

ordinary revenue of the authorities shall be applicable to such purpose. This provision can only be availed of before due dates with the consent of the lender. The Commonwealth Bank, so I am informed, has advised its willingness to accept repayment of any local authority loans irrespective of the date on which they would ordinarily be repayable.

The provisions of the Bill are intended to operate only during the present war and for twelve months thereafter, and for such further period as may be necessary for the local authorities to close and wind up their reserve fund accounts and to realise on investments. The measure has been introduced at the request of the Local Government Association, and I trust there will be no objection to its proposals. I move—

That the Bill be now read a second time.

On motion by Hon. A. Thomson, debate adjourned.

MOTION—COMMONWEALTH AND STATE RELATIONSHIPS.

As to Referendum Proposals.

Debate resumed from the 21st October, on the following motion by Hon. A. Thomson:—

1, That this House strenuously opposes the alteration of the Federal Constitution as proposed by the Commonwealth Government, on the following grounds:—

- (a) That the suggested amendments are apparently not genuinely aimed at necessary alterations to the Federal Constitution but will undoubtedly have the effect of ultimately destroying the Federal system of the voluntary union of six self-governing and sovereign States.
- (b) That such proposals are designed to bring about unification, camouflaged as a war necessity. They would result in a distinct breach of faith with the States, which entered into a Federal union, and would not only be destructive of the best interests of Western Australia, but of every other State of the Commonwealth.
- (c) That it is impossible to govern Australia wisely and justly by a huge bureaucracy controlled from Canberra, and that the passage of such proposals would only cloud the future of Australia by bitter home rule agitations from its distant parts.
- (d) That while this country is fighting for its very existence and people's minds are distracted by the war, it is in the highest degree improper to divide the nation by highly controversial questions. With the people again leading normal lives free from the stress of

war emotions in a period of calm reasoning, and clear thinking, a genuine verdict might be obtained.

- (c) That the Commonwealth Government at present possesses ample powers to deal with all matters arising out of the war, and these powers could by arrangements with the State (if necessary) be extended for a period after the war.

2, That Western Australian members of both State and Federal Houses, and all Western Australian citizens, be urged to defeat the Federal proposals.

3, That the Premier be requested to forward this resolution to the Prime Minister and the Premiers of the other States.

As to Proposed Amendment.

THE CHIEF SECRETARY [2.50]: By way of personal explanation, and not with any desire to prevent discussion on the motion today, I desire to notify the House that it is my intention to move an amendment on lines similar to those agreed to in another place on the motion of the Minister for Works. Unfortunately, that amendment has not been placed on the notice paper. I intend, however, to place it there, and I am having circulated copies of it for the information of members. I feel I should make this explanation as I do not desire this afternoon to speak on the amendment.

On motion by Hon. E. H. H. Hall, debate adjourned.

House adjourned at 2.51 p.m.

Legislative Assembly.

Tuesday, 17th November, 1942.

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The SPEAKER took the Chair at 2.15 p.m., and read prayers.

QUESTIONS (2).

RAILWAY FREIGHTS AND FARES.

Mr. WATTS asked the Minister for Railways: 1, If, as he stated last week, the Gov-

ernment knows nothing of any proposed increase in railway freights and fares of 12½ per cent. all round, will he take action to insure that such statements are not made by responsible officials? 2, Will he assure the House that if any recommendation for such an increase is made to him by the Commissioner, Parliament will be given an opportunity to say yes or no to the proposal before any action is taken to put such a recommendation into effect?

The MINISTER replied: 1 and 2, No. The statement made by the official was not inaccurate. A recommendation was in course of transit to me by the Deputy Commissioner of Railways in accordance with Section 22 of the Government Railways Act. That recommendation has not yet received the consideration of Cabinet.

POTATO CROP.

As to Digging, etc.

Mr. WITHERS (without notice) asked the Minister for Agriculture: 1. In view of his expressed hope that 8,000 tons of potatoes would be dug, will he advise the House of the progress to date and the future plans for this work? 2, Will he state the reasons for the difficulties with alien labour as mentioned in the House and any redress which may be taken to remedy them?

The MINISTER replied: 1 and 2, Approximately 2,700 tons have been dug since the 22nd October. There are still 5,000 to 6,000 tons to be dug before the end of the year. We have had a lot of trouble with alien labour. As a matter of fact, of the aliens who were subject to call-up recently by the Allied Works Council, instead of our getting 150 for this work as we expected, we were able to get only about one-third of that number. Unfortunately, many of them are refusing to do a decent day's work, and to cope with the position is very difficult. We are endeavouring to make arrangements to compel them to receive only the amounts they earn or, if they refuse to do that, to have them removed to less congenial parts of Australia. The labour position in regard to potatoes is still difficult. There is a considerable quantity to be shipped to the Eastern States very shortly. Unless it is shipped shortly, the market will not be available to us because of the crops in the Eastern States maturing. Although the position is difficult, every effort is being made to cope with it.

BILL—FIRE BRIGADES.

Introduced by the Minister for the North-West and read a first time.

LEAVE OF ABSENCE.

On motions by Mr. Wilson, leave of absence for one month granted to Mr. F. C. L. Smith (Brown Hill-Ivanhoe) on the ground of urgent national business, and to Mr. Rodoreda (Roebourne) on the ground of ill-health.

LOAN ESTIMATES, 1942-43.

Message.

Message from the Lieut.-Governor received and read transmitting the Loan Estimates for the year 1942-43 and recommending appropriation.

In Committee.

The House resolved into Committee to consider the Loan Estimates, Mr. Marshall in the Chair.

Vote—Departmental. £10,000:

THE PREMIER AND TREASURER

[2.24]: In introducing the Estimates of the expenditure from loan funds for this year, I wish to point out that because of the necessity for devoting as much as possible of the available loan money to war purposes, ordinary developmental expenditure for this year is on a comparatively small scale. It is not many years since Governments were faced with the task of endeavouring to finance works in order to provide employment. Today the picture is completely reversed and we are faced with the greatest difficulty in obtaining supplies of labour and material to carry out essential works, even those essential to the prosecution of the war effort. At the outbreak of hostilities, the then Prime Minister appealed to the State Premiers to assist the Commonwealth Government by restricting their loan requirements to works which had a defence value, or which were immediately necessary for the development of the States. Without exception, the States have shown a commendable desire to co-operate to the fullest extent with the Commonwealth Government in putting forward the greatest effort on behalf of Australia for the successful prosecution of the war.

Certain obligations, however, rest on the States, and to a very large extent the Commonwealth war machine is dependent upon facilities provided by the States, such as

railways, water supplies, roads, sewerage and other works. With the rapid extension of the needs of the Commonwealth for camps, the erection of munition factories and the expansion of existing factories, aerodromes and runways, a heavy burden has been placed upon the States to provide the various services which the requirements demand. Though this State has not participated in the expenditure of Commonwealth moneys for defence works to the same degree as have some of the other States, we have had to carry out works for the Commonwealth Government which at times have imposed a severe strain on our resources.

Hon. N. Keenan: Have we participated proportionately?

The PREMIER: No, not even proportionately. Immediately before the outbreak of war, interest rates were rising; and, though during the depression these rates had fallen to as low as $3\frac{1}{4}$ per cent., they had risen to the point when, but for the war, it would have been necessary to pay $\frac{1}{2}$ per cent., or even slightly more. However, the then Commonwealth Treasurer, with the full support of the Loan Council, took action after the outbreak of war to reduce interest rates. The rate for several of the Commonwealth loans is now $3\frac{1}{4}$ per cent. for the longer period of 16 years, and $2\frac{1}{2}$ per cent. for the shorter period of five years. I consider it speaks well for the loyalty of the people of Australia that they have been willing to invest large sums in Commonwealth war loans at such low rates of interest. It is true that the action of the Commonwealth Government in restricting forms of investment has left little alternative to investors but to put their savings into Commonwealth bonds, though at the same time, by the institution of war-savings groups, the people of Australia on lower incomes have contributed substantially to the Commonwealth's effort to raise the necessary finance to conduct the war.

During the last financial year, no public loan was floated for State purposes. Obviously, it would have been unwise to attempt to raise money for other than defence requirements during a period of war, particularly when such strenuous efforts were being made to direct the whole of the nation's energies to the successful prosecution of the war. The loan requirements of the States, such as they have been, have been met by the Commonwealth Government, which made

advances from its own funds. When the Loan Council met in August last to consider the loan requirements for this year, it was found that their applications were restricted to £7,901,000. These figures do not include funds in hand at the beginning of the year, or overdrafts caused by expenditure in excess of funds available during the preceding year. Some of the States had a balance in hand, but others were forced to raise overdrafts to carry on their works. No provision was made for a carry-over, which meant that at the end of the financial year public works in course of construction had to be continued.

The programmes were, as usual, surveyed by the Co-ordinator General of Works, Sir Harry Brown, who recommended that they be reduced to an amount of £6,537,000. To this amount had to be added a sum of £787,000, representing the overdrafts existing in four of the States, less cash balances held by two States, of which one was Western Australia. The total requirements recommended by Sir Harry Brown were, therefore, £7,324,000. The amount recommended for this State by Sir Harry Brown was reduced from £1,267,000, requested when our programme was submitted to the Loan Council, to £827,000. As this sum was below what we would require to finance our loan needs for the year, a vigorous protest was lodged by the Minister for Lands, who represented the State at the Loan Council. As a result of his protest, the programme was increased by £100,000, of which £50,000 was allocated specifically to works, £50,000 being allowed to remain in abeyance, subject to subsequent negotiation with the Co-ordinator General of Works. The Loan Council also decided to eliminate all accommodation for deficits, it being felt at that early stage in the financial year that it was not possible for any State Treasurer to submit a reliable estimate of his revenue requirements. It was hoped that all the States would be able to balance their budgets and thus avoid calling on the Commonwealth Government for additional financial assistance.

No provision was made by the Loan Council for funds to carry our requirements into the next financial year, it being agreed that these requirements would be considered later in the year when a more accurate estimate would be forthcoming. The basis of financing such advances is that for the dura-

tion of the war the advances will be made by the Commonwealth Government from finance provided by the Commonwealth Bank against Treasury bills. The States receiving this accommodation will be responsible for the interest on such bills up to the date of funding. At the end of each financial year the Treasury bills issued must be funded at a rate and subject to such terms as may be approved, having regard to the conditions applicable to Commonwealth loans. Such funded debt will then be apportioned between the State Governments concerned. Fortunately, in our case we closed the last financial year with a substantial carry-over of loan moneys, having £576,000 available to meet loan requirements during this year. In addition, we were in the fortunate position of being a party to an agreement with the Commonwealth Bank whereby we are entitled, since the Commonwealth took over the State Savings Bank, to receive from the Commonwealth Savings Bank 70 per cent. of the excess of deposits over withdrawals during the year. There has been a rather remarkable increase in the deposits in the Commonwealth Savings Bank, and that has enabled us to have a large amount of money to finance our loan expenditure.

On account of the very rapid increase in the deposits in the Commonwealth Savings Bank, we were able to obtain by way of loan the sum of £390,000 at the end of the June quarter. This sum added to the carry-over with which we commenced the year has placed us in the position of having our loan requirements already met. The two sums, £390,000 and £576,000, in total just about equal the amount of our estimated loan expenditure for this year. The Commonwealth Treasurer was rather concerned about the agreement made with the bank. He wanted some of this money for Commonwealth loan purposes, and wrote asking that we should not hold his Government to the agreement any longer, and that any further accretion of funds by way of excess of deposits over withdrawals should be made available to the Commonwealth by way of contributions to the Commonwealth war loans. After conserving the amount of money we required for our purposes this year I said we would agree that whatever money was then available should be utilised for that purpose. That arrangement, however, will have to be reviewed towards the end of the year be-

cause, in accordance with the usual practice, we will want some money to carry us over after the end of the present financial year. There will be an amount of almost £1,000,000 available for Commonwealth war loan purposes if the rate of deposits over withdrawals continues.

As a result of the very low expenditure of loan money last year, and because of contributions to the Sinking Fund, we were in the fortunate position then of having reduced the net amount of our public debt. We borrowed a certain amount of money, but our contributions to Sinking Fund, augmented as members know by the Commonwealth Government under the Financial Agreement, were sufficient to make the net public debt of Western Australia a little less than it was in the previous year. It is the first time in our history that we have been in that position. I have heard the Government of the day in this House charged with being a "boom or bust" Government, when borrowing at the rate of £4,500,000 and increasing the loan indebtedness per head of population up to £3 and £4 in that year. The days of spend-thrift spending have gone, not because any of the works on which the money was expended were unnecessary, but because we were spending large amounts which we are now unable to do.

I hope the same condition will operate this year so far as the loan expenditure is concerned, namely that while our expenditure is set out in the Loan Estimates as £952,000, the contributions to the Sinking Fund will at least equal the amount of our actual expenditure, and even possibly that the total of our loan expenditure will be less than the amount we contribute for the purpose of paying off the debt.

Mr. Patrick: You are making a virtue of necessity, now.

The PREMIER: No. The fact is that we have not the labour. No matter how anxious is any Government, or member of this House, to carry on development works which are desirable in the interests of the State, it cannot be done because of the fact that we must conserve our financial resources for the war effort, and also because there is no surplus labour available to carry out these works. In addition to the loan indebtedness being reduced we have a surplus on revenue account, so that these two things coming together undoubt-

edly create a record in regard to this State's finances. The position we have reached in Western Australia is to be compared to that of an individual. When a State is young with many developmental works to carry out it must borrow money freely if it wants to be progressive, and it has to spend money in large amounts. At some stage while it is growing up it gets on its feet and can carry on with less expenditure of money, and can make provision through sinking funds to wipe off the debt. We do not expect to reduce our loan expenditure to any great degree. While we hope to be able to use some money from loan funds for the development of this State, we anticipate at the same time being able to make such large contributions to the Sinking Fund that our net capital indebtedness, and certainly our net debt per head of population, will decrease.

