee, because the people of Western Australia were anxious to know something about the matter, and had a feeling that their efforts in regard to war industry were to a certain extent being suppressed. I emphasised that the Prime Minister's visit would be ever so much more successful if he were able to give some information with respect to that report. I think the Prime Minister would have followed that course had he been able to come to Western Australia. About a fortnight ago a letter dealing with the matter was published by Senator Collett, but it was not nearly so complete or full as a statement by the Prime Minister himself could have been had he had the opportunity to deal with the question from the public platform in Western Australia.

When I saw the Prime Minister recently—it was on the day he returned from Adelaide after he had cancelled his trip to West-

ern Australia—he expressed concern and arranged with the secretary of the Prime Minister's Department, Mr. Shedden, to interview me about the report. Mr. Shedden showed me some of the recommendations and then I learnt that some of them had been made to the Commonwealth Government, some to the State Government, and some to the Commonwealth and State Governments combined. I immediately wired again to the Prime Minister stating that, as the recommendations to our State Government were to take action, my Ministers would naturally want to receive them immediately. The Prime Minister replied recognising my contention and stating that three copies of the report were being posted for the information of members of the Government. He added that he desired the report should not be published without reference to the Commonwealth Government. At that stage he did not want it published. I respect his wishes, but that does not prevent me from supporting the motion, which I think is designed to give the people of Western Australia knowledge of the recommendations, so that, if they are not given effect to, whoever is responsible can be urged to expedite the matter.

The State Government is particularly anxious to do everything possible in the way of munitions production in Western Australia. When asked by the Commonwealth Government what we would do in regard to the munition works at Welshpool and other places, I replied that we would give them every assistance and would undertake considerable expenditure on behalf of the State. That is the position as it stands at present. The mover has said some people have the idea that the Government has stood idly by so far as concerns the recommendations in this report; and he added the people thought the Government was not going to do anything until the report was actually made available. But we have done many things. As a matter of fact, now that I have seen the report, I say many of the recommendations contained therein have already been implemented by the Commonwealth Government. The East-West Road and the munitions factory are instances. I am not going to detail all the recommendations, but those I have mentioned are already public property. Several of the recommendations have been given effect to, but without the Prime

Minister's permission I cannot make them known.

Hon. W. D. Johnson: Where is the report now?

The PREMIER: It is with the Commonwealth Government, but two or three copies have been supplied for the information of the State Government, so that we might consider the recommendations affecting our State.

Hon. W. D. Johnson: Are you going to table the report, so that we shall all be able to learn its contents?

The PREMIER: The Prime Minister specifically requested that the report should not be made public and I shall respect his wishes. I hope before long, however, the Commonwealth Government will have got the reports from the various sub-committees on the subject and will then make a decision favourable to war production in Western Australia. I point out that we have not simply sat down and said, "There is a report in existence; we will not do anything until it is published." We have been doing a considerable amount even in regard to ship-building. The Midland Junction Workshops have built engines for several ships constructed in Australia.

Mr. SPEAKER: There is nothing in the motion about what the State Government has done in respect to shipbuilding.

The PREMIER: No. I do not wish to proceed with that matter, except to say that we have in the last two weeks ordered machinery to the value of £160,000 for ship-building. It is hardly wise to attach such great importance to the shipbuilding recommendations contained in the report. Evidence has been given about other matters, such as the development of the Lake Campion deposits and the steel industry of Western Australia. While shipbuilding is of tremendous importance, the other matters are of still greater importance. I would not care for the Commonwealth Government to receive a motion stating that the Parliament of Western Australia, assembled together, particularly desired to know something about shipbuilding. We want to know about the other recommendations. I should like to move an amendment to the effect that the words in the motion relating to ship-building be struck out.

Hon. C. G. Latham: I desire to move an amendment prior to that.

The PREMIER: Then I give notice of my intention to move the amendment I have indicated.

Mr. SPEAKER: I am afraid that if the Premier sits down he will miss his chance of moving his proposed amendment.

The PREMIER: I think the Standing Orders provide that if a member desires to move an amendment affecting portion of the motion which comes before the part I desire to amend, I must give way to such member.

Mr. SPEAKER: All you can do is to speak to the amendment moved by some other member.

The PREMIER: The Leader of the Opposition desires to move an amendment ahead of the portion of the motion I desire to amend.

Mr. SPEAKER: If he does so, you can speak to his amendment, if you can catch the Speaker's eye.

The PREMIER: Cannot I at this stage give notice of my desire to move an amendment affecting the latter portion of the motion?

Mr. SPEAKER: No. We are not in Committee.

The PREMIER: It can be done in another way. I have again wired to the Prime Minister asking him to make the report available for publication, excising any confidential matter. I suggested that one of his officers should go through the report and excise in red ink the portions which the Prime Minister desired should not be made public. I have also wired to Senator Collett and to Mr. Curtin asking them to endeavour to have the report and recommendations made available, so that the people of Western Australia may know what is to be done and may give effect to the recommendations, if they are considered wise, as I believe some of them to be.

HON. C. G. LATHAM (York) [5.28]: I feel disposed to confine myself entirely to the motion, to which I draw the attention of members. I consider it to be unwise, and I say that without any feeling towards the mover. I ask him this question: Were I, in my capacity of Leader of the Opposition, to move a motion worded such as this, would not the Government take it as a motion of want of confidence?

The Premier: No fear!

Hon. C. G. LATHAM: I ask the Premier to listen to this, through you, Mr. Speaker. Mr. Berry has moved "that this House expresses indignation at the failure of the Federal Government to release the report of the Western Australian War Industries Committee."

Mr. Cross: He might have good reasons for so moving.

Hon. C. G. LATHAM: It is very unwise for one Government to begin expressing indignation concerning the actions of another. No one would resent it more than I would if the Federal Parliament were to carry a motion condemning this Government. I would tell that Parliament to mind its own business.

The Premier: This is our business.

Hon. C. G. LATHAM: Yes, but it is not our business to express indignation as from one Parliament to another.

The Premier: One might express one's indignation personally.

Hon. C. G. LATHAM: If we are going to encourage this sort of thing, we might find ourselves with motions carried in another place, condemning us for our action. That would be an unwise course to pursue. My desire is to have struck out the word "indignation" and other words that I will come to later. We would then be able to express ourselves in more moderate language. I should like to convey that this House expresses its desire that the Federal Government should release the report of the Western Australian War Industries Committee. I am anxious to see that report. Evidently it is an important document. At the moment we are at a great disadvantage because we know nothing about the document, although the Government of this State has been supplied with three copies and knows what they contain.

Whether the document is one that it would be dangerous to release to the public in time of war, I do not know, and I shall not express an opinion upon that point. What I do want is that something shall be done. The Premier, having a knowledge of the recommendations of the committee, because a copy of the report has been sent to him, should, I think, have told us in what way his Government was implementing the document. Is it doing anything to implement the report, and could it do anything? Had he told us that we would have been in a better position to judge the situation.

With the knowledge we would have possessed, we would have known the Federal Government was doing something towards giving effect to the recommendations, failing which we could have said, "Cannot you get on with your side of the business?" It is not an uncommon thing in Parliaments for confidential reports to be made to Ministers without their coming before Parliament. I do not know the nature of this particular report, whether it is a confidential one, or might be regarded as coming within that category.

The Premier: Some of it might.

Hon. C. G. LATHAM: I am surprised that men such as Senator Collett and the Federal Leader of the Opposition, Mr. Curtin, should have put into the report anything that might be regarded as dangerous during the war period, and for it then to be given to the public. Both gentlemen are extraordinarily careful. I wonder whether they had any idea that the document would be made public at the time it was handed to the Federal Government.

The Premier: Mr. Curtin was anxious that it should be published.

Hon. C. G. LATHAM: Evidently there is a division of opinion between the Premier of this State and the Leader of the Federal Opposition as to whether this report is highly dangerous from the point of view of the State.

The Premier: Mr. Curtin does not think so.

Hon. C. G. LATHAM: The Premier suggests that it might be dangerous. It is extraordinary that three copies of the report should have been sent to the Premier. He did not take me into his confidence. If he had said to me "I have a copy of the report; you had better look at it," he might have had me in his corner.

Mr. SPEAKER: Order! It does not matter what the Premier might have said to the Leader of the Opposition; what we want to know is whether the House is in favour of this motion or not.

Hon. C. G. LATHAM: Had I known what was in the report, I might have been in favour of the motion, or I might have opposed it.

Mr. Marshall: I understood you were about to move an amendment.

Hon. C. G. LATHAM: That is so.

Mr. SPEAKER: Order!

Hon. C. G. LATHAM: I am not going to discuss a matter about which I know nothing; neither am I in a position to say what the document contains. I should only be talking for the sake of talking if I did so. It is my desire to moderate the motion to a certain extent so that we can approach another Government in the way that I would like to see that Government approach us. For that reason I am entitled to ask the House that the motion should be framed in more moderate terms. I am sure the member for Irwin-Moore (Mr. Berry) would not disagree with me on that point. He, as I am, is anxious only to get results. Even last session I expressed myself concerning the delay that had taken place in this State. For a time I was very concerned, as other members were, because men were going to the Eastern States to get employment. I am pleased to say that has since been stopped.

The Premier: What has been stopped?

Hon. C. G. LATHAM: I referred to the sending of men out of the State to find employment in the Eastern States. I was afraid they would not return, that they would get married over there and settle down, instead of assisting in populating Western Australia.

Mr. SPEAKER: Order! There is nothing about that in the motion.

Hon. C. G. LATHAM: I find it difficult to confine myself entirely to the wording of the motion when putting up a case in support of an amendment. I hope the House will agree to the amendment I propose to move, so that when the motion goes to the Federal Parliament, it will go in the form in which we would desire a similar motion to come from that source to us. My amendment would be:—"That the words 'indignation at the failure of' be struck out and the word 'desires' be inserted in lieu."

The Premier: Why not say "urges"?

The Minister for Works: Why not strike out "expresses"?

Hon. C. G. LATHAM: I move an amendment:—

That in lines 1 and 2 the words "expresses indignation at the failure of" be struck out, and the word "urges" be inserted in lieu.

MR. McDONALD (West Perth—on amendment) [5.37]: I hope the motion when amended will be carried. There is observed, or should be, a certain convention between State and Federal Legislatures, as well as between State Legislatures in matters of this description. It is, therefore, incum-

bent upon us to endeavour to preserve the dignity of Houses of Parliament in the public estimation and to couch motions such as these in the right language. Whilst I commend the motion, I feel that the amendment moved by the Leader of the Opposition will give the member for Irwin-Moore (Mr. Berry), as well as the House, all that is required, and at the same time will meet any objections on the ground I have mentioned.

MR. BERRY (Irwin-Moore—on amendment) [5.38]: I am happy to accept the amendment. The House and the people of Western Australia, as well as of Australia, have my assurance that I am actuated only by a desire to see that everything possible is done on behalf of the war effort of the Commonwealth.

Amendment put and passed.

THE MINISTER FOR LABOUR (Hon. A. R. G. Hawke—Northam) [5.39]: I move an amendment:—

That in lines 4 to 8 all the words after "committee," down to and including the word "State" be struck out.