We have a large net per capita indebtedness in Western Australia, principally because our works are financed from the State. We have no bodies, as they have in the other States, like the Metropolitan Water Works and Metropolitan Water Supply, which are controlled by semi-governmental authorities and do not appear in the figures detailing the net debt per head of population. Almost all of our debt expenditure appears in our State loan expenditure, and consequently our debt seems high in proportion to that of the other States.

No-one can foresee, of course, what the future holds, but when peace comes and there is need for expenditure of money to enable us to re-absorb into civil life large numbers of young men and women who will be returning from active service, it is to be hoped that the burden of this responsibility will not be thrown too largely on to the shoulders of the State Governments. That seems to be, without getting on to the subject of the unification proposals, a liability which the Commonwealth is anxious to undertake, and one in which we will be quite satisfied to assist so long as our sovereign rights are not destroyed. We will help in repatriating our men into industry. The responsibility of doing this should, as in the case of defence measures, be largely borne by the Commonwealth Government. We should not agree that it is the responsibility of the States. After the last war we embarked on a land settle-

ment programme on our own responsibility, and this State was landed in financial trouble. The State of Victoria had to wipe off over £20,000,000 of expenditure which had been utilised to settle soldiers on the land.

Mr. Patrick: It wiped off over £32,000,000!

The PREMIER: That State wrote off well over £20,000,000 in regard to soldier settlement. I do not think that should occur after the present war. Repatriation is undoubtedly a responsibility for the Commonwealth, which should see to the re-establishment in civil life of the men and women who are with the Fighting Forces.

Mr. Sampson: Repatriation expenditure has not been a charge against the State loan account.

The PREMIER: The hon. member was a member of the Government after the 1914-18 war, and he will know that a large amount of actual expenditure for repatriation purposes was undertaken by the State Government.

Mr. Sampson: But that expenditure was not charged to the General Loan Account.

The PREMIER: The hon. member has ascertained some information; no one would expect at this stage that it would have been so charged! Our experience after the previous war was that State Governments were asked to undertake this work, and the financing of it was accepted by State Governments as their liability. That position should not arise again. I would strenuously oppose any proposal that would seek to unload on the States the responsibility for repatriation expenditure when the present war ceases.

Western Australia has already undertaken the expenditure of vast sums of money on public works that are now capable of catering for a population greatly in excess of our present numbers. We might have to spend a little more money in some directions, but our harbour accommodation, for instance, is sufficient to enable us to carry on the business of a population at least 50 per cent. greater than ours is at present. Our railways, too, could cater for a great deal more business providing our rolling stock could be adequately maintained and replaced, and lines built. Our water supply provisions could cater for a much larger population, perhaps with the expenditure of a little more money.

Mr. Doney: You are referring to the metropolitan water supply.

The PREMIER: I was not looking towards Narrogin at the moment, although some negotiations have been carried on regarding the water supply for that centre. As at Katanning, so at Narrogin—I think the bitumenising of the surfaces has made a tremendous improvement in the catchment areas for both those centres.

Mr. Doney: We gladly concede that.

The PREMIER: But if the Government can do better, it is anxious to do so. For my part, I have always adopted the attitude, particularly in my capacity as Treasurer, that any proposal dealing with water conservation or distribution by way of irrigation or otherwise, in the dry areas of the State, must receive sympathetic consideration. While we may not secure any immediate return as a result of such expenditure, it is a most useful form for that expenditure to take. I have never at any time been unsympathetic when my colleague, the Minister for Water Supplies, has submitted a proposition for the provision of extra water supplies in country districts. I have favoured the expenditure of money in useful directions so as to make available to people in the outer areas better water supplies. The expenditure of public funds on water conservation and distribution has been much greater during the last five or six years than at any previous period in the history of the State.

The war has taught us that there are many directions in which work can be undertaken by the people of Australia that were hardly dreamt of as being within the realms of possibility years ago. For that reason we have provided money with which to build up the country so that our industries can grow, and that a certain proportion of Australia's other industries will be established in this State. It is futile for one-third of the continent of Australia to be undeveloped industrially and the remaining States to be well developed from that standpoint. It would appear that private enterprise is not prepared to establish some industries in Western Australia. Some are hazardous; some are speculative; in respect of others, our people are inexperienced and do not know how to start them. This may sound socialistic; but while we have on the statute-book legislation that provides that the Government cannot establish State industries, the Government of the day, no matter what its political complexion may

be, must take a hand in the development of secondary industries in this State.

Mr. Doney: But surely—in respect of industries that are too speculative or hazardous for private enterprise—the Government will not get behind undertakings of that type.

The PREMIER: The Government will necessarily have to undertake some in respect of which there will be no hope for returns covering interest and sinking fund charges for from four to ten years. But nevertheless the undertaking of such industries may be essential in order to enhance the State's prospects of carrying a much larger population and developing our wealth-producing capabilities. Such objectives would justify the State in spending money now so as to create a position enabling us to cater for a larger population in the future. In the hon. member's own district of Narrogin we have planted mallet bark trees, and that is not a remunerative undertaking. There has been practically no return to the State for that expenditure so far, and naturally we cannot expect any for from five to ten years.

Mr. Doney: That is a long-term investment.

The PREMIER: But we cannot expect private enterprise to invest in an undertaking that will not give returns for upwards of 20 years. In undertakings of that nature the State necessarily must assume the responsibility. The same consideration applies to prospecting for oil—a very hazardous and speculative proceeding in this State. Nevertheless, when the Commonwealth suggested that we help in the task of prospecting for oil, the State Government had no hesitation in providing £30,000 for what was a most speculative undertaking—the search for oil in this country. Had oil been discovered here the expenditure of £30,000 would represent a mere flea-bite. We could not ask private enterprise to undertake expenditure of that type.

Mr. Patrick: Private people have been looking for oil.

The PREMIER: Yes. Fortunately a very enterprising company has been prospecting for oil during the last two or three years, and it is a matter of very great regret to the Government that the company has found it impossible to continue operations owing to war-time considerations. Those concerned in the work are very confident, in view of the geological and geophysical conditions,

that success will yet attend these endeavours. The fact remains that for over 30 years past private enterprise did not spend money on work of this nature, and ultimately it was undertaken only when the necessity to secure additional oil supplies became so apparent. Furthermore, the oil companies had accumulated so much profit out of their operations that huge reserves had been built up from which they could finance projects for survey undertakings and boring operations.

Mr. Doney: In your remarks do you include the provision of water supplies?

The PREMIER: Yes. There is no provision of finance nearer to my heart than that relating to water supplies. I was born in a dry part of New South Wales and lived for portion of my life in dry areas in Western Australia. In fact, I have found it hard to pass a tap without taking a drink and seeing that the tap was tightly turned off. The idea of not wasting water has been inbred in me. However, the fact remains that we cannot expect private enterprise to build dams and put in water conservation undertakings. That would be against public policy, which is that such undertakings shall be owned, controlled and run by the State. Furthermore, the State can claim credit for what it has achieved in that respect. Management by the Government has been regarded as far more satisfactory than that by small individual water boards. The State has the better personnel and, furthermore, has the right to require people to pay their rates, in which respect small water boards do not succeed to a like degree. A notable example was the Albany water supply, which was taken over by the Water Supply Department. Financially it was in a very unsatisfactory position; nor was it satisfactory from the standpoint of supplying water.

Mr. Boyle: It was over-capitalised.

The PREMIER: Under better management and by bringing ratepayers to a proper realisation of their responsibility to pay their rates, it was placed on a more satisfactory footing. However, I do not wish to make an incursion into that matter at the moment. All I wish to add on the point is that I shall never oppose the expenditure of money to provide a reasonable water supply, even if in the first instance it does not pay, provided it offers prospect of developing and increasing the productive capacity of the country.

Mr. Doney: I suppose your memory goes back to the time in Geraldton when you had to pay for salt water.

The PREMIER: It goes back to the time when I was in Kalgoorlie and had to pay a fair amount for 20,000 or 30,000 gallons.

Mr. Hill: The Auditor General's report shows that the Albany water scheme was the only one that paid last year.

The PREMIER: That happened under departmental management. I was saying that we are most actively engaged in work to assist the establishment of industry. Already a considerable amount of good work has been done in that direction. The Department of Agriculture has spent a large sum of money in directing avenues of production and supplying information as to the best methods of dealing with agricultural problems. Up to £100,000 has been spent by the department out of revenue estimates in the many activities of easing difficulties and conducting research work into agricultural problems. This work has been seconded by the assistance of the Department of Industrial Development. We do not know what the future holds for wheat, but if an extension of the wheatgrowing areas is necessary, we have plenty of good land in this State, and I suppose we could increase our production threefold without incurring large additional expenditure.

Mr. Mann: Not with the recent increase in rural wages.

The PREMIER: If farmers received 4s. 6d. a bushel for their wheat, I suppose they could afford to pay even the increased rates. Throughout the world there seems to be a move to remunerate people engaged in the production of food and wool more on a level with the wages of people who cater for our many other requirements.

Mr. Doney: It would be all right if you could raise the price of wheat to enable the farmers to meet those increased charges.

The PREMIER: There are proposals to cut interest rates and write down arrears.

Mr. Doney: At present prices the increased wages cannot be borne.

The PREMIER: As I remarked, there seems to be a world-wide movement to ensure that producers are adequately recompensed for the work they do on behalf of the community.

Mr. Mann: If they are not, there will be no future for the industry. Young men will

not engage in farming under existing conditions.

The PREMIER: If farming conditions could be made attractive, plenty of men would be ready to engage in rural work. Farming is an open-air life and, with reasonably good luck, a farmer can normally make a competence on which to retire. The fluctuations in the value of the product during the last eight or ten years, however, would cause anyone to hesitate before engaging in the industry. I do not know whether it would be possible in Western Australia at the present time to sell a farm.

Mr. Mann: It would not be possible.

The PREMIER: The productive capacity of the land remains and everybody is aware of what can be done, and given reasonable prices and conditions the industry can be remunerative. The outlook at present, however, is so uncertain that no one is anxious to engage in it. With the industrialisation of the Commonwealth, which has indicated what we can do for ourselves, the demand for foodstuffs and wool will increase, and I hope there will soon be a brighter outlook for the people on the land.

In addition to wheat we have flax-growing, which is essentially a war-time industry, and the very successful efforts which have already been made in the South-West show the opportunities in this direction. Another avenue of production that can be expanded in this State is the growing of tobacco. Already the local leaf has won high commendation from the tobacco appraisers, whose task it is to value the leaf grown in Australia.

Mr. Doney: Has that been borne out in the comparative prices?

The PREMIER: Yes. The member for Nelson pointed out that some concern existed about prices, which seemed to be unfair compared with the values in the Eastern States. The Minister for Agriculture informs me that we will be in a position to produce in the South-West almost all the tobacco requirements of the people of Australia, even if the population increases.

Mr. J. H. Smith: The growers will want a better price for it.

Mr. Doney: What other States, apart from Queensland, grow tobacco?

The PREMIER: Victoria also grows some. Given reasonable opportunity and by concentrating on the production of a certain grade of leaf, there is a big field for increasing the production of tobacco in this

State. Efforts to this end are being assisted by the Department of Agriculture. Within a few years I think we will not be importing any tobacco from the United States of America or Rhodesia; nor will we be importing cigars from Havana, Cuba and other countries. We shall be able to supply our own requirements. What applies to the production of tobacco also applies to many other commodities.

Goldmining, as the Minister for Mines can tell us, is capable of great expansion after the war has ended. We have reduced the productive capacity of our mines by 30 or 40 per cent. The production of gold has declined from 1,109,000 ozs. last year to about 800,000 ozs. this year. The industry is gradually contracting, not because of lack of gold, but because labour and the necessary commodities requisite to produce gold are not available in the quantities needed to enable us to go full speed ahead.

Mr. Doney: Who is the Minister responsible for that?

The PREMIER: I am merely pointing out certain industries in which we have a field for expansion. We do not want to be in trouble, when the war is over, because of lack of employment for our people. I have given two or three instances in which there is a possibility of tremendous expansion for production of certain commodities. From what I can gather, the production of flax here is a war-time industry, due to the fact of our not being able to obtain supplies from countries whence we usually obtain them; but even in peace-time flax as a rotation crop will be remunerative and profitable. Another direction in which we can look for increased primary production is the Kimberley areas, where experimental work is being carried out with a view to proving the suitability of those areas for more intense culture and for improvement of the cattle industry. Members are aware that at the cost of a comparatively small amount of money we are experimenting there in conservation of water and irrigation of land. At present the appearances are that the experiment will prove successful over an area of 100,000 acres. If our hopes be realised, we might move in the direction of producing baby beef, which is ever so much more profitable than the production of ordinary beef.

As regards secondary industries, there are great possibilities also. The assistance which

the Government has rendered and is still rendering for the development of the alunite deposits at Lake Campion will, I feel sure, lay the foundations of a highly lucrative industry. Moreover, the production of potash and by-products from the alunite deposits, such as alumina, from which aluminium is derived, will prove of immense benefit not only to our State but to the whole of Australia. Without potash, certain types of production cannot be successful. Potash adds largely to the keeping quality of products. In the Geraldton district the use of potash has allowed tomatoes to be transported over great distances at a comparatively low cost. The use of potash during the growing season enables Geraldton tomatoes to reach Melbourne in splendid condition. But if such a product is to be carried over long distances, the use of potash is absolutely essential. There is the probability of exploitation of our alunite deposits enabling alumina to be produced. The process has already proved chemically successful, though whether it will prove commercially successful remains to be seen. Whether the stuff from the deposits will have to be sent away for treatment I do not know; but we have the raw material which can be manufactured into alumina, and this represents a great service to Australia in its war effort as well as a great service to peace-time production.

Experiments are also being carried out for the production of pig-iron. The work done so far suggests that a huge field of operation exists for the development of some of our largest iron deposits. Consideration is at present being given by the Government to the economics of the establishment of a small charcoal blast furnace for the production of pig-iron. Investigations made up to date suggest that we have every reason to hope Western Australia will be able to produce pig-iron at a price comparing favourably with that of the Eastern States commodity. Members are probably aware that following upon a recommendation of the War Industries Expansion Commission, of which the Prime Minister was originally a member, the Western Australian Government made application to the Commonwealth Government for assistance towards meeting the cost of experimental work connected with pig-iron production. The Commonwealth Government, in declining to grant the application, stated that in view of the

need to conserve all funds for active production work it was not thought desirable to divert any part of the financial resources towards work of a purely experimental nature. We, of course, from the Western Australian standpoint, do not agree with the Commonwealth.

The Prime Minister intimated that the proposed experimental work should be conducted by the State of Western Australia, and that upon experiments reaching a stage when substantial assistance would be needed in order to go into production this State could look to the Commonwealth Government for assistance. Mr. Curtin did, however, grant a sum of £30,000 for the erection of steel forges, in order that steel might be produced here from the available scrap. This Government has already earmarked £30,000 for that very purpose, instead of letting the offer go by or applying the money to other purposes. In a few months the venture will be in operation east of Chidlow's Well, and charcoal will be produced on the spot for the purpose of smelting. Two State officers consulted the Broken Hill Proprietary Company in this connection; and that company, contrary to general expectation, showed itself extremely anxious to assist Western Australia. As a result of the information gained by the two officers, together with information previously secured, we are confident that this will not be a hazardous investment of public money but one which will recompense the Western Australian people in future by enabling them to cater for their own requirements in the way of pig-iron. If the experiment proves successful, we can proceed on a far larger scale, and the waste product of our timber industry can be converted into charcoal for smelting purposes.

Mr. Doney: The Prime Minister would appear to be wrong in stating that the present was not an opportune time for that work.

The PREMIER: The Prime Minister said, "We have so many things to do and comparatively so little funds to do them with that I cannot agree to your present proposal now. I am not making specious excuses for the purpose of refusing you that money. I will assist you with the same amount of money, and you can take action in other directions which will to some extent assist the war effort." While it was done in an indirect way, we have been en-

couraged by the Commonwealth Government in this avenue of production. An investigation made in regard to what has occurred in the last couple of years in connection with the war effort indicates that, but for the fact that our population was augmented by a very considerable number of evacuees and refugees—apart from the men who joined the active Fighting Forces—we would have lost a fair proportion of our population through people becoming engaged in other war activities. Those people went from this State to the Eastern States. We discussed the matter with the Prime Minister in an endeavour to obtain a fairer deal for the State.

We found that the viewpoint of Commonwealth executive officers was that, as factories were established in the Eastern States with trained operators to work in them, it was only a matter of extension to make them suitable for the production of munitions. The necessities of the war were such that everything had to be done quickly, and with the best intention in the world they could not set out to establish new factories in other parts of the Commonwealth, but had to take advantage of existing conveniences. There is something logical in that viewpoint, but while that can be carried out to a point for the time being, it does not mean that for all time, when industries are established in one State, no other State should be allowed to participate. We had to convince departmental officers that we had facilities—plant and manpower and other things—necessary to get straight into the work. It took us some time to convince them, and even now they express astonishment when we say we can do this or that in Western Australia. We have to prove everything before we can get them to see the viewpoint of the Government and people of Western Australia. They did not think that the potential means were available in Western Australia to manufacture the engines that were provided for the corvettes built at Whyalla in South Australia, but I had it from Commonwealth departmental officers that a better job was done here than anywhere else in Australia. In tests that were made the engines were found to be 100 per cent. efficient and, as a result of the experience of our work that they have had, it is likely that another big job that has to be done in Australia will be undertaken in this State. I

refer to railway rollingstock, particularly locomotive construction. Throughout the Commonwealth, locomotives are getting out of order. The personnel is not available to repair them. New engines and rollingstock are wanted everywhere in the Commonwealth. People engaged in that work have been required for munitions manufacture. So far, our resources have not been called upon to nearly the same extent as have those in the other States. Our Commissioner of Railways, Mr. Ellis, is engaged in investigating aspects of transport rehabilitation for the Commonwealth Government and, as a result, I think we shall be able to get the orders for all the locomotive stock which can be manufactured in Western Australia, and personnel will be made available to carry out the work.

The Commonwealth takes the view that as we are able to do certain things better than is any other part of the Commonwealth, it is prepared to give us that work to do rather than start new industries here. It does not matter to us what we are doing so long as it is beneficial to the war effort. Transport has proved to be the deciding factor in engagements between belligerent countries. Without adequate transport the North African development would have been impossible. If it had not been for transport we would not have been able to augment the supply of guns and materials in Port Darwin and Port Moresby, many of which were carried right through Australia. Transport is a tremendous factor in the successful prosecution of the war, and the defence of Australia and other places. If it is so important and we in Western Australia can do so much in that regard, and do it better than people in other places, it is just as well for us to concentrate on the thing we can do properly. I am sure that, as a result of Mr. Ellis's representations, the Commonwealth Government will place large orders for the construction of rollingstock in Western Australia.

Mr. Patrick: That will only be for narrow gauge lines?

The PREMIER: No, for any gauge. Queensland and Tasmania and certain parts of South Australia have a 3ft. 6in. gauge. I think there is as much 3ft. 6in. gauge in the Commonwealth as all the other gauges put together. Queensland has a tremendous railway system.

Mr. Boyle: Ten thousand miles altogether, I think.

The PREMIER: We have a larger railway mileage per head of population than has any other part of the world. Tasmania has a 3ft. 6in. gauge, and so has the northern part of South Australia and Eyre's Peninsula. Even if we had the job of providing the rollingstock only for the 3ft. 6in. gauge, we would have more than we could do. I am afraid I have wandered off the track somewhat, but these things come into one's mind when one discusses matters of defence. What I wanted to point out was that we have lost a fair amount of our population. Work was available in the Eastern States. People with experience were wanted and high wages were offered. We were not given war work. We could not tell people they must stay and that we would be able to provide them with employment in from three to six months' time. Advertisements appeared in the paper offering jobs in the Eastern States and many left here to work there. An unfortunate situation arose. Bolton's works in this State expected an order in regard to munitions and said they would be able to start about Easter time. We had 50 or 100 men waiting to begin but no work was offering by June, nor in August or September. Consequently the men went away, and when work was supposed to commence, the labour was not available, and something had to be done.

Mr. Doney: Who financed the wages during the period of delay?

The PREMIER: Fortunately, we were able to give the men some sort of employment in order to keep them here in the meantime. I understand that the Commonwealth today has in various places men just walking about, but who yet are being paid wages. I have no wish to go into the proposed detailed expenditure of Loan moneys last year, or into the details of the Estimates for this year. I shall, however, refer to the main items, details of which can be obtained from the various Ministers as the discussion of the Loan Estimates proceeds through Committee.

Loan Expenditure, 1941-42.

The estimated Loan expenditure for last year was £1,482,000, but the actual expenditure was £850,085, a reduction of £631,915. To reconcile these figures with those appear-

ing in the Estimates, it is necessary to take in the expenditure from Loan Suspense, which deals with expenditure met in cash in one year but not authorised until the following year. The expenditure for 1941-42 was £791,951, from which must be subtracted an amount of £78,928, representing authority for expenditure from Loan Suspense in the preceding year. The net result is £713,023, and to this amount is added expenditure from Loan Suspense in 1941-42, representing expenditure incurred in that year but not authorised in the Estimates. When that sum is added to the net figure already mentioned the cash expenditure for the year is £850,085. The major items in which the expenditure was much below the estimate are as follows:—

	Estimate. £	Actual. £	Decrease. £
Railways—			
Additions and improvements to opened railways	74,000	24,116	49,884
Rolling stock	35,000	4,503	30,497
Tramways	105,000	20,656	75,344
Electricity	146,000	22,135	123,865

In regard to the expenditure on additions and improvements to opened railways, much of the saving on the amount estimated was due to the non-arrival of machinery for the Midland Junction workshops that had been ordered but not delivered at the end of the year. The reduction in expenditure on rolling stock was due to a concentration of effort on munitions work, to the exclusion of some of the programme for the provision of additional rolling stock. It is hoped, however, that much of the arrears will be overtaken this financial year. Under Tramways, provision had been made for the purchase of trolley buses which had been ordered from Canton, but which at the end of the year had not been delivered. The chassis have since arrived and the expenditure is included in this year's Estimates. Under the heading of Electricity, the estimate included expenditure on the ring main feeder for Perth and equipment for the Cottesloe Transmission Station, but the material did not arrive until after the end of the financial year.

I come now to the following items:—

	Estimate. £	Actual. £	Decrease. £
Sewerage and Drainage	93,000	50,841	38,159
Metropolitan Water Supply	64,000	29,314	34,686
Goldfields Water Supply	113,000	73,358	39,642
Water Supply in Agricultural Areas	300,000	121,703	178,297

The savings in the four items referred to were due to curtailment of work caused by

the need to concentrate all available manpower on defence works.

	Estimate. £	Actual. £	Decrease. £
Development of Mining	35,000	16,848	18,152

With the decline in the goldmining industry, owing to the Commonwealth manpower regulations, the same amount of assistance was not required by various mining bodies, besides which the assistance which the Government had been rendering to prospectors was substantially reduced.

	Estimate.	Actual.	Decrease.
Assistance of Settlers and Industries	50,000	8,429	41,571

Though a very substantial saving has been effected on this item, assistance to industry has been given in other directions; for example, provision of capital for the development of the Lake Campion alunite deposits. It was thought better, however, to show this as a separate item, since it is an undertaking of a somewhat unusual nature. Accordingly, it appeared in the expenditure last year as an additional item. As against the savings on the estimated expenditure, there were the following increases:—

	£
Lake Campion alunite deposits ..	8,387
Air-raid precautions ..	24,611

No amount was placed on the Estimates to provide for A.R.P. expenditure, because it was understood that the loan programmes would be increased, if necessary, to meet the needs of the States. However, as we had sufficient funds in hand at the end of the year, there was no need for us to make special application to the Commonwealth for this purpose. With regard to the item, W.A. Meat Exports Co., Ltd., £74,064, members have already had explained to them by the Minister for Agriculture the conditions which led to the Government's acquiring these works. They were taken over immediately before the close of the financial year, and of course no provision was made in the Estimates for the purchase. As to the item, charcoal iron, £30,000, I have already explained how this sum came to be provided.

Estimates, 1942-43.

The amount estimated to be expended this year is £952,000, an increase of £101,915 over the amount expended last year. In many cases the added expenditure this year is due to the arrival of material which was included in the Estimates last year, but which did not arrive in time to be included in the year's figures. No new works of any mag-

nitude are contemplated. The amount of the Estimates is slightly in excess of our approved programme; but, as I explained earlier, we already have in hand cash in excess of our programme, and it was thought desirable to obtain the approval of Parliament to the appropriation of the money, even though all of it may not be spent this year. I shall run quickly through the main items of estimated expenditure. Departmental expenditure, which covers the administration costs and is a charge against the various Loan works, is estimated to amount to £40,000, compared with an expenditure last year of £62,008. Members will recollect that, when the Budget was being introduced, it was pointed out that in some cases departmental salaries showed an increase owing to the fact that salaries which in the past had been rebated from Loan works would now have to be charged direct to Revenue. This accounts for the decrease in the charge against the Loan Estimates this year.

	Estimate, 1942-43. £	Actual, 1941-42. £	Increase. £
Railways, Tramways, and Electricity Supply	361,000	80,410	280,590

This expenditure includes an amount of £30,491 for the completion of machinery and building additions at the Midland Junction Workshops, plus provision for new machinery costing £10,000. It is also proposed to provide a new coaling plant and turntable at Northam, also to extend the locomotive shops and provide new barracks. Provision has also been made for the continuance of the work on the "S" class locomotives. An amount of £43,796 is included in the Estimates for this work. Under the heading of Tramways, an amount of £63,173 is included for the completion of the payment of the chassis of the 18 trolley buses which we secured from Canton. Provision has also been made for completion of the Inglewood tramway extension and for the tramway extension from East Victoria Park to the munitions factory at Welshpool. Under Electricity Supply, an amount of £59,417 is included for the completion of the ring main feeder cable to supply the City of Perth, as well as an amount of £20,862 for the Cottesloe transmission line.

	Estimate, 1942-43. £	Actual, 1941-42. £	Decrease. £
Harbours and Jetties	82,500	91,334	8,834

Most of the expenditure has been incurred for the slipway at Fremantle which has been

completed, although a number of accounts still remain outstanding. For national security reasons, I do not wish to dilate upon this item. An amount of £15,000 is also provided for the continuance of the work on the North Quay reconstruction.