The words I propose should be deleted have special application to the inauguration of the shipbuilding industry in Western Australia.

The Premier: We do not know what the recommendations of the committee are. All we want is to have the report released.

Mr. McDonald: But the report might not contain what we want.

The MINISTER FOR LABOUR: I do not think it advisable to pay particular attention in this motion to one proposed activity. I have a very good knowledge of the evidence the Government placed before the Committee. In respect to some proposals that evidence is equally as important as is the evidence placed before the committee in connection with shipbuilding. Some of the other proposals upon which the Government submitted evidence are far more important to the State than is shipbuilding, and will be more important for a far longer period in the future than shipbuilding activities will be. Consequently, it is undesirable that in a motion of this kind we should ask the Commonwealth Government to pay special attention to one proposal when that proposal is not more important than—if it is as important as—other proposals dealt with by the committee. Some of the evidence tendered to

the committee by the State Government and by other organisations in Western Australia had to do with the establishment here of the iron and steel industries. Other evidence concerned the development of the alunite deposits at Lake Campion. I think that in the opinion of most people qualified to express an opinion, both of those proposals are equally as urgent as is any shipbuilding scheme.

Mr. Boyle: The alunite deposits at Lake Campion are most important.

The MINISTER FOR LABOUR: Both of those proposals are more important than is the shipbuilding proposal, if we take the long view. The House would be unwise to ask the Commonwealth Government to pay particular attention to the shipbuilding proposal. If we are going to ask the Commonwealth Government to implement the recommendations of the committee as set out in the committee's report to the Government, then I think we should ask it to implement the whole of those recommendations and not to direct particular attention to any one suggestion. It will be for the House to decide whether it intends to call upon the Commonwealth Government to give effect to all the recommendations of the committee without the House knowing just what those recommendations are, but if the House is inclined to do that I hope it will not call upon the Commonwealth Government to give particular attention to one proposal in the committee's recommendations as against all the other proposals that were made.

Amendment put and passed.

MR. J. HEGNEY (Middle Swan) [5.45]: I propose to support the motion because I think it is reasonable, having regard to the fact that in the Eastern States the Commonwealth Government has found money for the purpose of carrying on some of the activities mentioned, including the development of the shipbuilding industry. Last February the Advisory War Council found that there was an unexpended balance of £6,000,000 and it was suggested that that money should be made available immediately for the purpose of giving effect to a programme of shipbuilding in Australia. Shortly afterwards a shipping board was established and activities were commenced at Cockatoo Island. Therefore, New South Wales is

receiving a share of that unexpended balance, but in this State the industry has not up to date been developed—in the first place because we are so far removed from the steel plates necessary for shipbuilding, and secondly because the supply of tradesmen, such as boilermakers and shipwrights, is insufficient owing to the fact that so little attention has in the past been paid to the industry in this State. Young men who have learnt those trades in Western Australia and are quite competent have drifted to the Eastern States to take part in shipbuilding activities there.

Mr. SPEAKER: I point out that reference to shipbuilding has been deleted from the motion.

Mr. J. HEGNEY: I understood the amendment had been defeated. I take it, however, that the recommendations of the committee include the development of shipbuilding. I think the mover of the last amendment said a proposal for the development of the iron and steel industries was included in the report and the development of the alunite deposits was also discussed. I understand that the desirability of encouraging shipbuilding in Western Australia was also stressed. The member for Irwin-Moore (Mr. Berry) pointed out that shipbuilding activity was taking place at Walsh Island. Walsh Island is in a very much better position than is Western Australia because it is adjacent to the Broken Hill Proprietary and has ample machines, slips and so forth for carrying out the work. We are not so happily situated. I do not think the hon. member was justified in drawing a contrast between what the New South Wales Government has done and what the Western Australian Government has failed to do, because no reasonable comparison can be made.

Mr. SPEAKER: Shipbuilding has been struck out of the motion.

Mr. J. HEGNEY: The Commonwealth Government has had this report for some time. The Leader of the Opposition expressed amazement that the Prime Minister had not made the report available. He made representations in Western Australia and subsequently in the Eastern States with a view to having the report released for the information of the public. Many of the recommendations concerning the report should undoubtedly be

given effect to. We discussed the matter and asked that the report should be made available at the earliest opportunity in order that we might have an idea of how we could co-operate in the war effort, and as to the industries in which we might take part. We wanted to know whether we would be able to foster the shipbuilding industry or the development of the iron and steel industries or other industries of paramount importance to Australia. We feel that a policy of decentralisation should be followed in these matters, and I have no doubt that in the report stress has been laid on the importance of this aspect of the development of industries in the Commonwealth, and on the need for having a balanced development throughout the Commonwealth. Up to the present most of the industries mentioned have been fostered in the Eastern States with the result that skilled artisans have been steadily drifting there from Western Australia.

We are asking that some of those millions being spent there be made available so that the contents of this report, which mentions the shipbuilding industry, can be implemented. A representative of the Shipping Board came here and gathered information on this matter. I know that the Minister for Industrial Development in this State, twelve months ago, tabulated the number of tradesmen available, and his department has sought available sites, and so on. If the opportunity presents itself, then insofar as it is possible, having regard to the limitations in respect to tradesmen and the period of time it would take to equip a workshop and build a slipway, I hope it will be grasped. Effect ought to be given to the report. It is long overdue, and I cannot understand why there should be such reticence in connection with it. The people of Western Australia are anxious to do all they can to promote industrial development and the war effort here. I have already pointed out that our engineers and other skilled tradesmen in workshops have held meetings during the lunch hour urging that something be done so that they could get more war work and take a greater part in the war effort.

The hon. member is to be commended for his interest in this matter and for bringing it forward but I disagree with him in some of his contentions. I hope the contents of this report will be released almost immedi-

ately and an opportunity given to the workers of this community to engage in these industries. The State Government in carrying out the recommendations of parts of the report will be limited by finance but it is the bounden duty of the Commonwealth Government to spend resources in this direction here as it is doing in eastern Australia. I know the shipbuilding industry in eastern Australia because I worked in it at Cockatoo Island, and Walsh Island also, during the last war. Two years have now elapsed and we are badly in need of ships to take our goods to the other side of the world. Shipbuilding and the heavy steel industry should be developed in this country so far as practicable. We can build up our population and gather skilled men around that industry and provide work for all. Those men today are not hindered from going to the Eastern States for employment if they so desire. Certain trainees have been educated at the Technical College here who have been hindered from going, but that does not apply to the skilled tradesman, the fitter, boilermaker, shipwright and so on. He can go if he wants to. I hope that effect will soon be given to the report.

MR. McDONALD (West Perth) [5.55]: I do not want to do anything to lessen the effect of the movement initiated by the member for Irwin-Moore (Mr. Berry) to forward war industries in this State, but as the motion now stands, it says that the House insists—

Mr. J. Hegney: That the House "urges"

Mr. McDONALD: Pardon me; I am dealing with the latter part of the motion—"insists that the recommendations of that committee, especially in regard to the inauguration of the shipbuilding industry in this State, be implemented without further delay."

Mr. J. Hegney: That has been cut out.

Mr. McDONALD: No, it has not. The members of the House, apart from the Government, do not know what the recommendations are. As a responsible body we, the Legislature, are asked to sign on the dotted line without even seeing the document. Although the recommendations might be worthy of being written in letters of gold, at the same time I do not like being associated with a motion which insists that

they shall be carried out when I do not even know what they are. It may be the opinion of some of us when we do know, that they are not altogether the best things to be done. I propose to move, and I hope the member for Irwin-Moore (Mr. Berry) will realise my position to strike out the word "implemented" in the second last line and to substitute the words "dealt with." I think that will give the hon. member what he wants and save us from the embarrassment of insisting that the Commonwealth Government and the State Government do something when we do not know what that something is. I move an amendment—

That in lines 8 and 9 the word "implemented" be struck out, and the words "dealt with" inserted in lieu.

Amendment put and passed.

MR. SAMPSON (Swan) [5.58]: Although the motion before the House has been amended, we are, nevertheless under an obligation to the member for Irwin-Moore (Mr. Berry) for having brought the matter before the House and done something to remove the cloak of inertia that has so badly marked Western Australia's efforts relative to matters contained in the report.

Hon. C. G. Latham: We do not know what is in the report.

MR. SAMPSON: No, but we do know that the amendment proposes it shall be dealt with without further delay in the interests of the war effort of Australia. We are notoriously a State that moves slowly—that is, if we move at all. We procrastinate and circumlocute and are afflicted with something that is usually described as "Wait a while." The member for Irwin-Moore, in earnest desire to assist, has brought forward a motion the carrying of which will undoubtedly be beneficial. The Federal committee's report deals, presumably, with various matters, and so I shall not specially refer to shipbuilding. I trust that, as a result of the action taken by the hon. member, we shall, in the near future get somewhere regarding these important matters. Undoubtedly Western Australia lags far behind the Eastern States with respect to war work. The member for Irwin-Moore by convening meetings, discussing matters, forwarding telegrams to the Federal Government and by other means, has done much to concentrate thought and

attention on war matters affecting Western Australia.

The Minister for Works: Did you give evidence before the Federal committee?

MR. WITHERS: Anyhow, the member for Swan cannot enrol the member for Irwin-Moore in his party.

MR. SAMPSON: Whatever may be the result of the course now proposed, it will be advantageous to the State. We should not accept the position of the State so phlegmatically. We should secure the advancement in respect of war and other matters that is so essential if Western Australia is to be lifted from the slough of despond into which it appears once more to be sinking.

MR. CROSS (Canning) [6.2]: While I did not agree with the motion in its original form, there is, no doubt, much concern throughout the State regarding the delays caused by the Federal Government in dealing with various matters. My electorate represents one of the most important in regard to heavy industries.

MR. SAMPSON: And the Zoo!

MR. CROSS: The Structural Engineering Company put off men six weeks ago and has since paid off a further 60 men because no steel was procurable in Western Australia. Such industries cannot be carried on unless steel supplies are available. The necessary representations have been made to the Federal Government, and surely it will be obvious to the House that the Federal committee's report will contain some recommendations regarding the Structural Engineering Company at Welshpool and Forwood Down and Company, who are engaged in similar activities in relation to war work. It is scandalous to think that in these times 70 or 80 skilled men can be stood down from employment because of shortages of supplies for industry. I know that Mr. Malloch, one of the biggest manufacturers in Perth, found it impossible to supply orders for wire-netting and other requirements. In consequence of the position confronting him, he went to the Eastern States and spent some weeks there endeavouring to secure supplies. He found he was entirely dependent upon the Broken Hill Pty. Coy., which concern was cluttered up with orders from the other States. I do not know what the recommendations of the Federal committee are but they may include a proposal

to establish furnaces in Western Australia so that we can make our steel locally. The time has certainly arrived when the Federal Government should deal with these matters expeditiously so that skilled tradesmen here may not be forced to walk the streets—

Hon. P. Collier: While there is work to be done.

Mr. CROSS: All because supplies cannot be obtained for industry here.

Hon. C. G. Latham: You supported the move to send Yampi iron ore to Japan.

Mr. CROSS: It is a pity we did not send the hon. member there.

Mr. SPEAKER: Order!