	Estimate, 1942-43. £	Actual, 1941-42. £	Decrease. £
Water Supplies	157,500	304,330	146,830

The biggest items of expenditure relate to the Goldfields Water Supply, for which £67,500 is provided, as against £73,000 spent in the preceding year; and water supplies in the agricultural areas, for which £34,000 is estimated this year, compared with £122,000 spent last year. Last year's expenditure was represented mostly by the Stirling Dam, £80,000, and by the Harvey irrigation channels, £22,000. It is proposed to continue the work on the renovation of the main conduit, which is estimated to cost £15,000. New work is included, namely, the provision of a water supply to the Lake Campion alunite works at a cost of £26,381. From a defence point of view, it has been considered advisable to keep a small gang of men on the work of renovating the main pipe lines, in order to deal adequately with any mishap that may occur.

The main work under the heading of Water Supplies in Agricultural Areas relates to the provision of a water supply for the flax industry at Boyup Brook. An amount of £24,000 has been set down under this heading. It is proposed to erect at Boyup Brook a retting mill which will require large quantities of water. The mill will be provided by the Commonwealth Government, and if we make available this water supply we will also be able to supply water to the residents of Boyup Brook, which previously we have not been able to do.

Mr. Doney: Roughly how much water will you have to draw off to supply the alunite deposits?

The PREMIER: I could not say, but it will be a considerable quantity. The hon. member has us floored for once in his life, but the information will readily be made available by the departmental officers if he is genuinely anxious to obtain it.

Mr. Doney: I had a very good reason for asking the question.

The PREMIER: We will be able to give that information later. The Development of Mining and State Batteries is estimated this year to cost £12,500, and the estimate in con-

nection with the alunite industry is £89,000. The erection of the plant at the Lake Campion alunite deposits is proceeding satisfactorily and, though some delay has been occasioned through difficulty in securing some of the plant, it is hoped that the works will be in operation early in 1943. The items comprising the votes for Agriculture, Assistance to Settlers and Forest Regeneration are estimated to require £49,500 as against £95,302 spent in the previous year—a reduction of £45,802. The estimates include an amount of £3,500 required to complete the concreting of the saleyards at Midland Junction.

An estimate of £2,000 covers the experimental work at the Ord River in the Kimberley district. Members no doubt are aware of the experimental work which is being carried out there in the growing of various grasses. An amount of £20,000 has been provided for assistance to settlers and industries. We do not know at this stage how much will be required, but we have made provision to meet eventualities. We have no hesitation in providing money for assistance in establishing remunerative industries. Applications are coming forward and, even though some of them appear to be speculative, so anxious are we to prosecute and extend our secondary industrial development, that we will make money available to finance them. For pine planting and forest regeneration we have set down £20,000. This is a substantial reduction on the amount spent last year, namely, £46,557. Public buildings are estimated to require £40,000 as compared with an expenditure of £27,859 last year. Though owing to the scarcity of material the provision of public buildings has had to be curtailed somewhat drastically, there are certain works that must be completed. Provision has been made for the expenditure of £5,800 on the completion of the Fremantle Technical High School. This building will, I understand, be used exclusively for the training of Air Force personnel. A sum of £8,123 is provided for the egg-drying plant buildings at West Perth. Although this plant is now in operation the official opening of that building will be made on Thursday afternoon by the Minister for Lands. The building is being erected with the assistance of the Commonwealth, which is finding half the cost and has provided the machinery. On the completion of the war-

the Commonwealth will have the right to remove the machinery or to sell it to the State.

Small amounts have been set aside for the sewerage work to be done at the Old Men's Home, Dalkeith, for operations and improvements to the Perth Police Barracks, for a new store for the Government Stores Department, and for internal shelters for Government buildings. Provision has also been made for work on prison camp buildings at Barton's Mill, where a fairly considerable amount of work remains to be done. A small amount has been provided for new buildings which may be required during the year. The Estimates include an amount of £76,000 for the new Perth Hospital building. Unfortunately, due to defence requirements, it was necessary to stop operations on that building for a time, but at the date of the completion of the building operations several contracts had been entered into in connection with lifts and other work that will have to be carried out. The position is that we will either have to complete these contracts or be mulet in damages for breach of contract. We have decided to go on with them. There is, too, the question of manpower to carry out these works. The Government Architect, Mr. Clare, is at his wits end to find men to carry out the work on the different buildings. Owing to the difficulty in getting labour to carry out this highly technical work on Perth Hospital, we have had to allow it to stand over for the time being. When Commonwealth requirements are not so great the men will be immediately transferred to this building.

Under the remaining miscellaneous items, the estimated expenditure is £44,000 as compared with an expenditure in 1941-42 of £133,250. Provision has been made for expenditure of £12,000 for additional equipment for the State Engineering Works at North Fremantle. These works have secured very large defence orders, and additional machinery is required. Work is also proceeding on the provision of certain amenities to bring the comfort of the men employed there up to a somewhat comparable standard to that which obtains at the Midland Junction Workshops, and that means the expenditure of some money. An amount of £25,000 has been provided for air-raid precautions, and the small sum of £4,000 for the W.A. Meat Export Works. That is necessary for the installation of additional

machinery. As I have already said, although the funds for the whole of the year have been allocated it does not mean that all the money will be spent. If it is possible to effect savings that will be done. On the other hand, if the need arises for assistance to be rendered in order to prosecute the war effort, the Government will not hesitate to provide the necessary funds.

The CHAIRMAN: Order! The member for Swan will kindly remove his feet from his desk.

The PREMIER: If we have a chance to fit ourselves for the reconstruction work which must be carried out when the war is over, we must not hesitate to take risks in order to do so. We are the trustees for the future. If we carry out our trust faithfully, future generations will enjoy the benefit of our good stewardship. It is our duty so to develop the resources of Western Australia that the people of this State can play a worthy part in the building up of the Australian nation. I cannot say what changes will take place in the economic structure of the world, but it is obvious that if we do not endeavour to help ourselves it is unlikely that others will come to our assistance. The object the Government has in view in planning its loan programme is to build for the future of Western Australia. I have so much faith in this State and in its possibilities that I would willingly face a loss rather than play only for safety.

So far as relates to the expenditure of loan money, our immediate concern and resolve are to concentrate all our resources and energies on the successful prosecution of the war. Nothing should be allowed to turn us from the path of successful endeavour in that direction. We have reason, in view of the events of the last month or two, to take a more optimistic view of the possibility of an earlier successful conclusion than we had a few months ago. The responsible leaders of all the Allied Nations have, however, indicated that in their opinion tremendous efforts and sacrifices and expenditure of money and manpower will have to be made before we can be assured of victory. Where members of our fighting services have been associated with those of other nations, generous tribute has been paid to the fighting qualities of our men. Those of us who have been left to carry on this State must display an equal resolution to take every opportunity, by the

contribution of money and labour, to play our part in the common cause.

In every phase of war activity we have reason to be proud of the part Western Australia is playing. I am sure that every member of this Chamber is convinced of the scope there is for the development of the untapped resources of this great State. We have a third of the continent of Australia under our control. We have big responsibilities and if we live up to them and play our part we will have reason to be proud of our efforts, and will have no cause to be ashamed of the part this State has taken in the war effort. Given favourable opportunities, Western Australia will go far in economic development, and play no small part in enabling Australia to become a member worthy of the British Commonwealth of Nations in that era which we all feel sure will follow the victory by the Allied Nations.

Progress reported.

BILLS (3)—RETURNED.

1. Municipal Corporations Act Amendment.

With an amendment.

2. Bush Fires Act Amendment.

3. Congregational Church (Lands) Amendment.

Without amendment.

BILL—RESERVES.

Second Reading.

THE MINISTER FOR LANDS [3.48] in moving the second reading said: The Bill this year deals with three proposals, one relating to the metropolitan area and two to country districts. As the plans, which I will subsequently place on the Table of the House, will show, the first clause deals with an area that was originally made available as a reserve for a show ground in the town of Balingup. It was issued to three trustees of the Balingup Agricultural Society in 1911. In 1928 the trustees requested that the trust should be transferred to the Balingup Road Board and under Section 13 of the Reserves Act, 1928, the trustees were later empowered to transfer the area to the road board. Unfortunately deferred action made the position somewhat difficult. One of the original trustees died before any movement had been made to transfer the area from the agricultural society to the road board. The board is prepared to accept control of the area, and

the Bill provides for the re-vesting of the land in the Crown with the intent to issue a new grant to the road board for the same purpose. The area involved is a little over seven acres and will be devoted to park and recreation purposes under the control of the Balingup Road Board.

Another clause in the Bill deals with an area in the metropolitan zone, and relates to some land that was previously vested in the Nedlands Road Board for recreation purposes as a children's playground. The Education Department is very anxious to acquire a further area in the Hollywood district. It is contended by the Director of Education and by the Education Department officials generally that the situation, to which the clause refers, is very appropriate for the purpose of a post-primary school and for the development of the area adjacent to Hollywood and Nedlands. The present school site, which is clearly shown on the plan, is obviously insufficient for post-primary educational development purposes but there is a reserve, possibly well known to members, at the corner of Aberdare-road and Smythe-street, also shown on the plan, which is at present used as a children's recreation ground. That area is vested in the Nedlands Road Board, which is willing to relinquish its control over 10 acres of the reserve, and in lieu thereof to accept part of a reserve which is in close proximity to it. The whole position has been scrutinised by the Town Planning Commissioner, the Nedlands Road Board and the Surveyor General, and no objection has been raised against the proposal. The clause therefore provides for the excision of 10 acres from Reserve A 19574 with the intent that the area shall be set apart for educational purposes.

The only other clause in this year's Reserves Bill deals with an area in the Nelson district near Carey Brook on the main road between Nannup and Pemberton. Adjoining State Forest No. 36 is an area of land set aside as a national park. Portion of that area is eminently suited to be an addition to the existing State forest there and an exchange of that area is to be included in favour of the forest reserve. The Forests Department is prepared to relinquish part of its interest in that section of the reserve, which will be added to the National Park. Members who have had the privilege—and it

is a privilege—to travel to Carey Brook on the road between Nannup and Pemberton, know how picturesque is that country, and the desire has been expressed to preserve for all time some of the timber near the road by excising from the actual State forest the portion to be added to the National Park; and an area of the National Park is to be handed over in exchange to the Forests Department. The areas concerned are clearly shown on the plan I will submit to the House. The portion to be excised from the National Park is bordered in blue and the excision from the forest reserve is clearly shown bordered in green. The excision of part of the forest reserve will increase the area of the National Park from 3,360 acres to 4,107 acres. A perusal of the plan will show that a considerable portion of the road between Nannup and Pemberton will be embraced in the National Park and will include some attractive karri country along the Warren-road.

Mr. Watts: Why is it necessary to repeal part of Section 13?

The MINISTER FOR LANDS: That applies to Subclause (2) of Clause 2.

Mr. Watts: Yes, but why is it necessary to set aside Section 13?

The MINISTER FOR LANDS: This matter formed part of a Reserves Bill previously introduced and, to ratify the alteration proposed by this Bill, it is necessary to cancel the legislation previously passed.

Mr. Watts: This simply applies to that particular reserve.

The MINISTER FOR LANDS: Yes. The Bill contains reference to only three reserves, which number is smaller than usual. I now lay on the Table the plans to which I referred and move—

That the Bill be now read a second time.

On motion by Mr. Watts, debate adjourned.

BILL—ROAD CLOSURE.

Second Reading.

THE MINISTER FOR LANDS [3.57] in moving the second reading said: The Bill for this year deals with seven roads or portions of roads. The first one relates to an area reserved for the School of Mines at Norseman. A better and more convenient site is recommended by the Mines Department and, to effect improvements, it is necessary to close portions of a road and deviate

a road. The whole proposal is shown clearly in a lithograph that I will submit to the House. No objection is offered by the local authority. By these alterations it will be possible, in agreement between the Town Planning Board, the Lands Department and the local authority, to put into effect a better scheme for the School of Mines.

Another clause deals with an area at East Perth, which is part of Perth Lot 745 and upon either side of which is an area belonging to the Perth City Council. The council has purchased a rather extensive area adjoining the gas works reserve, and between the two lots owned by the council is a road which, except for a 10 ft. pathway to the river, has been closed. Three years ago provision was made for the 10 ft. pathway to be provided at the end of Kensington-street. The council desires to purchase the intermediate strip of land and has agreed to pay £700 for it. No other interest is likely to be involved. The land is not required by the Crown and will be of benefit to the City Council.

Another area dealt with is one at Fremantle, which has been taken over by the State Wool Committee. There are two lots which are held by the Fremantle Council for recreation purposes, and which are required by the committee as a site for a wool store. The Wool Committee has agreed to lease these reserves from the council for the duration of the war and two years thereafter, but it is necessary that the road be closed. The area is distant from populated parts and, to give more effective occupation of the land to permit of its being used to the fullest extent, provision should be made for the closing of the road. The proposal has been examined by the Town Planning Board and there is no objection from that quarter.

The next area dealt with in the Bill is in the Leederville district, not far from the Leederville oval. The proposal is to close portion of Farr-avenue adjoining an area that has been purchased by the City Council. The part in question is shown in blue on the lithograph, and the City Council desires the closure to permit of the better development of its areas. This portion of the road is not necessary as the lots abutting on it have other frontages, and the continuation of the right-of-way as provided is all that is needed. The Town Planning Board has agreed to the proposal and there is no departmental objection.

With regard to an area at Katanning, the local road board recently purchased some ground on which it has established stock saleyards. Between this area and another area used for the disposing of liquid waste and the depositing of rubbish is a road which runs to a dead end at the railway line. For the better working of the stock saleyards, the desire is to close this dead-end road. The plan shows that both areas abut on to the railway line. There is no departmental objection to the closure. We have been advised that this is a case which cannot be dealt with under the procedure laid down in the Road Districts Act, and that the proposal must be included in this legislation.

The only other clause deals with an area at North Fremantle right on the seafront. Between the sites of the wheat bins and the ocean is an area known as Ocean-parade. Much of it is very close to high water mark and it never has been, nor is it likely to be, used as a road. But in the construction and development of wheat storage proposals in areas already leased to the Commonwealth it is necessary, for the purpose of better utilising those leased areas, to close three portions of the road known as Ocean-parade, and also a small portion of a street known as John-street. In this case, too, the lithograph shows clearly that Ocean-parade is right on the coast, and that with the plans made by the Railway Department and the areas already occupied with storage of wheat the whole scheme will be improved if the portions indicated are closed, and added to the site upon which wheat storage facilities are to be constructed.

The particulars I have given cover all the areas included in this year's Road Closure Bill. The whole of the areas subject to the various clauses have been closely scrutinised; in each case the local authority concerned has been conferred with and consulted, and in every instance the Town Planning Commission has given its approval and, in fact, raises no objection whatever to the transactions involved. I move—

That the Bill be now read a second time.

On motion by Mr. Thorn, debate adjourned.

BILL—LEGISLATIVE COUNCIL (POSTPONEMENT OF ELECTION).

Second Reading.

THE PREMIER [4.5] in moving the second reading said: There is no need to remind members that this House passed a

Bill dealing with Legislative Assembly elections a week or two ago, and that the measure was subsequently agreed to in the Legislative Council. The present Bill deals with the Legislative Council, which has already agreed to the principle of the other Bill and has ratified it. Therefore this measure does not seem to need much explanation. Council elections which normally would be held in 1942 have already been postponed to 1943. Under the Bill now before us, there will be a further postponement of elections till 1944. This means that two-thirds of the Legislative Council membership would then come up for election in 1944. As, however, the principle of not making violent changes in the personnel of the Council is well recognised and established—that is to say, that only one-third of the membership of the Council would retire each two years—we thought that the principle in question should be observed on this occasion.

Therefore, instead of two-thirds of the members of the Council going out next year, the Bill proposes that one-third of the membership should come out in 1944, and that the one-third originally intended to come out in 1944 should have its term lengthened by one year and come out in 1945. The ultimate result, so far as we can see at present, will be that one-third of the membership will come out in 1944, another third in 1945, and the remaining third in 1946. The Bill does not go so far as to provide for the course to be pursued in 1946, as four years will pass before that period is reached. That is the only difference in principle between the present Bill and that already passed here. For the same reasons which prompted this House to pass the Bill dealing with its election—that Bill was ratified by a majority of two to one in the Legislative Council—I do not propose to say anything further in regard to the present measure, which is understood by all members. So I confine myself to moving—

That the Bill be now read a second time.

On motion by Mr. McDonald, debate adjourned.

MOTION—FORESTS DEPARTMENT.

As to Cutting Rights.

Debate resumed from the 21st October on the following motion by Hon. W. D. Johnson:—

That, in the opinion of this House, the Forests Department's persistent refusal to make available cutting rights on the Crown

forest lands within carting distance of the saw-mills now operating in the metropolitan area is unfair discrimination between the people of the metropolis and those of country districts; it limits and/or prevents healthy competition and consequently makes sawn timber relatively dear to the consumers of the metropolis.

THE MINISTER FOR FORESTS [4.7]:

It will have been noted by members who have read the motion that it asks the House to disagree with the policy laid down by the Forests Department because of what the mover terms "unfair discrimination." The hon. member gives as his reason for speaking of "unfair discrimination" that the department's policy prevents competition and consequently makes sawn timber relatively dear to metropolitan residents. I do not propose to ask members to debate seriously the merit or demerits as to whether the metropolitan area should receive some advantage in the form of cheap timber as against country districts. I personally, as representative of a country district, disagree with any preference being given either to metropolitan residents or metropolitan industries. If members were asked to discuss the motion from the broader aspect—

Mr. Watts: I did not know it had one!

The MINISTER FOR FORESTS: I may be able to enlighten the Leader of the Opposition by stating that the department's policy represents a long-considered aspect.

Mr. Watts: I was referring to the "broader aspect."

The MINISTER FOR FORESTS: I am sorry to have misrepresented the Leader of the Opposition. In fact, however, the matter has a much broader aspect. If the House were to be misled by the wording of the motion and to agree that the department's policy ought to be upset, it would in fact disturb a very broad aspect of the plan of the Forests Department and of subsequent Governments which have endorsed the departmental policy. It must be remembered that the policy and plans of the department were arrived at, after mature consideration, by a body of experts. For that reason alone, this motion, if carried, will prove a severe blow to the timber industry as a whole. We have also to bear in mind that the Forests Department's main object is to stabilise the Western Australian timber industry. With that object in mind the department had to put forward a policy and a plan of long views, so that our timber

industry might be preserved in perpetuity. In striving for those ends the department had to reserve certain timber areas, and in doing so fell foul of applicants for cutting permits in respect of those areas. In accordance with the plans, they have to be refused. In refusing permits to cut certain areas, the Forests Department is looked upon as doing something very terrible. I do not think it is doing anything of the kind. We have to remember that in the policy planned by the department other aspects have to be given consideration besides the stabilisation of the timber industry. There is the employment question to consider and also the matter of assistance to the Railway Department, since considerable space on railway trucks is utilised by forest products.

The Government has to follow the established policy, which has been adopted by previous Governments to assist in the preservation of the timber industry and industries connected with it. Any departure from that policy would be very uneconomic. If the Forests Department agreed to issue permits to timber millers in the metropolitan area, that would not tend to increase the consumption of timber in any way. The timber mills that are already established fulfil the requirements of the metropolitan area as well as those of the country districts. It has been claimed that there is a shortage of timber. The Forests Department does not agree with that statement. We have very good reasons for believing it is not a fact. Included in the plans of the Forests Department to stabilise the industry, we have to take into consideration the matter of employment which has already been mentioned as part and parcel of assistance given to the metropolitan area. I do not know the numbers employed by all the timber mills in the Great Southern and South-West, but I do know that the State Sawmills—who are not the biggest millers in Western Australia—employ about 500 people in addition to sub-contractors and their staffs. They have a wages bill of approximately £21,000 per month.

One can imagine, from the number of employees of the State Sawmills, how many the whole of the industry in the South-West employs and what wages are paid per month. The question of employment must be of serious concern to all Governments, particularly from now on. That is one aspect that

must be taken into consideration: whether the timber industry is to be preserved or otherwise. So also is the Railway Department the concern of members of this Chamber. It must be realised that the timber mills have been the greatest customer of the South-West railway lines. That has to be considered. Surely it is more important for this Chamber to consider matters of that kind rather than whether the metropolitan area is to pay a cheaper rate for its timber supplies. Another way in which the timber industry of the South-West is an asset to this and would be to any other Government, is in the assistance it gives in the control of bush fires. Those engaged in the industry are part and parcel of the fire-fighters under the Bush Fires Act, and they render great assistance to the Forestry officers when bush-fires occur. Mills are established in the districts and employees of the local mills are resident there, and it is from them that extra assistance is secured. The timber mills have a policy of fire-fighting of their own and are of great assistance to the Forests Department.

The main reason why the Forests Department finds itself at variance with some of the local metropolitan millers at the moment is that the policy of the department is to establish mills in the forests. Its idea is to take the mill to the forest and not bring the forest to the mill, and that is what has caused the present motion to be introduced. Saw-millers in the metropolitan area desire the Forests Department to permit them to go into the bush, cut their logs and bring them to the metropolitan area for treatment. That is entirely opposed by the department because it is economically unsound. Surely that is not the economic way to operate a timber mill.

Hon. W. D. Johnson: It has been going on for ten years.

The MINISTER FOR FORESTS: Yes, it has been going on for some years. The reason is that at times the reservations made under this particular policy include some areas of pine plantations, and it is not economically sound to take a mill out to cut a few pine trees. Consequently the pines are cut and brought to the mills. The same is done with regard to special timbers such as red-gum and fruit-case timbers. They are brought to the metropolitan area in times of emergency and that is a sound and com-

monsense policy. It has been said that there are three mills working in the metropolitan area at the moment. As a matter of fact there are 15 mills recognised in the metropolitan area. The particular area under discussion has at the moment five mills working. The whole of that area has already been planned for some considerable time and a concession given to private mill-owners. If the motion is carried it will not do a bit of good because the miller who has made this statement about the area, the amount of timber and so forth, would not be able to get a permit, because he is speaking of an area already covered by the Forests Department. There are millers working on that area at the moment. It is true that the policy of bringing logs to the mill has operated in the past ten years, insofar as the department agreed to it in cases of emergency and in connection with the thinning out of its pine forests. The facts are that mills have been established in the metropolitan area and their concessions for timber have been in respect of private land and not Crown land at all.

The name of Mr. McKee was mentioned freely in the introduction of the motion. It is an established fact that Mr. McKee was warned when he established his mill that he would not be permitted to participate in a permit to cut timber on Crown land. I understand that at that time McKee had ample private property on which to work, and consequently his plans were not interfered with. Today the private property has been cut out and he is endeavouring to secure a concession from the Forests Department. That department argues—and I agree—that it is economically sound to take the mill to the forest, rather than use up rubber and petrol to transport the timber 15 miles from the forest to the mill. I do not think members would argue that ease. As I said, mills are working in this particular area. Some are engaged in making fruit cases from red-gum and other timbers. The mills are also providing the timber requirements of farmers in that particular area. I fail to see why the Forests Department should depart from its policy. The only argument put forward for it to do so is that cheaper timber can be supplied in the metropolitan area, but I do not consider that a sufficient reason. Plans have been laid down by the department to stabilise the timber industry and these should not be upset.

I wish to reply to one or two statements made by the member for Guildford-Midland, as they may be misleading to some members. I desire to repeat, first, that the mill was erected at Midland Junction in opposition to advice tendered by the Forests Department. McKee was advised in 1935 that no concessions would be granted. It was said that McKee was the highest bidder on one occasion for a Crown timber area that was thrown open for selection by tender. That is true. In accordance with its plans, the Forests Department threw open a selected area for milling timber. It was advertised for sale at public auction in the usual way, that is, by an advertisement in "The West Australian." The advertisement stated that a certain area of land would be sold at a particular time and at a particular place, and there was an addendum to the effect that further particulars could be obtained at the Forests Department. Mr. McKee was the highest bidder for this area, which was at Toodyay. The area was subsequently withdrawn, because McKee was not prepared or was unable to comply with the department's regulation to take his mill to Toodyay. There was nothing misleading about that. The member for Guildford-Midland indicated that he could see no reason why the concession was withdrawn, because McKee was the highest bidder for that particular area of land.

Mr. Thorn: Did not Millars' Timber and Trading Co. take up all the land encircling the area, and block McKee's right?

The MINISTER FOR FORESTS: I do not know what Millars' Co. did. I know that company has a concession at the particular area, but that did not prevent McKee from carrying on.

Mr. Thorn: He could not have got the timber out. The area was encircled by Millars' Co.

The MINISTER FOR FORESTS: No!

Mr. J. H. Smith: Was that condition expressed in the permit?

The MINISTER FOR FORESTS: I desire to explain to members who do not understand the position that there was nothing misleading in the advertisement appearing in the Press calling for tenders. That is the department's usual method of inviting tenders; but an addendum is always added stating that particulars can be obtained at the Forests Department. The department has no desire to waste money by

getting "The West Australian" to include all the conditions in the advertisement. The only reason why the department withdrew the right or concession from McKee was that he was not prepared to take his mill to Toodyay, but wanted to bring the timber to his mill at Midland Junction.

Mr. Thorn: I think he wanted to get the power to work his mill.

The MINISTER FOR FORESTS: He was the highest bidder and normally he would have been granted the permit. He subsequently submitted proposals for the establishment of a mill about six miles from Midland Junction, but was advised that his proposal did not comply with the conditions imposed by the department. The question of power was also discussed at this interview and McKee stated that, if electric power was not available, he knew of a boiler he could obtain to supply the necessary steam power.

Another matter mentioned was requests for poles. Many requests for pole cutting have had to be refused. The department's policy is that it will not permit the cutting of poles on Crown lands as long as poles can be obtained on private property. Poles on private property should naturally be the first to be used, because they are liable to be destroyed when the land is being cleared, or by fire or in some other way. While ample supplies of poles are available on private property, the Conservator of Forests will not permit poles to be cut on Crown lands. The scarcer the private-property poles become, the more numerous will be the applications to the Forests Department, for it is obviously easier for a pole contractor to obtain poles marked by a forester on nearby State forests than to search for them over private property. Poles and piles are the growing stock of the forest, the young trees on which the future of the sawmilling industry depends: hence the need for their conservation is obvious. Were I a timber-getter I would prefer that somebody else should mark the poles for me to going on private property and marking them myself. Licenses for the cutting of jarrah piles and poles under 50 feet in length are granted by the department only over—

(a) Land which is in process of alienation.

(b) Areas being cleared for pine planting.

(c) Land which is held pending the removal of timber before alienation.

(d) State forests and timber reserves as a silvicultural thinning operation.

During the past 12 months 42,000 poles and piles were supplied to works of public importance within the State. Of these, 23,000, comprising long length piles for jetties and bridges, wandoo telegraph poles, and a large number of short jarrah poles from group settlement areas and land in process of alienation, or cut as silvicultural thinning operations for wheat silos and military requirements, were obtained under licences issued by the Forests Department. During the past three months the department has authorised the cutting within 60 or 70 miles of Perth of over 7,000 poles for military purposes. It is understood that all military requirements are being satisfactorily met.