Hon. C. G. Latham: I might have been able to do some good.

Mr. CROSS: I am pleased that the member for Irwin-Moore (Mr. Berry) has brought forward this matter for discussion because it affords the House still another opportunity to draw the attention of the Federal Government to the fact that Western Australian industries are hampered and skilled tradesmen walking the streets without employment in those industries, all because we are awaiting supplies of steel essential for carrying out war orders on hand. That is the position to date. The Federal Government has not even made available its reasons for not publishing the report of the committee nor yet its recommendations. Whatever those details may be, if the information had been made public, the necessity would not have arisen for the launching of a motion protesting against delay, the effect of which is to benefit the Eastern States to the detriment of Western Australia.

Question, as amended, put and passed.

MOTION—WHEAT.

As to Power Alcohol.

MR. TRIAT (Mt. Magnet) [6.6]: I move—

That in view of the heavy carry-over of wheat in Western Australia, with poor prospects of export markets, linked with a serious shortage of petrol in country districts, the Government be strongly urged to give serious consideration to the proposed erection of power alcohol plants in Western Australia.

At the outset I admit that my personal knowledge of power alcohol is very slight. What information I have has been gleaned from reading. The source of power alcohol available in Western Australia is mainly,

and at the present time solely, wheat. The quantity of wheat in the State is really astounding, and we have heard from various members about its being attacked by weevils and other pests. If it is at all possible to utilise this grain for the manufacture of power alcohol, I am satisfied that nobody would be more anxious than the present Government to do it. Certain matters pertaining to the production and use of power alcohol are not within the knowledge of most people. I did not know of them until recently when I was fortunate enough to obtain a copy of the report of the Power Alcohol Committee of Inquiry, published by the Commonwealth Government.

In travelling through the back country I have come across many people who, a few years ago, were engaged in farming but who decided to leave the land. Quite a number of farmers have left the dry areas in the hope of improving their fortunes elsewhere. Owing to low prices for and the difficulty of disposing of wheat, other farmers have sought employment on the goldfields and in the metropolitan area. Thus the number of settlers in the agricultural areas has been depleted. If means can be found to overcome the difficulties leading to this depletion, we should endeavour to give effect to them.

I am quite aware that the amount of capital needed to instal a power alcohol plant would be considerable and beyond the unaided means of the State Government. The report of the committee, from which I will quote, will convey some idea of the quantity of power alcohol manufactured in Australia and in other countries, the cost of manufacture, and the proportion manufactured from wheat. Information is also given about the efficiency of power alcohol, which is an important factor. Statements have been made that power alcohol is an inferior spirit. I was of that opinion until I was advised to the contrary by people who have used it. I believe that power alcohol is superior in quality to the petrol being marketed in Australia at present. Members are aware that the super grade of petrol is no longer available for use by the public.

The report of the committee is dated the 17th May, 1941. A table on page 11 sets out the production of power alcohol in various countries. In 1937 Germany produced 38,000,000 gallons from potatoes and molasses; in 1935 France produced

89,000,000 gallons from sugar beets and molasses; in 1937 England produced 5,600,000 gallons from molasses; in the same year Italy produced 10,000,000 gallons from sugar beets, molasses, grapes, etc. When a country like Germany as recently as 1937 could produce 38,000,000 gallons of power alcohol from valuable foodstuffs such as potatoes and molasses, it shows the importance of the commodity. Some great advantage must accrue to the country in return for using foodstuffs in that way. Austria, Hungary, Czechoslovakia, Sweden, Japan, Brazil, Philippine Islands and Australia also produced power alcohol in those years.

In many countries the use of power alcohol as a motor fuel is enforced by legislation. Queensland has legislation dealing with the matter. Page 12, paragraph 42 of the report reads—

In England power alcohol blends are sold at the same price as first-grade petrol. A regulation of 1930 determined that alcohol used in internal combustion engines should be tax-free, provided that it was blended with a minimum of 25 per cent. of petrol or benzol, whereas straight petrol paid a tax of 8d. per gallon. In addition, under the Revenue Act of 1906, power alcohol received a Government allowance of 5d. per proof gallon, or 8½d. per Imperial gallon. In May, 1938, the tax on petrol was increased to 9d., and the tax became effective on alcohol blends.

Germany, France, Bulgaria and Italy are amongst the European countries having legislation dealing with power alcohol. Paragraph 43 reads—

The use of alcohol in motor fuels was made compulsory in Chile in 1931 and in Brazil in 1934. A compulsory alcohol motor fuel law was passed in Japan in 1937, but was not then enforced on account of the small amount of alcohol produced. In several other countries such as the Philippines, Cuba, Panama and Peru, the use of power alcohol is encouraged but not made obligatory by legislation.

Paragraph 44 is important because it deals with the aspect of aiding the production of power alcohol, not only from indigenous products but also from imported raw materials. We in Western Australia are in the fortunate position of not having to import raw material for this purpose. In this State there is wheat to burn and wheat has a very high content of power alcohol. Paragraph 44 reads—

It can be seen that many countries which do not possess flow oil have established power alcohol industries from indigenous and even imported raw materials. It is concluded that the chief deciding factor for this was defence,

but it is also true that sociological problems assume some importance, e.g., in land settlement in Brazil, and in the potato and beet industries of Germany and France respectively.

Paragraph 48 deals with the production of power alcohol in Australia. In 1929 the quantity was 127,000 gallons and in 1940 it was 1,183,000 gallons. That spirit was produced in Queensland. Paragraph 51 contains the following information—

As already indicated, the quantities of kol blends sold in Queensland had steadily increased up to the outbreak of war. Motor spirit vendors state that no difficulty was met in selling their quotas in spite of the fact that little or no advertisement was given kol blends. Some of these vendors told the committee that once they had fulfilled the requirements of the Motor Spirit Vendors Act, they considered themselves under no obligation to advertise the kol fuels or to endeavour to sell more than the minimum quantity required by the Act.

Sitting suspended from 6.15 to 7.30 p.m.

MR. TRIAT: Page 13 of the report contains a table setting out the quantity of power alcohol produced from various materials. I shall deal with the most important: sugar, and starchy materials. Molasses produced 52 gallons per ton of power alcohol; and starchy materials, which is to say wheat, 86.6 gallons. So wheat produces more power alcohol per ton than molasses does. Fine sugar, naturally, produces the highest quantity, 129 gallons per ton. It will be seen that wheat is the second highest producer of power alcohol among known raw materials.

There are two methods of producing power alcohol; one is by malting, the other by blending. I shall deal only with the malting process. That process is described on page 16 of the report, and it sounds very simple, but perhaps is not so simple as it sounds. Paragraph 66 states—

Where starchy raw materials such as cereals are to be used, the starch must first be converted to a sugar. This may be accomplished by three methods, which may be very briefly described as follows:—

(a) Malt Process.—The cereal grains are crushed and steamed under pressure to convert the soluble starch, and the mash is then mixed with ground malt prepared separately. Malt from barley is commonly used in breweries, but malt from wheat may be used where power alcohol is required. Malt is made by soaking the grain in water for about 24 hours, transferring it to germination drums, and allowing germination to proceed for eight to ten days, the air being cooled and humidified. The malt is then ground.

I need not refer to the other two processes, which are not considered workable. Paragraph 74 reads—

Value of Alcohol as a Motor Fuel.—Ethyl alcohol is widely recognised and used throughout the world as fuel for internal combustion engines. Subject to denaturation as required by law, it may be used as rectified spirit containing about five per cent. by volume of water or in the anhydrous form. Alcohol containing water cannot be satisfactorily blended with petrol for use as a motor fuel, unless considerable quantities of other blending agents are added. There are several suitable blending agents but, with the exception of benzol, all are more expensive than alcohol.

According to this report, that is the most effective method of blending alcohol. Now I quote paragraph 77—

The committee was informed by witnesses from the oil industry that all fuels should possess the following features:—Easy starting; knock-free performance; minimum formation of vapour locks; low temperature of end boiling point; satisfactory chemical properties, including freedom from harmful impurities; storage qualities. Calorific value and latent heat of vaporization are not generally considered of great importance by the motor industry, as variations in those features between different petrols are not material; but these properties have some importance as an explanation of comparative results between alcohol blend and petrols. Literature on the subject, and evidence tendered to the committee, indicate that alcohol blends possess all the properties named in equal measure with petrol, except that the blends are lower in calorific value, and higher in octane rating and in latent heat of vaporization.

Paragraph 87 is one of the most important, dealing with the class of product—

As the trend in the future will probably be towards engines of higher compression ratios, calling for higher octane fuels, the demand for alcohol might be expected to increase. However, if standard grade fuels ever reach very high octane ratings, larger amounts of alcohol will be required to effect a given increase in octane rating. The possible use of pure alcohol or of blends containing higher percentages than 20 cannot be ruled out. That suggestion is further discussed in para 318. It is also suggested that alcohol and tetra-ethyl-lead may be used together with mutually beneficial results to octane rating.

I now turn to paragraph 318, which reads—

Alcohol as Motor Fuel Alone and in Blends.—Alcohol can be, and is being, used alone as a motor fuel, although such use is by no means general, and is attended with a number of problems. If it could be so used extensively, alcohol production would be capable of making Australia less dependent on outside

sources of motor fuel than if its use be limited to a blend with petrol. Present-day motor engines are designed to operate on petrol; if alcohol alone is to be used, the engine would need modification to increase the compression ratio. Best performance with alcohol requires an engine specifically designed for the purpose. Research into the question of the use of alcohol as a single fuel, or in blends richer than 20 per cent., is warranted. In particular, any device which could be attached to a petrol engine to give good performance with alcohol alone would be of special interest.

That struck me as rather strange, because while in Queensland I discussed the question of power alcohol at considerable length with people having a great deal of experience of its use. They gave me to understand that power alcohol could be used straight. Upon reading paragraph 318, I was rather surprised, and therefore wrote immediately to the Queensland people concerned. They told me they had used power alcohol straight, the only drawback being that it tended to take all the scales off the pipes, with the result that the carburettor became blocked. The power alcohol, according to my informants, proved much superior to petrol. One of them, Mr. C. G. Fallon, Branch Secretary of the Australian Workers Union, Queensland Branch Executive, Brisbane, wrote me as follows on the 18th August:—

In reply to yours of the 5th instant, I have to advise that when the power alcohol factory at Sarina commenced production the alcohol was put on the market without any admixture of petrol. I used the alcohol in an old style four-cylinder Chevrolet, and also in a Model T Ford. All that was necessary to change over from petrol to alcohol was a small adjustment of the carburettor, and as I explained to you in Sydney, the alcohol cleaned what was described as a scale from the inside of the fuel tank and tubes leading to the carburettor. This scale would get into the carburettor and necessitated cleaning the carburettor during the first few days that alcohol was being used after which there was no trouble. I say definitely that the performance of the two cars referred to was better when alcohol was used as a fuel than was the case with petrol.

I have seen farm tractors run on alcohol and every report that I received was to the same effect as my experience with the cars.

Unless I am mistaken the alcohol that was produced at Sarina that time was manufactured by what is known as the Ether process, which, I understand, improves the value of alcohol as a fuel.

No difficulty was experienced in producing this excellent fuel at Sarina and positively no difficulty other than the minor difficulty already referred to was experienced when using this fuel.

Mr. Fallon has a number of motors in

operation. His judgment on the question of power alcohol used straight, without any blend whatever, may be accepted as perfectly sound. Having used the old four-cylinder Chevrolet car and the Model T Ford car with power alcohol straight, he assures me the power alcohol is just as good as, or even superior to, petrol.

Paragraph 91 of the report, page 19, states:—

Use of Alcohol.—Evidence is conclusive that an alcohol blend containing 15 per cent. alcohol is of equal value to other super spirits formerly on the market. One Melbourne company has sold it as such since 1937 in increasing quantities, in competition with other super grade fuels. At present in Queensland all oil companies are placing the weight of their reputations behind its claim to super qualities. As described in para. 50, 51 and 54, kol blends were sold in Queensland before the war at a price $\frac{1}{2}$ d. per gallon less than standard grade ($1\frac{1}{2}$ d. less than super). When the ban became effective on the importation of super spirit and its production by the use of T.E.L., oil companies in Queensland increased the price of kol blends to 1d. per gallon above those of standard petrol. After an initial recession in sales due to this change kol blends are reported to be gaining increasing acceptance as super fuels in Queensland. Some petrol sellers are now offering kol blends as super spirit in other States, where supplies of alcohol can be obtained. In England, alcohol blends are sold at the price of first-grade (super) petrol.

Paragraph 92 states:—

Alcohol may thus be assigned a money value equal to that of petrol plus a premium for its property of raising standard petrols to super grade. The committee terms this an "additive value."

I shall not deal further with that point; it proves that power alcohol is equal to super grade petrol. This is borne out by the experience of Queensland. On page 31 of the report will be found Table XI, showing the quantities of wheat exported in the ten-year period 1929-30, 1938-39. The ten-year average was 112.89 million bushels, the average price for which was 3s. 3.2d. Table XII on the same page deals with the approximate price of wheat and the approximate price of alcohol, and is as follows:—

Approx. Price of Wheat per bushel	Number of Years.	Approx. Price of Alcohol per gallon.
s. d.		s. d.
2 6	3	1 6
3 0	3	1 9
3 6	1	2 0
4 0	2	2 3
5 0	1	2 8

If that be so, then with wheat at 3s. 10 $\frac{1}{2}$ d. per bushel, power alcohol can be produced for 2s. 3d. per gallon.

Mr. Marshall: Does the price include cost of distribution?

Mr. TRIAT: Distribution costs are not added.

Mr. Rodoreda: And does it include excise?

Mr. TRIAT: There is no excise on power alcohol.

Mr. Seward: Does the report contain instances of power alcohol produced from wheat?

Mr. TRIAT: Yes. Table XII deals with that position.

Mr. Seward: You quoted molasses, but not wheat.

Mr. TRIAT: I am dealing only with wheat.

Mr. Seward: But you have not quoted any instances.

Mr. TRIAT: Yes. I gave the quantity of wheat exported from the Commonwealth for the ten-year period 1929-30 to 1938-39.

Mr. Seward: But can you quote instances of power alcohol having been produced from wheat? You quoted instances of its having been produced from molasses, but not from wheat.

Mr. TRIAT: I quoted the quantity of power alcohol produced from wheat.

Mr. Seward: You quoted instances in Queensland where power alcohol had been produced from molasses, but not from wheat.

Mr. TRIAT: No power alcohol has been produced in Australia from wheat, so far as I am aware. This committee, however, made inquiries, and has issued a report in which it compares the price of wheat with the cost of power alcohol. Power alcohol has been produced in France and other countries.

Mr. Boyle: We are merely experimenting.

Mr. TRIAT: Yes. No power alcohol from wheat has been produced in Australia for commercial purposes. I have already quoted figures showing the cost of producing power alcohol, which is as suitable as is petrol for running motor cars. There ought to be a great demand for it in a State like ours, where the petrol gallonage per annum is about 27,000,000. In every part of the State people are complaining because they cannot drive their cars on account of petrol rationing. If we could produce power alcohol at a cost of 1s. 6d. to 2s. 3d. per gallon, with wheat from 2s. 6d. to 4s. per bushel, there should be a great demand for the commodity.

[Resolved: That motions be continued.]

Paragraph 183, page 32, is as follows:—

The price of 3s. 6d. per bushel is nearly 3d. above the average export price realised in the decade preceding the outbreak of war. To relate it to the cost of production, the most complete information available is contained in the finding of the Royal Commission (1935) in which it is stated that, of 500 farmers interviewed—

20 per cent. were producing at a cost of 2s. 9d. per bushel or less, 40 per cent. were producing at a cost of 3s. 3d. per bushel or less, 60 per cent. were producing at a cost of 3s. 10d. per bushel or less, 80 per cent. were producing at a cost of 4s. 8d. per bushel or less.

Paragraph 185, page 32, is as follows:—

The yield of alcohol from wheat, with a starch content of 65 per cent., varies from 2.3 to 2.5 gallons per bushel of 60 lbs., for the malt and amylo processes respectively. Although the amylo process seems more attractive, more is known in Australia about malting; by this process, 1,000,000 gallons of alcohol would absorb 435,000 bushels of wheat. Wheat normally exported would be available in each of several centres in New South Wales, Victoria, South Australia and Western Australia, in quantity sufficient for many million gallons of alcohol.

I now turn to page 34, paragraph 195, in which it is stated:—

Total costs of production per gallon of alcohol by malting can therefore be summarised as in the following table:—

Price per Bushel of Wheat at Distillery.	Wheat Cost.	Manufacturing Cost.	Total Production Costs (excluding by-product credit).	Total Cost to nearest farthing, allowing fodder credit of 3-2d. per gallon.
s. d. 3 6 3 10½	s. d. 1 6-2 1 8-2	d. 8-7 8-7	s. d. 2 2-9 2 4 9	s. d. 1 11½ 2 1½

That is a definite figure. I point out that no allowance is made for the by-products in the process; these can be used for fodder. I shall not weary the House further with that item. I have definitely shown that power alcohol can be produced in Australia and that it is unnecessary for us to import any materials used in its manufacture.

The Minister for Lands: Does the report contain an estimate of the cost of the plant?

Mr. TRIAT: It is fairly costly, about £300,000.

The Minister for Lands: Does your price allow for the cost of the plant?

Mr. TRIAT: On page 79 of the report the Minister will find particulars of the

estimated capital cost of the plant. I may as well quote them.

Hon. W. D. Johnson: Is that included in the 2s.?

Mr. TRIAT: I do not know. Appendix 10 contains "Estimates of manufacturing costs in distilleries," and the following are the figures relating to capital cost:—

Scheme.	Juice Mill.	B. Syrup.	Wheat.	
			Malt 2-3 gal. Bushel Yield.	Amylo 2-6 gal. Bushel Yield.
Capital Cost	£ 550,000	£ 80,000	£ 400,000	£ 360,000

The Minister for Lands: That would have a capacity of 2,000,000 gallons a year?

Mr. TRIAT: Yes. This report sets out the whole of the operating costs for each of the mills. It may be a costly proposition. I am not at all doubtful about the costliness; but even if it cost £500,000 a year, provided it was successful in producing power alcohol to drive motor cars and affording the farmers an opportunity to get rid of their surplus wheat, it would be worthwhile. They did not worry about the cost of the mill at Sarina and they established a plant there which produces 2,000,000 gallons a year.

The Minister for Lands: That was first sponsored by the Queensland Government.

Mr. TRIAT: I believe a private individual is running it. According to the people who have provided me with this information, the man running it pays a high rate of wages and his men work short hours. Once he produced 750,000 gallons per year he was able to show a profit, but up to that point he could not do so. He is now producing 2,000,000 gallons a year and the intention is to manufacture more power alcohol from clear sugar. That statement is very definite. It was given to me by Mr. Fallon in Queensland who wrote a further letter to me dated the 1st July, as follows:—

The enclosure deals with the proposal for very limited production of power alcohol, but I am convinced that if provision is made for a substantial production in the various States, the industry can be expanded until the whole problem of surplus wheat, surplus sugar and effective occupation of the rich lands of North Queensland and the wheat country of other States has been solved, and in the meantime, the cost of production will be very substantially reduced.

I am convinced that production costs taken into consideration by the Liquid Fuel Committee are somewhat extravagant, or at least could be substantially reduced after the industry has been properly established and the application of scientific methods has received attention which would be warranted by production on a large scale.

If time would permit, I could quote any number of examples of estimated costs in many industries having been considerably reduced after the industry had been properly established. For example, it is proposed that raw material derived from the sugar industry could be made available for the production of power alcohol at a price equivalent approximately to £9 per ton of raw sugar, whereas a few years ago it was considered that anything less than roughly £22 per ton for raw sugar would be uneconomic.

The sugar industry today is paying the highest wages in its history, when the average price received for the Australian sugar crop is within a few shillings per ton of the lowest average price ever received for sugar, and in the meantime, sugar lands, and property generally in the sugar districts have not depreciated in value.

We find that when power alcohol or any other kind of fuel is produced in large quantities and production has reached a high stage of efficiency, production costs frequently fall. Though the cost of producing power alcohol in Western Australia may be in the vicinity of half-a-million pounds at the beginning, what is to prevent us from increasing the quantity manufactured? Our costs are not going to be so enormous. When it is realised that by the production of power alcohol many of the disabilities experienced in our farming districts will be overcome; when it is understood that from our surplus wheat we should be able to produce fuel in such quantity and of such quality as to be able to run motor cars on it straight, it should surely be admitted that the matter is well worth investigation. I feel sure the Government will investigate the possibilities because it is just as anxious as is anyone else in Western Australia to see our surplus wheat utilised. But unless haste is made much of our wheat will go bad. Furthermore, the cessation of hostilities is likely to put an end to any endeavour to produce power alcohol in Western Australia. Any plant established would still be capable of doing the work after the war, but if there is no plant in operation before the war ends, there will be no inducement for the manufacture of power alcohol since a lot of the wheat will be absorbed in other directions.

Even in the good days when we had plenty of shipping facilities, and even in the last four years, we have had to carry over sufficient wheat to warrant the establishment of a power alcohol-producing plant. There was a time when wheat was quoted 1s. 2d. per bushel, and there was a considerable quantity of it unsold. If we had had a plant capable of producing several million gallons of power alcohol we would have been able to put our surplus wheat to good use and we could not only have utilised the product of the distilleries in this State but could also have exported it to the Eastern States and overseas. Let us do something about our surplus wheat. Let us get rid of it. I hope that in the very near future power alcohol will be a source of motive power in Western Australia; that we shall be able to produce a greater quantity of our own fuel instead of importing it from America or Java or anywhere else. I hope that we shall be able to manufacture power alcohol from our own wheat and that production will be carried out in Western Australia by Western Australians. I do not say that the establishment of a distillery would mean the absorption of a large quantity of labour—I do not think more than 300 or 400 people are employed in the Queensland distillery—but it would give employment to a certain number of individuals.

Mr. Marshall: It would keep our farmers employed.

Mr. TRIAT: With all our surplus wheat pouring into distilleries—I do not care where they are established—

Mr. Doney: How would you feed the mills when there was no surplus wheat?