I am also advised by the acting Conservator that Mr. McKee was told that there was a possibility of a license being issued for country in the vicinity of Boddington, where other pole contractors are now working. He, however, was not interested in that locality. I imagine that is because it was too far from his own mill and district. I asked for some explanation about the poles that were mentioned by the member for Guildford-Midland. I was led to believe that McKee was refused a permit to cut poles for some concern in Kalgoorlie and that they were eventually sent from the South-West, after a good deal of delay and extra expenditure. I am advised that towards the end of July Mr. McKee approached the department for the right to supply 100 poles to the Kalgoorlie Electric Power and Lighting Corporation. As the poles were available on private property he was informed that a license to cut on Crown land could not be issued. A similar request earlier in the year by one of the large milling companies to cut 35 poles on State forests had been refused.

This order, I am informed, was placed by the Kalgoorlie corporation with another pole contractor, and they were loaded at Lowden on the 17th August without "months of delay," as claimed by Mr. McKee. I am inclined to believe the report from the Forests Department that there is no shortage of timber, and that people are not being persecuted by not being able to get timber. One other point was raised by the hon. member when introducing the motion, and this I desire to clear up. He said that at an interview it

was claimed that McKee was supplying 90 per cent. of the City Council's requirements.

Hon. W. D. Johnson: Eighty per cent.!

The MINISTER FOR FORESTS: I will retract 10 per cent. and say "80 per cent. of the City Council's requirements." From inquiries made it was learned that McKee had in a little over two months supplied timber to the City Council to the value of £865, and that purchases from other sources totalled £11,114. The proportion, therefore, was approximately seven per cent. The member for Guildford-Midland said that his remarks regarding the City Council applied to the last five years. I had that point investigated, and am informed that during the period Mr. McKee supplied only 23.5 per cent. of its requirements, and that for no single year during this period did the quantity of timber supplied by him approach anything like 80 per cent. of its purchases.

These are the main points mentioned by the mover of the motion, and which may have misled the House. For that reason I have stressed them. He mentioned one other matter, and that was in reference to the 40,000 acres of country between here and Toodyay which he claimed contained 200,000 loads of millable timber. I do not know on what authority the hon. member makes that statement. I have not checked the figures except that I asked the acting Conservator of Forests: Has this place ever been checked?

Hon. W. D. Johnson: On the Toodyay estate, not between here and Toodyay.

The MINISTER FOR FORESTS: The statement was that it was between Midland and Toodyay. I am informed that the text shows the extent of the pole cutting in this State. Mention of great numbers has no meaning without information about the sizes and possible use of the poles.

Further I am told that in any natural forest there are trees of all ages and descriptions and a passer-by, or even some person who does know a little about timber might make some calculation of it, but I am assured that this area is already mapped out in blocks and all information about it is known to the Forests Department. It is on record and I have had it looked up. The maps of this particular area show that it includes ring-barked timber which has been dead for many years, and the country round Mundar-

ing is already held under cutting permit by some particular sawmiller; and incidentally no country that is not already alienated or in use by the department is in the plan to keep the mills at present in operation working.

The question of firewood was raised, and at the particular time the firewood argument was a pretty good one to entice the Forests Department to do something for a sawmiller who was prepared to provide firewood. According to the advertisements published in "The West Australian" in the last fortnight dealing with the sale of firewood, we can drop that argument at least until next winter. I suppose that members, like myself, have read those advertisements. Various people are offering firewood for sale. If the position has been reached where firewood merchants have to advertise to get rid of it, the necessity that may have been there when the motion was introduced is no longer apparent.

I do not intend to keep the House any longer. I wish to say, in conclusion, that it is necessary for members to recollect that the policy of the department is to keep the industry going in perpetuity. It has done a good job up to date and, with its present policy of reforestation and reservations, and protection from fire and indiscriminate cutters, it is anticipated that in 35 years' time our timber industry, instead of, like mining and other industries, going by the board, will be in an even better state than today; that there will be more millable timber then than now. That is a matter of which members must take notice. I have pointed out the policy of the department and its connection with employment and assistance to railways, and the general benefit it has been to Western Australia. I ask members to consider those points rather than the parochial policy of individualism, or patronising of the metropolitan area. I hope the motion will not be agreed to.

MR. SAMPSON (Swan): I noted carefully the text of the motion and its reference to unfair discrimination in the policy of the department. I entirely disagree with that view. I feel concerned about this matter, because the Swan electorate has frequently been mentioned and because I am satisfied that the passing of the motion would not be in the best interests of the State. Let me refer to the statement by the mover that

non-compliance with the request would make for unhealthy competition. I am sure that remark must have been made without full thought being given to the matter. I am anxious regarding the establishment and maintenance of rural industries. Far too many of the efforts made to develop this country are restricted to Perth. This afternoon the Premier spoke about the money required for loan purposes and, when the time comes to reply to his remarks, reference will be made to the fact that far too much consideration has been given to the city. This motion, if carried, would have the effect of taking from a country district a possible industry in the shape of a local timber mill and its establishment in the metropolitan area.

Hon. N. Keenan: Why?

Mr. SAMPSON: Instead of the logs being cut at the point of production, they would be brought to Perth and milled there.

Mr. Needham: What would be wrong with that?

Mr. SAMPSON: It would have some virtue, but less than would follow the carrying out of that work at the point of production.

The Minister for Mines: In the Swan electorate?

Mr. SAMPSON: Yes. We in that electorate want industries. I dare say they are wanted also in the Toodyay electorate and elsewhere. I shall not include Leederville because that electorate is probably benefiting already at the expense of country districts. If sawmills are established in country electorates, more people will live there; schools will be opened, roads will be constructed, stores will be established, and a butcher and a baker will set up business in order to supply the needs of the people engaged in the mill.

Hon. W. D. Johnson: Do not forget a newspaper!

Mr. SAMPSON: If a district grows, there is always the possibility of a newspaper being established. Take Manjimup and other centres as instances! At Pinjarra, Marrinup, Dwellingup and Holyoake, timber played a very important part. I realise that there is no proposal to bring timber from Manjimup or even from Pinjarra, but to bring it a distance of 25 miles from the country to the city is economically unsound and bad in other respects, as I shall show. The establishment of a sawmill in a district

is a matter of great importance. Those who know the history of the Jarrahdale mill are aware that that township grew up entirely because of the timber-milling industry established there. To some extent the same remark applies to Barton's Mill. For many years Millars' timber company has carried on sawmilling there, and I do not think it would be any exaggeration to say that thousands of loads of timber have left that district. That mill will probably be moved out still further. At all events, it is of great importance that sawmills should be established in districts where the timber grows.

Reference has been made to the selling of waste as firewood. There is a company operating in Perth known as the Salvage Co., which has a mill operating near Karragullen, and I believe that every bit of waste is brought into Perth to help to supply firewood needs.

Mr. Cross: Most of the country round Karragullen is tied up.

Mr. SAMPSON: That is a position I would recommend for the hon. member. He should visit that part and take with him someone who knows the country; otherwise he might be lost there.

Mr. Cross: I know it better than you do.

Mr. SAMPSON: I will take the hon. member there some time, and then he will be safe. Reference has been made to sawdust. I realise that there are circumstances in which sawdust can be used with advantage, but it is of small importance. If sawdust is required, it can be brought from the forest mill to the city. Then we could have all the swamps filled in and all the tennis courts desired made. I do not think the member for Guildford-Midland was seriously concerned about sawdust. To haul logs into Perth is bad from the standpoint of the extremely heavy burden imposed upon the roads, many of which are not very substantially built, but other considerations are the quantity of motor spirit that would be used and the wear and tear on motor tyres and tubes—all serious matters. Parts for motor trucks, too, are exceedingly difficult to obtain. If only on the ground of economy in the use of motor tyres, we would be justified in rejecting the motion. The position regarding the hauling in of logs from Crown lands has not altered since 1928, and there is certainly no justification from the standpoint of the State's welfare that such should obtain today. I believe

there are various sawmillers who have established mills in the City of Perth, but I claim it is not economical that these should be operated. Certainly it would not be a proper act on the part of the Government to do anything which would make possible the carrying-on of sawmilling in the city proper if we had hopes of a mill or mills being established in the country. I would like to see Mr. McKee, whose name was mentioned and whom I do not think I have the pleasure of knowing, establish a sawmill in the Swan electorate. There is a lot of first-grade timber in that electorate.

Mr. J. H. Smith: Will you guarantee the timber?

Mr. SAMPSON: The timber is there. I agreed with the implied support of Mr. McKee, and I would give that gentleman all the help in my power. That should be done. We could have one or more sawmills in that area. Whether it is practicable to establish a sawmill at this juncture is questionable; but it is certainly impracticable to allow big logs to be carted over the roads and brought into Perth, a menace to the safety of road users and, more than that, an unfair position. If we face defeat in the war, it is because of the fact that we may be short of rubber and petrol. So I am quite sure there is no discrimination against Mr. McKee. The position in regard to the non-allowance of timber being brought from State forests has existed ever since 1928, and no one can say that the discrimination is in any way personal. The matter is one dealt with by regulations, and applies to all concerned. Those mills which did open up in the metropolitan area did so, I believe, with the full knowledge of what the position was. The policy today, so I have been advised, is a perpetuation of the policy established by Mr. Kessell, a world-famous forestry officer.

Mr. J. H. Smith: Did he establish it?

Mr. SAMPSON: I believe so. I do not assert it, but I believe it to be true. If the hon. member interjecting knows the position to be otherwise, I shall be glad to have him correct me. Undoubtedly, however, Mr. Kessell is an outstanding forestry officer, one who did wonderfully good service in this country, and one whom I hope the termination of the war ere long will enable to return to Western Australia. The practice proposed in the motion is not one which, I believe, has the support of either practical foresters or practical saw-millers.

Mr. Cross: What about poles being included in the motion?

Mr. SAMPSON: The poles to which reference is made are young trees, on which the future of forestry depends. It is not wise to go through the forests chopping out all the good poles, which otherwise will become marketable timber.

Mr. Cross: Sometimes it pays to thin the forests out a bit.

Mr. SAMPSON: That is a thing which has already been done throughout the areas to which reference is made. Reforestation, or afforestation, or silviculture, or whatever may be the correct term, has been carried out in most districts for years past. The Forests Department has gone a tremendous amount of work in that respect. The member for Canning seems to have his mind set on getting hold of some poles. These, however, are not poles for clothes-lines, but poles for commercial purposes, and they should not be destroyed. As I mentioned before, they become the timber harvest of the forests. If the department's policy runs on lines which mean protection of poles, it is another good thing. I gather from the Minister's nod of approval that that is the case.

There is another and a very important phase of the question. When a mill is established in the forest itself, it is competent for far more timber to be turned into commercial use than would otherwise be the case, since in instances where there are trees which are over-mature, or which may have been injured by fires passing through that portion of the forest, it would not pay to bring the logs down to Perth, having regard to the limited quantity of marketable timber obtainable from them. That aspect seems to be forgotten. The establishment of a local mill means that all usable timber will be secured from logs. Therefore I do not regard the motion, though certainly very well put by the member for Guildford-Midland, as one which I can support. What we want is such industries as are possible of establishment in the country itself. It is time Western Australia gave up glorifying Perth and doing everything that means promoting the drift of people into the city. I certainly do not stand for that. I know there can be no future for a country which has no regard for its rural people. In conclusion, let me say that if I felt this motion would prove of assistance to the Swan elec-

torate I would certainly support it; but I regard it as a menace, and therefore hope that it will not be carried.

HON. N. KEENAN (Nedlands): I have listened with every possible attention to what was said by the Minister for Forests: but I am afraid that, largely due to the acoustics of this Chamber, there was a good deal of important matter which I did not hear. However, I propose to refer to the few things I did hear. The Minister began by laying down what he believed to be the policy of the Forests Department as established at some date in the past—I think the Minister said it was the year 1928. If I am correct in what I gathered to be the Minister's observations, this policy, which he did not further define, was adopted with the intent to conserve this State's timber and to prevent its being depleted. But the present motion has nothing to do with depleting the country's timber unduly. It is obvious that, if this timber which is wanted in the metropolitan area is not obtained from where we say it is available, it will be obtained from somewhere else and the timber industry will be depleted to the extent to which the timber is cut. So that argument does not appear to me to carry very much weight.

The next ground was the stabilisation of the timber industry. I will deal with that in a moment when I am considering the matter on a further ground, but apparently that means making it payable under conditions that would not prevail if the timber within easy reach of the metropolitan area were available for the sawmillers. If the policy is to make timber excessively dear in the metropolitan area and by reason of that excess price to maintain and bolster up the industry in other parts of the State, the case made out by the member for Guildford-Midland is fully established. The next ground was that of employment, that by the policy of the department employment within the industry is maintained. This motion would not affect employment except to the extent that it might increase it. It might make available employment for men who are not resident where the industry is carried on but are resident in the metropolitan area.

At present, employment is not a matter of any interest to anybody. What is of interest is to try to get somebody to work for one! It is unnecessary to consider finding

employment. What is necessary is to find people who will accept employment. Therefore, though the policy had some grounds to recommend it in the days when it was very difficult to find employment for a very large number of working men in the State, that condition does not apply now. Then the railways were dragged in. I cannot see why. Timber carted over a considerable distance would naturally be taken by rail because to cart it by road would not pay. Last of all was mentioned what appears to be what I might call the slogan of the department: that the mill is to be taken to the forest and not the forest taken to the mill. The observation or slogan, if examined, is found to have obvious limitations. No matter where a mill is established it is not going to be removed when the timber immediately surrounding it is cut out. I am not sufficiently acquainted with the timber country to be able to speak with any authority, but I would assume that, where a mill is established, the timber for a considerable distance around is cut out. This motion refers to timber within 15 miles of Perth.