Mr. TRIAT: There has never been a period during the last 10 years when there was no surplus wheat.

Mr. Doney: But the time may come.

Mr. TRIAT: We have been told that there is likely to be a considerable surplus in the future. I am surprised that any member opposite should suggest there is not likely to be any surplus. If I thought that, I would have pleasure in withdrawing my motion, but I consider the hon. member is wrong. There will be a large quantity of surplus wheat. We have been told of stacks of wheat two miles wide and I do not know how many miles long waiting to be disposed of!

There is another matter I would bring to the notice of members in this connection. I

refer to producer gas, about which we have heard a lot. I do not want to read any more from this report, but I understand that where producer gas is used on a motor car three years old, by boosting with power alcohol the horse-power of the car is increased 22½ per cent. beyond its ordinary petrol horse-power. That is definitely stated in this report and if that be so it is a big factor to be taken into consideration by those now using producer gas. I recommend the Government to use every endeavour to ensure that the production of power alcohol is undertaken, particularly in view of the statements of this influential committee.

MR. BOYLE (Avon) [7.59]: I commend the hon. member for having moved a motion of this type, particularly as it suggests action by the State Government in establishing distilleries in Western Australia and, I hope, especially in the wheatbelt. The proposals made by the Federal Government, on which the State Government was asked to report, are to my mind in accordance with the findings in the report from which the hon. member has so extensively quoted. In the course of my investigations in the Eastern States I found that experiments were being conducted in South Australia that are likely to go a long way towards revolutionising the proposals for the construction of distilleries for the treatment of wheat in the States of New South Wales, Victoria, South Australia and Western Australia.

The proposals placed before the people of Western Australia—which, I understand, the Government officials have recommended—will involve the Commonwealth in the expenditure of £260,000 and will deal with 1,000,000 bushels of wheat for the production of slightly over 2,000,000 gallons of power alcohol. The conditions involved, however, preclude the establishment of that plant in the rural areas, or the wheat belt of Western Australia, because there is a condition or requirement laid down which involves the use of 1,000,000 gallons of water daily for condensation or cooling purposes, and 200,000 gallons of water daily for cleansing purposes, or a total of just under 1¼ million gallons. That, to my mind, entirely puts the proposition out as far as inland or wheat areas are concerned.

Mr. J. H. Smith: What about Collie?

Mr. BOYLE: That is not a wheat area.

Mr. J. H. Smith: A lot of wheat goes through there.

Mr. BOYLE: Sixty-eight per cent. of the wheat of Western Australia passes through the port of Fremantle. The member for Collie (Mr. Wilson), I think, has not a chance of taking that industry to Collie. If it is not in the country, it will go either to Fremantle or some adjacent centre. I will not mention the place.

Mr. Wilson: The cards are stacked against me.

Mr. Raphael: There is plenty of coal at Collie.

Mr. Wilson: That will do us in Collie.

Mr. BOYLE: The proposal is no solution to the over-supply of wheat that we have today. If we were to establish five such plants in Western Australia we would only consume by that means a little over 4½ million bushels of wheat. The home consumption of wheat in Western Australia does not exceed 2½ million bushels. I would like to see the latter portion of the motion, that the State Government establish distilleries throughout the State, taken up by the Government. I take it that is the hon. member's motion.

Hon. W. D. Johnson: It would have a nice chance with the Loan Council.

Mr. BOYLE: A sum of £260,000 has now been apportioned through the same Loan Council to Western Australia for a Commonwealth distillery in this State. The Commonwealth is taking the whole responsibility. One of the points stressed in the report of the Power Alcohol Committee was the necessity of being able to continue these works after the war, in order to ensure the return of capital involved.

Hon. W. D. Johnson: You would not have the Commonwealth and State competing after the war, would you?

Mr. BOYLE: I do not think the question of competition would enter into the matter. If the motion is acted on by the Government there is nothing to prevent the State doing this. The Western Australian Government is endeavouring to establish industries in this State which are on all fours with some of those industries operating in the Eastern States and controlled by the Commonwealth today.

It appears from my investigations in Adelaide that the proposals put up by Mr. Allen of the Tarac Power Alcohol Co. in Walkerville, South Australia, were for the

provision of a distillery costing £70,000, and using 15,000,000 gallons of water a year, and attaining the same result of $2\frac{1}{4}$ gallons to one bushel of wheat, with wheat based on 3s. 6d. per bushel at the distillery. Sir David Rivett was here some time ago, and he gave it as his opinion that, in order to produce power alcohol on a competitive basis, wheat would have to be purchased at 1s. a bushel. That is one of the reasons why I have never been in favour of the farmers being asked, whether their product was surplus or not, to provide the raw material for an industry of that sort at 1s. a bushel.

Mr. Raphael: It is better to get 1s. per bushel for wheat than to waste it altogether.

Mr. BOYLE: That is not the question. It is a very poor argument, and it involves the production of wheat at 1s. a bushel, which is ridiculous.

Mr. Raphael: I do not suggest it should be bought at 1s. a bushel.

Mr. BOYLE: From an economic point of view petrol is brought into Australia at below 5d. a gallon. These figures are in the report the hon. member read. The production of power alcohol from wheat, according to the same report, with wheat at 3s. 3d. per bushel amounts to 2s. per gallon. There is, however, a food value for stock in the wheat residue, and the committee lays it down that if that were sold at £6 per ton, it would reduce the cost by 3d. per gallon and bring it down to 1s. 9d. per gallon. That is quite a feasible proposition because the grain has a very high feed value, 25 per cent. protein content, and the price of £6 is, of course, no more than is being paid for bran and pollard in this State today. It would be necessary to have a drying plant attached to the particular installation.

Dealing with the use of power alcohol, I had a letter, only two days ago, from the gentleman to whom I have referred. He is using power alcohol in his own car today by means of a mixing valve. He has two tanks and is using 20 per cent. power alcohol to 80 per cent. of the ordinary commercial alcohol, which, by the way, today I consider to be 50 per cent. kerosene, so he is doing pretty well if he is getting the results he claims. Even if we must

have the mixing valve it will be an economic feature of value.

The hon. member refers to sugar and Queensland. The chairman of the committee that has been appointed is the general secretary of the Canegrowers' Council for Queensland, Mr. Muir. I think that is wrong. In my investigations I found that there was distinct hostility to the use of wheat by certain interests in the Eastern States. The whole concentration over there, apparently, is on the use of the surplus sugar of Queensland. The hostility was apparent in many ways. I do not impugn the impartiality of the chairman or the committee. Mr. Muir is one member and Mr. McClellan from Victoria is another, with a Government nominee. I regret that the chairman of a board of that sort, charged with the installation of power alcohol distilleries throughout Australia, should come from an interested source. Most of us have received from the Queensland Canegrowers' Council a nice little booklet on power alcohol that has been sent all over Australia. It deals with the use of cane products for power alcohol. When matters of this description are dealt with the personnel of the board appointed should not be drawn from interested sections of the community. For instance, there is Sir David Rivett, the Chairman of the C.S.I.R. What better chairman could be appointed? He has already conducted experiments, and the people in the wheatgrowing States of the Commonwealth would be far more satisfied if such a man as Sir David were appointed chairman of the board. There are many other matters affecting the extraction of power alcohol from wheat, but I want to impress upon members that to whatever extent Australian wheat is used for extraction purposes, the effect upon our problem of surplus wheat will be small indeed.

Hon. W. D. Johnson: The scheme will not provide a solution of that difficulty.

Mr. BOYLE: None at all, but I welcome the proposal as a palliative. I have heard it argued that we could grow wheat to be turned into power alcohol. I wish to disabuse the minds of the public generally on that point for it would not be an economic proposition. It would mean the production of power alcohol at from 1s. 9d. to 2s. a gallon as against petrol that can be imported at under 5d. a gallon. Before the war, even

with the excessive profits made by the oil companies, we could buy commercial petrol at 1s. 9d. a gallon.

Mr. Raphael: I bought it at 1s. 6¼d. a gallon.

Mr. BOYLE: Yes, but I am considering the commercial price. What it amounts to is that for a long time after the war the Commonwealth Government will have to recover its outlay by an increase of about 3d. per gallon on power alcohol. Commercially it will cost us 3d. a gallon more if 15 per cent. to 20 per cent. is used throughout Australia. I have pleasure in supporting the motion and I highly commend the member for Mt. Magnet (Mr. Triat) for his action. It is grand to think that a member representing a mining constituency can devote so much of his spare time to extensive research work relating to this problem. I have been through the report the hon. member quoted and appreciate the fact that in his summary he was most effective. If we could secure such sane co-operation between both sides in the political arena in connection with our agricultural difficulties, we would certainly get somewhere.

HON. W. D. JOHNSON (Guildford-Midland) [8.12]: At the outset I wish to indicate that I intend to move amendments to the motion. I propose to insert the word "Federal" before the word "Government," to substitute "early" for the reference to "serious consideration" and to alter the word "plants" to the singular. With my amendments the motion would then read—

That in view of the heavy carry-over of wheat in Western Australia, with poor prospects of export markets, linked with a serious shortage of petrol in country districts, the Federal Government be strongly urged to give early consideration to the proposed erection of a power alcohol plant in Western Australia.

I propose to adopt that course because of the danger that this State may be misunderstood regarding this proposal. The action we are asked to take could be interpreted by the Federal Parliament as an indication that members of this House are opposed to the Commonwealth going on with the establishment of the plant that is actually under consideration today. The member for Avon (Mr. Boyle) has pointed out that much research work has already been devoted by the Federal Government to this project, and that Government is seriously considering the

erection of power alcohol distillation plants in Western Australia and elsewhere. While I would not mind an individual advancing the contention, if this Parliament were to declare that it wanted the State Government to undertake this proposition, it might be regarded as an indication that we wish to duplicate what the Commonwealth proposes to do. The Commonwealth Government might say, "If the State is going to do it, it will be superfluous for us to interfere."

The Minister for Lands: There is the pecuniary side of the proposition.

Hon. W. D. JOHNSON: Yes.

The Minister for Lands: The motion, with your amendments, will merely confirm what has been done.

Hon. W. D. JOHNSON: I would rather have it that way because the motion as it stands would indicate competition in the distillation of power alcohol from wheat. The enormous expenditure associated with such a project must be appreciated, and the member for Avon (Mr. Boyle) has pointed out that the cost is extensive. I understand the plant will cost about £300,000 and that it will employ 250 hands.

Mr. Boyle: No, 100 employees.

Hon. W. D. JOHNSON: I understand the number is about 250; I will give the figures as I got them from the Minister. Western Australia must not develop secondary industries on that basis. We must have regard to the employment of labour and the prospective return to the State. We cannot afford to spend £300,000 on a project that will employ only 250 hands, while the only return the State will derive will be represented in the wages paid to the employees. I submit that this is essentially a matter associated with war difficulties. Furthermore, great trouble will be experienced after the war in marketing the product in competition with petrol that can be imported considerably more cheaply than can power alcohol be produced in Australia. It may be said that it is costing so much more today, and was doing so before the war started, than it would if power spirit were procured from a distillation plant here.