Mr. J. Hegney: Ten, 15 and 20 miles.

Hon. N. KEENAN: It is obvious they must go considerable distances or they would always be changing the mill site. If the policy were carried out to the limit of always taking the mill to the forest and not the forest to the mill none of those mills established in the South-west would have remained in the position in which it was first established. It is obvious that one main ground, namely that of compelling the mill to go to the forest and preventing the forest being brought to the mill is absolutely only a mere phantasy. It does not exist; it could not exist. It is against industrial conditions which would entirely prevent its being contemplated for a moment.

In 1928, the Forests Department undoubtedly did adopt a policy which—I will ask the Minister to allow me to tell him in plain terms—was adopted for the simple purpose of keeping alive the industry in the South-west. At that time, the price of export timber was very low and it was conceived—and there might have been some justification for it—that if the whole metropolitan area was made available exclusively for the benefit of the companies exporting timber the export industry would continue. For that reason alone, the metropolitan area was reserved for the benefit of the exporting companies.

In other words people in the metropolitan area were obliged to pay the loss, or portion of the loss, made on the export of timber. That was the only basis of the policy, and if that were maintained ad infinitum and the timber immediately around Perth remained locked up for the purpose of maintaining that policy, the people of that metropolitan area could well complain that they were being exploited. It is not a question of their being parochial. It is the very reverse. They are deprived of the timber at their doors and there is a parochial policy for other parts of Western Australia.

It was stated in 1928, as a second ground, that the timber immediately around Perth should be maintained in its uncut condition as an emergency supply, as something to fall back on in case of any necessity arising for a timber supply for the metropolitan area. Let us assume there was something in that at the time, because in 1928 there was a very serious doubt whether our timber supplies could be maintained. There was a very large, although not remunerative, export trade and the cutting out was proceeding at a rate that apparently would deplete our forests. So there might have been some reason for calling a halt. But now, as the Minister tells us, it is the very reverse. We can see that, using up our timber at the rate at which it is being used in the ordinary carrying on of the industry, we will not cut out anything like what is the regrowth of the forest that will take place in the meanwhile.

The Premier: Who told you that?

Hon. N. KEENAN: That is what the Minister said. If the Premier had been in the House he would have heard him.

The Premier: No! He said there would be timber in perpetuity so long as it is conserved.

Hon. N. KEENAN: There is no reason why cutting the timber in close proximity of Perth—15 miles—should endanger that policy.

Hon. W. D. Johnson: There are mature trees available.

Hon. N. KEENAN: The department would allow only mature trees to be cut. If certain mature trees are not felled and taken to the sawmill, in a few years they are not worth anything and their value is lost. In preserving such timber its value declines. It is on the down-grade. I have only to deal with the general issue by say-

ing that, whatever may have been the justification in 1928 for a policy of locking up the timber around Perth—not for the purpose of preserving that timber, but solely to enable the companies carrying on an export trade and milling in the South-West to get the timber market in Perth closed against all others except themselves—

The Premier: Those companies would not have been able to carry on if they did not have the market.

Hon. N. KEENAN: That is so.

The Premier: They had to have a market for scantlings.

Hon. N. KEENAN: If they did not have a profitable market here, they could not carry on the export trade. But is that the case today? Of course it is not! The case today is that the export price, if ships are available—and to a certain extent they are, certainly to the extent of the companies' felling and milling—is such as to make the trade payable today. There is no necessity any longer to maintain the industry on the export side by this policy. If the suggestion of the Premier, who is in charge of the forests of this State, is that the cutting of timber and the supplying of the wants of the citizens of Perth from the immediate neighbourhood of Perth are to be allowed only as long as the exporters can export at a profit, there might be very little to discuss. But that is not what is done. The timber is locked up, notwithstanding that the exporter is making a considerable profit from his export trade today. Therefore, that reason can stand no longer as a good reason for shutting up the forests in the immediate proximity of Perth.

The Premier: Who says they are locked up?

Hon. N. KEENAN: I shall tell the Premier in a moment. Mention was made of poles. Perhaps at this stage, as I have a note in front of me, I may draw the Minister's attention to the absolute necessity for thinning out the timber best suited to making poles.

Mr. Cross: That is true.

Hon. N. KEENAN: I am told that the best timber for poles is trees growing very close together, so much so that their branches intermingle, thus interfering with the growth of the trees. It would be better for the department to allow those trees to be removed.

The Minister for Forests: The department does permit thinning.

Hon. N. KEENAN: Nevertheless, when a gentleman engaged in the industry makes application for those poles he is informed by the department that it is not its policy to allow the cutting of poles on Crown lands.

The Minister for Forests: There are no poles on the area McKee wanted to cut. He was offered poles in another area.

Hon. N. KEENAN: I cannot see anything in the general policy which justifies the shutting up of timber in the immediate vicinity of Perth. By the immediate vicinity I do not mean 15 miles, but 20 miles.

The Minister for Forests: You are not taking into consideration the burning of petrol and the wearing out of tubes and tyres.

Hon. N. KEENAN: I suppose some sort of transport must be used to bring the timber to the mill. It does not float through the air. Would the Minister object to that? How does he propose to carry on the industry?

The Minister for Forests: We are doing it.

Hon. N. KEENAN: Wherever the industry is carried on, there must be power to get the logs to the mill. I wish to explain why it is that I am particularly interested in this debate, apart from the general ground that it is not in the interests of the State as a whole unduly to penalise the people of Perth. My reason for intervening in the debate is to protect what I look upon as the legitimate interests of the gentleman who interviewed me and told me of his experience with the department. To me there appeared no justification whatever for the treatment he received. Last March he, among others, was a tenderer for an advertised area on which timber would be allowed to be cut. The area was about 20 miles west of Toodyay. He was the highest bidder and would have been entitled, had the permit been granted to him, to cut timber in that particular forest. It is suggested that the conditions were read to the tenderers. I quite agree that it would be absurd to include all the conditions in an advertisement. The conditions are the main item, and there is nothing in them to the effect that the timber was to be subject to treatment at a mill erected on the area.

What the conditions do say is that a fully equipped sawmilling plant, with a log intake of a capacity not exceeding 25,000 cubic feet per month, shall be established

on a site approved by the Conservator. The conditions do not limit that site. What happened was that after the tenders had been completed this gentleman was informed that he would not be allowed to carry on milling operations except at a mill erected actually in the area. That is the policy of carrying the mill to the forest. He was the possessor of a mill which was driven by electricity and he volunteered to move it to the very extreme limit that such power could be obtained, namely, some place a considerable distance from Midland Junction in the direction of Toodyay, leaving a haulage of 10 to 15 miles from the area. But he was told by the acting Conservator that that suggestion could not be entertained. He was then told by the acting Conservator that the timber was meant to be used by the Railway Department; it was to be sawn into sleepers, and it was not at all desirable that it should be brought down to Perth in any form. The acting Conservator added that he would not allow any portion of the timber to be taken to Perth.

That is the policy of the department. It is nothing new. The department's policy is to prevent timber from being taken to Perth unless it comes from the favoured suppliers, who also are the exporters. That simply meant introducing conditions never set up in the conditions of sale. It practically amounted to a death warrant to the successful tenderer, because all the timber on private property within carting distance, not 15 miles but 40 miles, from Perth has been cut out today. Unless the timber on Crown land and within a much more reasonable distance—15 miles—of Perth, is made available, it means the closing down of this gentleman's mill. I am astonished to hear that. This man has undoubtedly been supplying timber at a lower price than the quotations obtained from what is known as the combine, of which the State Saw Mills, as I reminded the House some time ago, is a member.

To illustrate the extent to which that system goes, the Defence Department recently called for tenders for 600 superficial feet of green jarrah timber. It was to be quoted on rails at the mill. The Defence Department is paying £15 15s. a load for that timber. Had timber in the vicinity of Perth been available for milling, it could have been supplied at £10 10s. by Mr. McKee,

and he would have been glad to get the contract at that price. Who is paying for it? In this case it is the Defence Department, but in other instances where timber is wanted for homes it is the people who pay directly.

Mr. Needham: The people are paying taxes to the Defence Department.

Hon. N. KEENAN: Possibly, but that is an indirect way. What is a fact is that the timber needed for houses, fences and other domestic purposes is loaded with a price far in excess of what would be charged by men like Mr. McKee, in order to maintain this traditional policy of the department of keeping the market and supply of timber in Perth a close one. I do not want to detain the House by saying to what lengths Mr. McKee was practically fooled by the department.

The Minister for Forests: He was never fooled; he was advised in the first place.

Hon. N. KEENAN: I heard the Minister say that, but it is news to me. Mr. McKee is a business man. If he had been advised that he was not going to get this permit, he would not have bothered to put up a deposit or tender, and attend day after day at the offices of the department. Those are the facts. He went there and was told that he would not be allowed to go on with his cutting of timber in pursuance of his tender, and would not get a permit except on the condition that no portion of the timber was sold in Perth, and further that it must be milled and used for the purpose of railway sleepers.

The Premier: He has to establish his mill in proximity to where the permit exists. That is what he was told.

Hon. N. KEENAN: What does the word "proximity" cover?

The Premier: Near Toodyay.

Hon. N. KEENAN: Is 15 miles in proximity?

The Premier: I would not say so.

Hon. N. KEENAN: Yet the Premier knows perfectly well that in the South-West timber is carried more than 15 miles.

The Premier: Along constructed railways.

Hon. N. KEENAN: There is haulage here.

The Premier: This man was not going to put in a railway line.

Hon. N. KEENAN: Apart from building a private line, timber companies haul timber by truck and by horses,

The Premier: Not 15 miles; two or three miles at the most.

Hon. W. D. Johnson: There is bush haulage up to 25 miles.

Mr. SPEAKER: Order!

Hon. N. KEENAN: What is a reasonable distance for timber to be hauled? It makes no difference whether it is hauled by truck, jinker or railway.

The Premier: It makes a difference in cost.

Hon. N. KEENAN: What does this department allege to be a reasonable distance? How far from the mill is a man allowed to cut timber? I can get no answer to these questions because no-one knows.

The Premier: This man should have established his mill on the permit area. That was the condition.

Hon. N. KEENAN: Was that ever stated in the conditions of sale?

Mr. SPEAKER: This cross-examination had better cease. The hon. member must address the Chair.

Hon. N. KEENAN: The only clause in the conditions of sale that has any bearing on the matter is the one setting out that a mill, fully equipped, is to be erected subject to the approval of the Conservator. There is nothing about 15 miles, 10 miles, or reasonable or unreasonable distance. It is at the discretion of the Conservator.

The Premier: On a well-defined policy.

Hon. N. KEENAN: I am trying to understand it.

The Premier: Why do you not go—

Mr. SPEAKER: I must ask the Premier to keep order.

Hon. N. KEENAN: I am trying to understand it in the House. What am I here for; and what is the Premier here for?

The Premier: Not to discuss these things.

Mr. SPEAKER: Order! The Premier is not in order in answering questions now.

Hon. N. KEENAN: We are here to learn what is happening, and the reason for it. If it is alleged that the mill must be within a reasonable distance of the timber proposed to be cut, then we have a right to ask for the definition of "reasonable distance."

Mr. Fox: At one time the member for Brown Hill-Ivanhoe had a definition.

Hon. N. KEENAN: I am not aware of it. In my view—and I hope I am not in any sense parochial—a reasonable distance for the supply of the requirements of Perth would not be too high a figure if it included

any timber growing within 15 miles of Perth. One cannot get any definition of that kind; not even up to five miles. The whole matter is left vague and indefinite for the express purpose of keeping this market in Perth a sealed one. No matter where the timber grows, it is not allowed to be used in Perth against that sold by what is known as the combine.

I hope the motion will be carried. After all, it is only an expression of opinion. As I read it, it is only a mild expression of protest against the practice of the department or the policy—which is a name entirely too grand for it, but which has been used by the Minister—to buttress up the timber-cutters in the South-West at the improper expense of the people living in Perth. If the position was that the export trade of timber could not be maintained without giving the right to those exporting timber to have an exclusive market for sawn jarrah in this State, I would be quite prepared to agree with the Premier. So long as that state of affairs continued, I would be prepared to fall in with that policy, but it does not exist.

The Premier: It does not exist while the war is on.

Hon. N. KEENAN: Then why is this condition being maintained?

The Premier: Timber policy is one which looks forward 20 years and more. It is not a matter for today or the day after.

Hon. N. KEENAN: Apparently the Premier wants to address himself in this way: What will be the position of the timber industry 20 years hence in regard to price and export trade?

The Premier: No, not that, but when will trade be satisfactory?

Hon. N. KEENAN: Was it, before the war began?

Hon. W. D. Johnson: The industry was in a depressed condition.

Hon. N. KEENAN: Of course it was!

The Premier: It was, in 1937.

Mr. J. H. Smith: No, in 1928 and 1929.

Hon. N. KEENAN: In 1928 and 1929 the timber industry was down and out.

Mr. SPEAKER: Order! The hon. member must address the Chair.

Hon. N. KEENAN: When was it that the change over from exporting at a loss to exporting at a profit began? Was it in 1935?

The Premier: It was about that year.

Hon. N. KEENAN: Since then the companies have been carrying on at a profit, but equally so the people of the Perth and metropolitan-suburban areas have been deprived of timber supplies that could have been obtained at cheaper prices if cutting in the vicinity of Perth had been allowed.