We must recognise that the fuel has been loaded extensively for revenue purposes, and if we had a distillation plant here we would find difficulty in influencing the Federal Government to maintain the duty at a figure

making it possible for us to compete against the imported article. I submit that if this matter is viewed from the business standpoint, there is a good case to be made out for the early installation of a distillation plant in Western Australia; but that case can only be made out from a war disability standpoint. There can be no argument there. What the member for Mt. Magnet (Mr. Triat) pointed out is quite correct. There is in fact a big surplus of wheat in Western Australia today. Some members say that the wheat is rotting; but that is not true. To some extent it is being eaten by weevils but I wish members to appreciate the fact that we should not discount Western Australia by suggesting that wheat is eaten by weevils or other vermin only in Western Australia, for that again is not true. Wheat is eaten by weevil in every State and in some States more than in Western Australia.

The Minister for Lands: Even if affected by weevil infestation, it would be a matter of only 2d.

Hon. W. D. JOHNSON: Members overlook the fact that, when they make these accusations about wheat rotting and being eaten and rendered unfit for export, they are discounting our product and our State, whereas our disabilities in this direction are not as great as those in other parts of Australia. We have an enormous carry-over of wheat.

Hon. C. G. Latham: Because we have such a small home consumption.

Hon. W. D. JOHNSON: Exactly. Our production over our consumption is very great as compared with that of the other wheat-growing States.

The Minister for Lands: You would not minimise our storage difficulties?

Hon. W. D. JOHNSON: No. While the production of wheat in New South Wales is roughly about the same as ours, the local consumption is so great that the carry-over there is very much less than ours.

Mr. Rodoreda: Why is their consumption so much greater per head?

Hon. W. D. JOHNSON: I was referring to the total consumption. The population of Western Australia is very much smaller than that of New South Wales or Victoria, and consequently our total consumption is lower.

Grave difficulty is being experienced in connection with shipping. I do not wish to

enter into details. The Minister knows more about this matter than I do. We had ships allotted to us; we thought our wheat would be lifted because it was essential to send it to Fremantle to be loaded. War developments, however, changed matters. Greece used to send boats here for our wheat, but that country went out of the picture, and so did its boats. While we were getting a large number of boats from that and other sources to lift our wheat, other boats were going to the Eastern States. Those boats were able to call at the Eastern States, but the boats we expected did not come, with the result that our carry-over is out of all proportion to that of the other States, and, as the Minister pointed out, we have a very grave difficulty in the matter of storage.

Mr. Boyle: That wheat is sold, is it not?

Hon. W. D. JOHNSON: I would not like to say. We hope everything will be all right, but we can console ourselves with the knowledge that whoever owns the wheat, it is not Western Australia. All the wheat stored here belongs to the Australian Wheat Board. That body is responsible for the storage and is giving serious thought to the matter, so much so because of the enormous quantity. I believe that at present storage is anticipated for 19,000,000 bushels before the next harvest comes in. Thus a huge quantity of wheat has to be protected, and the Australian Wheat Board is giving careful consideration to the matter. Special representatives of the board have visited this State on two or three occasions recently in order to study the question.

I am afraid I have digressed somewhat although my remarks have been relevant. Reverting to the proposal of power alcohol distillation, the State Government would have to co-operate with the Commonwealth Government. I do not like the wording of the motion; I do not want to convey the impression that the State Government is in a position to instal a plant of this sort. It could not do so. There is the difficulty presented by the Loan Council, and, as has been stated by way of interjection, the financial responsibility for such a scheme would be far beyond the capacity of the State. I would be very sorry to see any State funds invested in a project of this kind. Still, the member for Mt. Magnet (Mr. Triat) deserves commendation for having introduced the subject, because at the moment there is

every need for installing a distillation plant at the earliest possible moment.

Being interested in wheat and desiring to understand exactly what was involved in the establishment of a power alcohol distillation plant, I made representations to the Commonwealth Minister for Supply and Development, Senator McLeay, and have received the following details:—

The main factors which should be borne in mind in the selection of sites for distilleries are:—

1. Defence: from the aspects of
 - (a) vulnerability to attack, and
 - (b) reduction of railway transportation in an emergency.

Those are details about which we need not worry. What the State has to consider are the following factors:—

2. Availability of:
 - (a) fresh water; 200,000 gallons per 24 hours.

That is a huge quantity of water.

- (b) cooling water: one million gallons per 24 hours.

Mr. Doney: Have you satisfied yourself as to the accuracy of those figures?

Hon. W. D. JOHNSON: They have been supplied by Senator McLeay, and reached me only a few days ago.

- (c) electric power: 500 h.p.

3. Railway siding and wheat silo necessary.

This is one point not mentioned by the member for Avon, and I understand it is an important one.

4. Effluent disposal, preferably by sewer. It is estimated that a sewerage system equivalent to that which could serve a town with a population of 100,000 would be required for each distillery.

Mr. Boyle: That would put it out of the country.

Hon. W. D. JOHNSON: Yes; we would have to comb the State carefully to find a town that could provide those facilities.

Mr. Doney: You would be restricted to Perth.

Hon. W. D. JOHNSON: Other details are:—

5. Selling price of alcohol, city versus country, will depend on such things as:
 - (a) relative freight rates of wheat and alcohol, i.e. can the alcohol and petrol blend be used in the district where the wheat is grown, or will it have to be transported to a large centre of consumption, viz. the city. About 25 million gallons of blended petrol will be

made as a result of production of 3,000,000 gallons of alcohol at each distillery.

So we have to obtain 3,000,000 gallons of alcohol at each distillery, and from that quantity blended petrol will be produced to the extent of 25,000,000 gallons. Next, there is the question of coal at site, 30 tons of coal being required every 24 hours.

Mr. Boyle: That might take the proposal to Collie.

Hon. W. D. JOHNSON: Yes. Then comes:—

6. Disposal of by-product feed or distillers' grain. Most of this is sold near the city; about 5,000 tons per year for each distillery.

Of those by-products I have no details, and do not understand them.

7. Availability of building materials; supply of labour, skilled and otherwise; housing facilities. At least 250 men for each distillery, to live there for one year.

Heaven knows we have plenty of building material available. We also have the labour, skilled and otherwise. As regards the number of men required, 250, that is the figure for each plant to cost £300,000. Therefore I say the proposal is not one for this State to enter into. I have read statements by the Prime Minister and others that distillation plants are to be installed; and it has been declared that one of the first States to receive consideration in that regard will be Western Australia. I do not want the motion carried as worded. I want it to say that we are pleased to hear of the Commonwealth proposal, and that we urge the Federal Government to carry it out as soon as possible; further, that the State Government will render all possible assistance towards the installation.

Accordingly I have to move several amendments. Firstly I move an amendment:—

That in the fourth line, before the word "Government," the word "Federal" be inserted.

The carrying of that amendment will indicate that this House realises that a proposal of this kind, associated with defence and war requirements of a temporary nature, is essentially a matter for the Federal Government to tackle. While we support that Government and applaud it for undertaking an enterprise of this description, we do not want to

convey that Western Australia could seriously think of installing the plant.

Amendment put and passed.

Hon. W. D. JOHNSON: I move an amendment—

That in the fifth line, before the word "consideration," the word "serious" be struck out and "early" inserted in lieu.

Amendment put and passed.

Hon. W. D. JOHNSON: I move an amendment—

That in the sixth line, before the word "erection," the word "proposed" be struck out.

Amendment put and passed.

Hon. W. D. JOHNSON: I move an amendment—

That in the sixth line, before the word "power," the word "a" be inserted.

MR. TRIAT (Mt. Magnet—on amendment) [8.34]: I rather object to that amendment. If money is to be put into a power plant or power plants, it will not be Western Australian money but Commonwealth money. Should the Commonwealth Government desire to instal 10, 20 or 30 power plants in Western Australia, we should not object. I definitely believe the Federal Government will erect one plant first, by way of trial. If, however, we ask that only one plant be erected in Western Australia, we shall be limiting the Federal Government to one plant. I strongly oppose the amendment.

MR. BOYLE (Avon—on amendment) [8.35]: I am rather astonished that the member for Mt. Magnet allowed the wrecking of his motion to proceed so far. The amendment of the member for Guildford-Midland absolutely destroys—

MR. SPEAKER: Order! The hon. member is not in order in discussing that aspect. He can discuss only the insertion of the word "a."

MR. BOYLE: I shall not refer to that further. I agree with the mover of the motion that if the Commonwealth Government wants to establish, say, five plants, the State Government should give every assistance towards that end. The amendment should be rejected.

Hon. W. D. JOHNSON: Probably the member for Mt. Magnet is right. I ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

Question, as amended, put and passed.

MOTION—FARMERS AND PASTORALISTS' DEBTS.

MR. WATTS (Katanning) [8.37]: I move—

That in view of the fact that the secured liabilities of many farmers and pastoralists are so great that they are unable to pay their way, and in the interests of the State it is essential that those engaged in these industries be placed in a solvent position as soon as possible, it is the opinion of this House that the Government should take immediate action to legislate for the adjustment of such secured debts, and their ultimate reduction to not exceeding the fair value of the security.

I offer no apology for submitting this motion to the House tonight, since it is one which in my opinion discusses a subject of the greatest importance not only to Western Australia, with which it particularly deals, but also to the primary producers of Australia as a whole. There have been, I think, three attempts by members on this side of the Chamber to bring into being legislation which would have the effect of doing what this motion suggests at this late stage ought to be done. I regret that those proposals have never received any assistance of any value from the Government side of the House; they have either been opposed quite definitely and plainly, or else they have been mildly damned with faint praise. The consequence is that they have not appeared upon the statute-book; nor has the Government, if these proposals were in themselves bad, made any attempt to legislate on better lines. I wish to make it perfectly clear to the House, and if need be to the people of Western Australia, that the motion is moved with the full support and knowledge of my colleagues on these benches. I am also assured by the Leader of the National Party (Mr. McDonald) that in his opinion the time has arrived when some legislative action has become necessary to relieve the debt structure of the primary producers. In those circumstances it will be realised that there is a substantial body of opinion which, perhaps without definitely stating what methods should be used in this matter, has come to the conclusion that action must be taken.

For the information of members who in the past have not appeared clearly to understand the difficulties of the problem now before us, I shall for a few minutes give a little ancient history, if the history of 11

years ago can be regarded as ancient. Before that time there was a certain amount of prosperity in our rural industries. Fundamentally, however, I submit that that prosperity was of a kind which could not have endured unless abnormal prices were paid for the commodities produced by the man on the land. Land settlement in Australia has been founded on borrowed money. It seems to have been the national system to settle people on the land only by borrowing the capital for the properties that they acquired, the improvements they had to effect, and the stock necessary to stock the properties. So far from there being any restraint by Governments, my experience has been that that process has been substantially encouraged by Governments of every political shade, the result being that we find ourselves in our present position, where a great many of our primary producers are either insolvent or bordering on insolvency. By way of relief, we indulge in grants-in-aid, drought-relief loans and many other expedients of that nature, the funds for which have been provided mostly by the Federal Government.

This State has suffered a substantial loss in its investments in agricultural lands and agricultural settlement. Much of it has not been written off by any Government machinery, but by fate, as it were, in that farms have been abandoned in large numbers, so that the reports of the Agricultural Bank Commissioners show that a little time ago they had about 2,900 abandoned properties on their hands. If we were to come to the conclusion that Western Australia no longer required primary production, no longer desired that people should remain on the land engaged in what we have hitherto regarded as our great national industry, then very well! Let us say to them, "We have now ceased to take any interest in you; so far as we are concerned, you can stand or fall by your own devices." I think no member of this House, on whatever side he may be sitting, whatever his political thought, would be prepared to agree to a proposition of that nature. He would definitely say no. Take away the primary-producing industries, or substantially reduce them below the point to which they have now been reduced, and Western Australia, from its very nature, will be in a much more difficult position than it has been in at any time in the past. So we have to come to the reckoning of what is

required in order to keep the people on the land producing in a more or less contented frame of mind. We all know that people from time to time suffer from loss of morale. If we find things continually going against us, the efficiency that we hope to display—I think members will agree with me—is considerably diminished. I submit that the experience of the past 11 years in a great portion of the primary-producing industries of the State has been such that the efficiency of the farming community has been substantially lowered; their morale is not what it was or what it ought to be. The result is that they are likely in the future to be in a still more parlous position unless some effort is made to reinstate them and, above all, to restore their morale.

When the so-called financial depression started in 1929 or 1930, we all know what happened to the prices of primary products. For example, wheat, one of the mainstays, fell to something in the vicinity of 1s. 8d. a bushel, a definitely unpayable price on any margin of production costs. Wool also suffered a substantial decline, while other forms of primary products were greatly reduced in value and at that time were sold at an unpayable price. The liabilities of the farmers have been incurred in good faith. I am not blaming, nor am I seeking to detract from the good faith of, Governments, lenders and borrowers prior to that financial depression; but the fact remains that when the depression took place and these low prices were the order of the day so far as primary products were concerned, the first thing that was done was to raise the rate of interest on overdrafts, at a time when there were no surplus funds to be found. That occurred almost universally, because, it was alleged, of the law of supply and demand; the supply of money being short, the demand became great, and so the rates of interest were increased. The circumstances were such that while it would have been impossible to pay the rates of interest charged prior to that time, it became absolutely impossible to pay the interest that was being debited afterwards. Such amounts of interest as were then debited and not paid were capitalised, or the borrowers were charged accommodation or compound interest, all of which is much the same. The interest was capitalised and interest charged upon the capitalised amount. All other deficiencies

in payment of interest that have occurred since that time up to the present have, in the great majority of cases, also been capitalised. In addition, actual losses were suffered. In many cases it was impossible, quite irrespective of interest, to make ends meet at the prices received for the products. The cost of production, minus interest, was in many cases greater than the revenue received from the sale of the product.

Added to all this, in various districts we have had from time to time droughts of a more or less serious nature. Districts which at one time were considered to be immune from drought have in the last year or two experienced quite a large share of the loss of crops and livestock, besides incurring the expense of carting water and other expenses which in previous years they had not bargained for. So we find, by and large, a great many farmers who have a surplus of debt which it is impossible for them to meet. We also find, which is more disastrous, that there is little, if any, demand for agricultural land and that there has been a considerable fall in its value. I will quote an instance of that fall in value with which I am intimately acquainted. In 1928, in accordance with the so-called law of supply and demand, a farmer of my acquaintance purchased a property at £7 7s. 6d. an acre, which was considered to be a fair and reasonable price for a property so improved, so situated, and with the class of land it contained. He held the property for some seven years, during which time he considerably improved it. He was then forced by the mortgagee either to lease or sell it. It was offered for sale and hawked about by agents of various kinds, offered at public auction, where it failed to get a bid, and at last sold at £3 16s. 6d. an acre. So that the man in question had lost the whole of the £4,000 which he himself had put into the property and was barely able, by the sale of the property, to satisfy the debt owing to the mortgagee who originally had lent him 50 per cent. only of its value.

I submit that at that time not only the mortgagor—that is to say, the borrower—but also the lender had both backed their judgment as to the value of that property, as to what it was likely to be worth at any reasonable time. But only one of them

has borne the loss that has been suffered. The other, while he backed his judgment in regard to values, and was, in my opinion, equally responsible—and probably also, if the truth were known, encouraged the purchaser to pay the price he did—has suffered no detriment whatever. So there are undoubtedly grounds today for legislation of the kind suggested in this motion to adjust the liabilities on properties where such liabilities exceed the value of the security price. The time for such legislation is long overdue, as a matter of sober fact.

We have to consider quite a number of other matters in regard to this motion. Is it unfair to ask a mortgagee to accept a reduction of his debt to a fair value of the security? The alternative—in fact it was a suggested alternative at one time and may yet be necessary if some other arrangement is not made—to some such proposal as this in the case of many farmers is bankruptcy. What happens to the security of the secured creditor in the event of such bankruptcy? It is sold by the trustee for all it will fetch, or it is sold by the secured creditor himself for what he can get for it. If he cannot get the amount owing to him, is there some magic way of recovering the difference from the debtor? If the debtor has other assets of a substantial nature then the secured creditor for the surplus (or the deficiency he has not received) comes in with the unsecured creditors and can proceed to take his share along with them of the amount that is available. But what if there be no amount available? The secured creditor gets nothing but the value of his security because there is no other asset out of which to pay him the debt.

Many farms today—in fact I should say the greater proportion of them—are mortgaged to the secured creditors up to the hilt. The stock and station mortgage which we hear so much about contains clauses which will bring in even the consumable stores in the kitchen cupboard as part of the security of the mortgagee. What hope, therefore, for the unsecured creditor, or for the secured creditor whose security when realised—and he can only obtain a reasonable value in a depressed market where there is not much demand—has failed to pay the amount owing? The latter becomes an unsecured creditor for the amount of

that surplus or deficiency and gets nothing. Do we want to drive the farmers of this State into the Bankruptcy Court in order to establish that in a large number of cases that may be the position? I submit we want nothing of the kind. There may have been a substantial number of misfits on the land in this State 11 or 12 years ago. There may be some there today.

Mr. Warner: Very few!

Mr. WATTS: But I submit that the great majority of those people have left the land and most of those remaining are worth leaving there. In the event of a farmer's bankruptcy, some other man must be found to place on the property in lieu of the individual who has spent probably the better part of his life there. Some other man has to be found who will pay not the full amount of the debt, but the value of the security he takes over. The person who has spent the greater part of his life there, who may not have been undeserving, is obliged either to seek relief work or some other avenue of employment and to leave the property to someone else who has probably bought it at a figure which may or may not be equal to the value of the improvements upon it under present circumstances. I submit that that is altogether wrong. We have no right whatever to turn off one deserving man from a property in the circumstances I am discussing and put on another, however deserving that other might be. I hope the House will agree that we should assume that bankruptcy has taken place in essence and act as though it had taken place in fact.

I now refer to Bills that have been introduced into this House and to a motion introduced last session for a joint select committee to inquire into this matter. It may be noticed that the motion I have moved relates to the debts of pastoralists and it may be suggested that that is a new procedure as far as movements of this kind from this side of the House are concerned. I say quite definitely that poor as the legislation brought down may have been—possibly I am a bad judge of legislation, but I think it was good; but granting for the moment that it was poor—it dealt not only with those engaged in primary production in the southern part of the State, who are so commonly known as farmers, but also with those engaged in the pastoral industry. So it is

nothing new. In case there is any doubt on the subject I will tell members why.

My Rural Relief Fund Act Amendment Bill of August, 1939, referred specifically to debts of farmers. That Bill was an amendment to the Rural Relief Fund Act of 1935, which defines a farmer as, any person who is the owner or occupier of land and is engaged in rural industry. "Rural industry" is defined by that Act as, the agricultural, horticultural, pastoral, grazing and dairying industry carried on in this State. In consequence, the Bill introduced applied to the same people by virtue of those definitions as does the motion I have introduced this evening. Last year a motion came from the Legislative Council calling for a joint select committee to inquire into the financial handicaps and problems of the primary producers. That was opposed by the Minister for Lands. The Minister, in his wisdom, chose to dwell on all aspects of the financial difficulties and problems of primary producers other than the ones I am discussing this evening. He chose to roam over the continent of Australia on various topics connected with marketing and other matters and indeed to roam over the whole world in regard to those things; but he declined to admit that the basis of the discussion then introduced to him was an adjustment of the secured liabilities of the primary producers on the lines we are now discussing. He ended up, as I think "Hansard" will disclose, with a reference to "pin-pricking inquiries of this nature."

There are times—and they are many—when I have a considerable regard for the hon. gentleman who occupies the position of Minister for Lands and Agriculture; but when I hear him talk, in connection with matters that are as serious and involved as is this one, about pin-pricking inquiries I wonder whether he realises what he is saying. I leave it to him, if he can, to explain why an inquiry of that nature would have been a pin-pricking one, because not long before that he himself had authorised an inquiry into the affairs of those engaged in the pastoral industry in Western Australia which we, in no circumstances, would have alleged was a pin-pricking inquiry. Rather was it one of an essential nature, which might well have been extended at that time being in such capable hands as it was, into the affairs of the agricultural industry in

the southern parts of this State. The gentleman who was appointed as the Royal Commissioner made a substantial number of recommendations which, from time to time, I have perused. I see, without wearying the House by reading them at length, that Mr. Fyfe very substantially, whether by accident, or whether it was a question of great minds thinking alike I do not know, followed the proposals that were put before this and another place in 1939 and 1940 in the Rural Relief Fund Act Amendment Bill.

It is admitted there were different conditions applying to the pastoral industry, and those conditions were taken note of by Mr. Fyfe, and his recommendations dealt with them in what I regard as a most commendable and expeditious manner. Unfortunately, however, there is no evidence that the Government proposes to adopt the recommendations of Mr. Fyfe. It appears that all the Minister is prepared to do, notwithstanding the voluminous recommendations of the Royal Commission, is to enter into some voluntary arrangement. I have decided ideas on the question of democracy and I say that, if we are going to preserve the belief in democracy as the best means of government for our people, we have to demonstrate that democracy by its Parliaments is prepared to do the right thing. If there is a state of affairs that needs to be remedied, even though it may affect some substantial portion of our community so long as it be justified it should be done.

We do not want Parliaments in this State, or in any other democratic community, to lay aside their obvious duty and pass the responsibility on to some system of voluntary arrangement. I submit it is the duty of the Government of this State, whatever it may be and whoever it may contain, to take action to ensure that no substantial portion of the community in which we live is allowed to go on in the condition I mentioned at the beginning of my remarks with its morale slowly going down. I could read letters from many decent people I know which would establish that. Their efficiency, in my opinion, is seriously interfered with. I agree entirely with Mr. Fyfe in paragraph 820 of his report, where he says—

It should be provided also that each debtor who has been granted protection under the Act must make every effort to pay that part of his debt, the payment of which has not been suspended and if the secured creditors are not

satisfied with the efforts of the lessee to reduce his liabilities they may make application for permission of the Board to exercise their rights free from the restrictions imposed by these amendments.

I want to make it perfectly plain that I am not here to bolster up the case of the undeserving, of the man who does not try. I am not here to bolster up the case of the man who cares little or nothing whether he makes an attempt to meet his obligations or not but to support and help, if I can, those who are in difficulties substantially through reasons beyond their control. Any motion that I bring before the House on this subject, now or at any other time, can be qualified by this statement, that I expect the man who is receiving assistance to act in such a manner after he has received it that he shows he is deserving of that assistance.

Arguments have been raised, and Mr. Fyfe also mentioned this in his report on the pastoral industry, that we must have money from the Federal Government to deal with this matter. I am in no position to say what efforts have been made to obtain money from the Federal Government for that purpose, and specifically for the purpose of dealing with secured debts, but I am going to say this, that if efforts have been made and have failed, that does not remove from the Government of Western Australia the evident responsibility of doing something for its people. There is an old saying which is usually true—"Where there is a will there is a way." I believe, Federal money or no, that the way must be found, and that it can be found. I know that the Federal Government did provide a sum totalling something like £1,000,000. The whole of it has not yet been received, but a very substantial portion has, and it has been distributed by the Rural Relief Trustees under the Act of 1935. Practically all that money was used for the compounding of unsecured debts.

The men usually regarded as the best friends of those engaged in primary industry, to wit, the country storekeepers, were the ones who bore the heat and burden of the day in regard to those adjustments. None of that money was used although it could have been used, for the disease was evident enough then, Heaven knows, to relieve the position in regard to the secured creditor. It has not been within my pro-

vince ever to be in a position to deal with any money which the Government might have had at its disposal, directly or indirectly. We have watched the extinguishment of the unsecured creditor and the improvement thereby of the position of the secured creditor. We have seen these moneys expended in paying dividends of varying sums from 2s. 6d. upwards, many of them regarded by the trustees as sympathetic dividends, because the value of the property in question was much lower than the secured liability thereon. We have seen, as I say, what has amounted, practically, to the extinguishment of the debt of the unsecured creditor while the others have passed on their way rejoicing because there has been undoubtedly, as a result of the adjustment of the unsecured debts, an improvement in the position of the secured creditor in some cases.

We have to consider one or two other aspects of this matter. I have said in the motion that the Government should take immediate action to legislate for the adjustment of such secured debts, and their ultimate reduction to not exceeding the fair value of the security. It is extremely difficult at present, I readily admit, to know what is the fair value of the security. I do not know, and it is hard to discover, exactly what method has been adopted by the Agricultural Bank in writing down rents, as they have done under Section 65 of the Agricultural Bank Act. So far as one can ascertain, it amounts to a valuation of the unimproved value of the land, that is, the value that it is alleged to have in its virgin state, plus the value of the improvements, presumably at the time of valuation. To start from the unimproved value of the land, one finds, in looking about the country in regard to upset prices under conditional purchase leases, taking road board valuations, Taxation Department valuations and other guiding factors of that nature, that the value of land runs usually to some shillings per acre. Some are very low and others rise to as high as 10s. or 15s. per acre.

I submit to the House—I hope I shall be able in no small measure to prove my statement—that there is much land in the agricultural areas of this State, quite apart from any other portion, which, from the unimproved basis point of view, has no value. It is difficult to quote instances regarding that, but I shall cite one that the House will

find somewhat striking. A farmer in the Katanning district was assessed by a local authority for rates on the unimproved value in respect of his farmland, at 7s. per acre. He had been endeavouring for two years to sell his farm and a few weeks before the appeal was made to the local authority against the unimproved value, had succeeded in disposing of it at £2 10s. an acre. The property was one that, to my knowledge, could have been sold for £4 an acre in 1928. In any case, he got £2 10s. an acre for it on terms and he went to testify in the appeal against the unimproved value of 7s. an acre. He depreciated very substantially the cost of the improvements that were upon the property. He cut his clearing expenditure down below the cost price. He put his fencing in at a very low figure. He charged up the dams at 10d. per cubic yard, and it would be impossible to put them down for less than 1s. per cubic yard. So he put in everything on a low basis in order to give the local authorities a chance to prove that an unimproved value did attach to the property. When he deducted the value of the improvements from the £2 10s. the value worked out at minus 3s. 6d. The local authorities said, "We shall have to charge rates on something," and the farmer agreed with the contention. The local authorities said, "Will you agree to 3s. for the time being?" and the owner said, "I will." In that instance the evidence was conclusive, and I will say for the farmer that he put it up very well indeed, quite as well as one would expect in any court of law. The net result was, as I have already shown, that on the selling figure, after making allowance for the deductions I have indicated, the unimproved value worked out at minus 3s. 6d. That instance could be duplicated if one cared to do so. There is grave doubt as to whether in such cases any unimproved value at all can be established.

We will now go into the question of the Associated Banks being agreeable to effect a writing-down by arrangement. I know of one property—I am intimately acquainted with the circumstances—upon which there is a liability of some £17,000. The farm consists of well over 4,000 acres of land and was valued in 1927 at £26,000. At that time therefore it provided ample security for the debt of £14,000 that was on it. The liability has increased through the inability of the

proprietor to pay interest at the rate of $5\frac{1}{2}$ per cent., until now it stands at £17,000. Interested parties approached the bank concerned and asked if it was possible that the debt be reduced. The bank authorities intimated that they were not agreeable to that course—they were perfectly courteous and I would not accuse them of being anything else—but they did not think it could be done. The proprietor endeavoured to sell the property at public auction but did not get a bid. He tried to sell it privately but did not secure an offer. It was offered to quite a number of persons. In the end the proprietor went to the bank and asked if the authorities would be willing to allow him to lease it with an option of purchase. He had received an offer for a lease with the option to purchase at £14,000 and that amount represented just £3,000 less than the debt upon the property. The bank authorities said they would agree to the price of £14,000. If the man concerned exercises his option next year, he will get the property for £14,000; the original owner will have lost the property; the bank will not get the remaining £3,000 that is owing, because the original owner has nothing at all and will have nothing beyond the £14,000 that will be paid under the option.

Mr. Doney: Is the man a thoroughly able farmer?

Mr. WATTS: Yes. If I told the hon. member the farmer's name, he would agree with my statement; but I shall not do so. The problem of land values in its various phases is most difficult. What is the aim in all debt adjustments of the description under discussion? Surely it is that, given average conditions, average prices and average efficiency, the farmer concerned shall be able to service the debt remaining on the property out of the income derived from it. It is useless carrying on day after day with deficiencies of earning as against expenditure, thereby merely accumulating added liability. We must arrive at a position where the income that is to be expected from a property with the application of reasonable efficiency and with average prices and conditions, after allowing for reasonable expenses, will service the debt with the interest accruing thereon. There is only one way to do that and it is to take into consideration what the property will produce in normal efficient hands and with average prices and conditions. Unless we do that,

there is nothing more likely than that debt adjustment proposals will fall down and will not be successful in the long run, even with most deserving and efficient men who may be affected. Too much time has elapsed for any half measures to be taken in this matter. To my way of thinking, today it is a question of whether a large proportion of the industry is to survive and continue in production with an increase in morale and with no further decrease in efficiency. I am not alone in that belief. Again I turn to the very instructive document furnished by the Surveyor-General in relation to the pastoral industry. I find that Mr. Fyfe, in referring to the second valuations to be made after the first four years, says:—

In arriving at the second valuation the board must satisfy itself that if the value of the station is readily ascertainable from the evidence of sales of other stations such value does not exceed the productive value. By productive value is meant that value on which the estimated earning capacity of the station on an average season's costs and prices could be expected to return a reasonable rate of interest, having in mind the nature of the investment.

That paragraph sums up, far better than any poor words of mine could, the idea I have been trying in the last few minutes to place before members. Mr. Fyfe is, as I said before, to be more than complimented on the vast effort he put into the compilation of this report in connection with the pastoral industry. I only regret the Minister for Lands did not adopt a similar attitude regarding the agricultural industry instead of referring to such an investigation as a pin-pricking inquiry. I wish he had adopted an attitude similar to that pursued by Mr. Fyfe in regard to the pastoral industry of the North-West and other parts of the State. It may be thought that the demand for this type of legislation arises only from those sitting on the Opposition benches. I want to disabuse the minds of members quite completely in that respect. For many years, and more so quite recently, it has been the substantial burning question in the agricultural areas of the State.

Many men who to my knowledge four or five years ago would have hesitated to subscribe to any proposal of this nature have come to me in recent months and told me that in their opinion it offers the only prospect of salving the major portion of the agricultural industry. To them and to me it seems essential that the Government

of Western Australia should be alive to its responsibility in this matter and realise, as I said in my opening remarks, that our democratic institutions require a Government to govern and not to be led along the paths of those who probably have other axes to grind than the essential interests of the State. It should be quite clear to the Government, as I am making it quite clear, that I have not brought down this motion for the sake of having an argument across the Chamber or for any reason similar to that. I have brought it down because I believe it is one of the fundamental reforms required in this State, and if it is not brought about on some reasonable lines in the very near future, there will be a great deal more trouble on the Government's hands in regard to the agricultural and primary-producing industries generally than there has been for many years. I commend the motion to the House; I hope it will be carried, and that action will be taken upon it, because, if action is not taken, I fear substantially the consequences.

On motion by Mr. McDonald, debate adjourned.

House adjourned at 9.22 p.m.

Legislative Assembly.

Thursday, 28th August, 1941.

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

QUESTION—PUBLIC BUILDINGS.

Mr. NORTH asked the Minister for Works:—1, What is the present position

regarding the proposed new Government offices—is the expenditure subject to Federal approval? 2, Are there sufficient funds in hand? 3, Would labour and material present difficulties at the present time? 4, Have any plans been considered whereby Parliament House could be completed as an integral part of the reconstruction scheme?

The MINISTER FOR WORKS replied: 1 to 4, Tentative plans have been prepared and the whole matter is now under consideration.

QUESTION—TROLLEY BUSES.

Mr. CROSS asked the Minister for Railways:—1, Referring to his answer to my question on Tuesday last, relative to the supply of trolley buses for the Perth and South Perth passenger transport services, has he yet received from America a reply to the cabled inquiries? 2, If so, what is the nature of the reply?

The MINISTER FOR RAILWAYS replied: 1, Yes. 2, Report has been received from the Commissioner of Railways in regard to this matter, and is under consideration at the moment.

BILL—STATE TRANSPORT CO-ORDINATION ACT AMENDMENT.

Second Reading.

THE MINISTER FOR WORKS (Hon. H. Millington—Mt. Hawthorn) [4.34] in moving the second reading said: This short Bill is introduced for the purpose of bringing the omnibuses operated by the Commissioner of Railways into line with all other vehicles under his control. As the Act now stands, all vehicles used by the Government or by a privately-owned railway or tramway, or a trolley bus operated by or on behalf of the Crown, are excluded from the provisions of the Act. The Commissioner of Railways now has omnibuses in use on the Perth-Swanbourne via Stirling-highway and East Perth-Floreat Park routes. Additional buses are on order, or in prospect. Members are aware that the provisions of the State Transport Co-ordination Act were enacted primarily to safeguard State-owned transport facilities from unfair competition by privately-owned vehicles, and that the provisions of the Act could not appropriately be applied to State-owned vehicles such as the new omnibuses.