The Premier: The industry secured reduced charges and freights and rebates of inspection fees—all for the purpose of helping the timber trade.

Hon. N. KEENAN: That is so.

The Premier: And they were given rebates on the railways.

Hon. N. KEENAN: I have not seen the accounts of the State Saw Mills, but I have seen those of Millars Timber and Trading Co. They did not show that the industry had been carried on at a loss.

The Premier: That is not so.

Hon. N. KEENAN: Then how did the company pay dividends?

The Premier: They did that from——

Mr. SPEAKER: Order! I must ask the Premier to keep order. He can speak to the motion later on.

Hon. N. KEENAN: There is no ground to be alleged in defence of this policy at the present moment. There may have been in 1928 and 1929 and even up to 1935, but there is none now. I hope that the present position will be at least rectified by the carrying of the motion.

MR. J. H. SMITH (Nelson): I am not particularly concerned with regard to the motion, because I believe that even if it is agreed to the Conservator of Forests will still have the last say.

Hon. W. D. Johnson: We can control him.

Mr. J. H. SMITH: I do not know that we have any control over the officers of the Forests Department, especially the Conservator of Forests. I do not agree with the wording of the motion, in which the member for Guildford-Midland refers to unfair discrimination between the metropolitan area and the country districts. That is altogether wrong. In the past I have been to the Conservator of Forests and to the Minister for Forests in an endeavour to secure extra areas for the mills in my electorate, and invariably the reply given to me has been that the bush I had in mind was reserved in connection with the department's long-range policy. In my electorate alone three or four small mills were operating. They are called

spot mills and were cutting sleepers exclusively. They were mostly operating on private property, just as I presume are the mills around the metropolitan area.

Mr. Cross: They are mostly spot mills.

Mr. J. H. SMITH: The point is that they are cutting on private property. After cutting out all the poles to the last stick and taking out all the timber possible, the people I refer to wanted to extend their operations. The mills in my district each employ from 12 to 15 men, and I desired to secure an extension of areas for them so that they could cut on Crown lands. In not one instance was the extension granted. The reply each time was, "This area is reserved for our future policy." The object was to provide for Bunning Bros., Lewis and Stirk or Millars' Timber and Trading Co. after they had cut over their existing permits. Some extension was granted, but that applied to areas of bastard country which, when cut over, was thrown open for agricultural purposes. It contained red-gum and stunted jarrah, and permits were granted to the mills to cut out those areas, which were subsequently alienated by the Crown and thrown open for selection. As the member for Collie well knows, applications were made for the throwing open of areas at Greenbushes and elsewhere, but we could not secure any further extensions.

Mr. Marshall: What makes you say that certain areas were reserved for the firms you mentioned?

Mr. J. H. SMITH: That is the long-range policy. The Forests Department says to the companies, "The areas you have now will provide for your cutting requirements for the next 10, 15 or 20 years, and when you have cut out those areas the localities marked on plan such-and-such a number will be those you will cut over next." That is the effect of the long-range policy. In the areas that are being cut over today, it is not permissible for the companies to take out trees less than 7 ft. 6 ins. in circumference 3 ft. 6 ins., or axe-handle high, from the ground. That marking system is rigidly adhered to. The member for Collie, the member for Bunbury and I were in a permit area last Friday, and we found that men were carting timber 17 miles to the mill, and no log was less than the prescribed diameter. The cutters are required to leave in the forests all the vigorously growing young trees.

We argued the point with the acting Conservator of Forests, but he stressed the fact that he had to adhere to the departmental policy which looked ahead for 30 years or more. It required the trees of vigorous growth under 90 ins. in diameter to be left standing to provide for cutting in the future. I tell the member for Guildford-Midland that there is no discrimination in the departmental policy as between the metropolitan area and the country districts. It applies equally in both instances. The member for Nedlands, in his wisdom, informed the House that concessions were granted in 1928, but that did not affect the metropolitan area. That part of the State was never considered in connection with that concession. It was granted at a time when the timber industry was down and flat out. The Government made concessions regarding the royalties payable, and I remember participating in deputations requesting assistance along those lines.

The Premier: Concessions were granted regarding railway freights.

Mr. J. H. SMITH: Yes. I think harbour concessions were granted on export timber. All these concessions and rebates enabled the timber companies to carry on, and that applied also to the State Saw Mills.

The Premier: Concessions were granted regarding inspection fees as well.

Mr. J. H. SMITH: Yes, and that was a big reduction. From 1928 to 1936 or 1937 the condition of the timber industry throughout the South-West was most unsatisfactory. Only subsequent to that date, and more especially since the commencement of the present war, has there been buoyancy in the trade to an extent never before experienced. As regards the concessions, I do not know much about the matter from the economic standpoint, but I emphasise that from that point of view it pays to take the mills to the forest. It does not pay to bring the logs to the mills because so much rubbish has to be hauled in addition to the marketable timber. In the circumstances a mill has to be in a pretty fair locality, more particularly when cutting jarrah. I suggest that the friend cited by the member for Guildford-Midland would not get much more than 30 per cent. in the square from the timber he cuts.

Hon. W. D. Johnson: He does very well.

Mr. J. H. SMITH: I do not care what he says; unless he includes firewood as well,

I guarantee that he does not get more than 30 per cent. marketable timber from what he cuts. That means that 70 per cent. of what has to be carted for 15 miles is so much waste.

Hon. W. D. Johnson: Is Manjimup in the heart of the bush?

Mr. J. H. SMITH: It was, and so was Pemberton. I agree that carting by trucks up to 17 miles to bring timber to the mills is done at present in some places. In connection with the mills at Manjimup and Pemberton, and the large mills of Bunnings and Millars, there are railways running out 10 or 20 miles to what are called landings, and the logs are carted into those landings from the bush. The Conservator of Forests seems to have laid down that when a permit is applied for, it is based on a minimum. He said, "We propose to throw open an area at a certain place and our price is 7s. in the round." That would be the up-set price. If I was the only tenderer, I would get it at 7s., but if half-a-dozen people wanted the area, the price might go to 9s. or 10s. The highest bidder would receive the permit. That applies throughout the industry. No company has a right to a permit; payment has to be made for the permit. I presume that when this permit was offered, our friend was the highest bidder. He says that the mill has to be operated on the permit, and that is why I feel inclined to support the motion, because from the point of view of economy, it would pay to cut in the bush.

The only objection I have to the motion is the reference to unfair discrimination. There is no discrimination; all applicants are placed on the same footing. The statement by the member for Nedlands to the effect that the timber in the metropolitan area is being reserved in order to give concessions to the country is quite wrong. My remarks about timber apply also to the 20ft. and 35ft. telephone poles. In our forests we have a heritage that we must protect for all time and I believe in the long range policy, but I do not think that the Conservator should have the full say. This House should discuss the policy of the department. When I entered the House in 1920, I was constantly fighting the department, but could obtain no support. I would not approve of any man going into our forests in order to cut poles.

The Premier: Young trees.

Mr. J. H. SMITH: That is so. The young trees make the forests of the future, though they might need 100 or 200 years to grow to maturity.

Hon. W. D. Johnson: They have to be thinned out.

Mr. J. H. SMITH: I have seen jarrah trees of 120 and 150 inches round the butt, growing like candles as karri does. There might be an excellent jarrah tree and near it another growing up to only 20 or 30 feet and then curling. This one will never make a marketable tree. Trees of this kind are marked by the departmental officers and they may be cut for telephone poles.

Hon. W. D. Johnson: They mark all trees.

Mr. J. H. SMITH: On alienated and group settlement areas, every tree that will make timber or make a pole is cut because the department is finished with those areas. That is the policy of the department. I would support the motion if I thought it would achieve any good. I cannot see why a man who has put his all into the industry should be debarred from getting a permit. The Conservator has the right to mark the trees and, if he marked rigidly and reserved many logs of over 90 inches, no man could make a living. According to the provision that has been read, a man taking an area would be compelled to put the mill where the Conservator said it should be placed. If he said it had to be placed at the extreme end of the concession, the holder would have to comply. When a man gets a permit he wants to place the mill as near the centre as possible, provided a water supply is available. If the Conservator says that the holder of a permit must put the mill where he says it should go, no resolution of ours will do any good.

I have an open mind on the subject and I cannot see that the motion will achieve much good. I am afraid it will be another pious resolution. No one knows better than does the member for Nedlands that the Conservator has the last say. He is Caesar, and there is no appeal from Caesar. The member for Swan stated that Mr. Kessell laid down the policy of the Forests Department. I understood that Mr. Lane-Poole was imported specially for that purpose. Mr. Kessell was his pupil and has done a wonderful job, as also has Mr. Stoaate, the man who is following in Mr. Kessell's footsteps. I have nothing to say against the department.

HON. W. D. JOHNSON (Guildford-Midland—in reply): I am pleased that the matter has been ventilated. The reason it needs ventilation is outlined in one of a series of questions I asked to try to direct the attention of members to the condition prevailing today. In answer to one question the Minister said—

When a working plan is approved under Section 31 (4) it cannot be altered except on the recommendation of the Conservator.

Years ago I took a very active part in the efforts then exerted for the conservation and protection of our forest country. I toured the South-West and endeavoured to get the people in that part of the State to appreciate that the hewing of timber before milling was a suicidal policy. There was a tremendous debate in this House. Committees of inquiry were set up, but I maintained on behalf of the then Government that we must adopt some new protective policy in the interests of maintaining our forest wealth. In 1928—I was not in the Ministry at the time—I subscribed fully to the introduction of the policy of protection then proclaimed. I did that with reason, and I think the Minister has been ungenerous in his attitude. He has not been wittingly so because he has not the knowledge of the 1928 conditions. In that year, when it was declared that no area within the metropolitan boundaries would be made available, the step was taken so that the timber on private lands would be cut by the private mills.

The idea was to protect the Crown lands from being laid bare while timber on private lands was not being used. The policy was introduced so that anyone operating in the metropolitan area would operate on timber growing on private lands. Thus that timber would be used up first. At that time, naturally, nobody ever thought that the policy of 1928 was to go on forever. There must be a limit to it. It must stop some time. I submit that time is now. Mr. McKee and others did establish mills, and in 1928 a regulation, or declaration of policy, did inform them that Crown lands would not be available to them for cutting. Mr. McKee is, I presume, one of the best authorities on forest lands in the State today—a man who has devoted all his life to timber, an expert in estimating the productive capacity of areas of timber lands and the quantity of matured timber available within an area. He, as a wise business

man, had made a survey of the private timber lands, and knew that he had about ten years' cutting of timber on private lands ahead of him provided he could pay the price demanded by the private owners. He did compete, and built up a good business. It is also true that for five years, the period I stated, he did supply 80 per cent. of the rough sawn timber required by the City Council. Rough sawn timber is the only kind of timber he dealt in.

When the Minister made inquiries, however, those inquiries related to all the timber supplied to the City Council; and of course Mr. McKee did not supply 80 per cent. of all the timber purchased by the City Council, because there was a considerable percentage of processed timber, in which Mr. McKee did not deal. What he supplied was kerbing, timber for bridges and culverts, rough timber which is highly expensive unless available in close proximity to users. Mr. McKee has been an asset to the City Council over the years, and in fact an asset to every local government purchasing rough sawn timber; and all that rough sawn timber did come from private property. I ask members in all fairness whether a man who has serviced in that way, who has put up an up-to-date mill—true, driven by electricity, which represents some slight difficulty to him today but should not be a hindrance if forest policy is reasonable and fair—whether such a man should be prevented from pursuing his business. He has used that mill up to date merely to furnish comparatively cheap timber to metropolitan consumers. Surely that man has done a service to the community and to the State, and has helped the Forests Department. Now the time has come when his timber resources are exhausted. He has not been the only saw-miller cutting; there have been others; but I know his activities, and I speak more particularly of the man I know. He has cut out. He cannot get another stick of timber. He is closed down today. Yet inside the area where he has been cutting on private lands, he has carted logs 40 miles to his mill, carted it from private lands. Within 15 miles of Midland Junction he has gone through huge areas of Crown timber lands. He did not complain, because he knew that his duty to the State was to get his timber requirements from private property.

Now that timber is all gone, and he simply comes back to the 15-miles distance. The

transport people say that it is reasonable to cart 15 miles from the forest into the city. He asks, "Why close me down? I have a mill and a staff and an organisation. I have employed labour. I have supplied metropolitan consumers. I know where there is now abundance of mature timber that is depreciating through over-maturity." Any forest inspector would tell the Minister that on a number of areas within 15 miles, and on larger areas situated between 15 and 20 miles away, and a considerable area situated between 20 and 40 miles away, all Crown lands, huge quantities of timber are being destroyed today because of over-maturity. The forestry officers tell the Minister a different story from that which they tell other people. One gets to them and says, "Take a given area; don't you think that timber goes away?" We do not say that timber area must be made available, but we do say that the policy and practice constantly adopted hitherto should be adopted now by declaring that that area will be thrown open but that the trees to be cut will be trees marked by the Forests Department. That is all that is wanted. Why, with all those protective measures, should it be possible for the Conservator of Forests simply to sit tight and reply, "No; we had a forests policy in 1928 and that policy must operate in 1942?"

I ask the Government to realise that that has been the attitude for 14 years. Surely if private mills have been cutting over distances of 10 to 14 miles, and back of that area for another 10 miles, and again further back for a distance of 24 miles, the time has arrived when the matter needs re-consideration. I have not "sprung" this motion. The Premier interjected, "Why bring the matter to the House? Why not discuss it with the experts?" Goodness knows, I have been discussing this matter since April.

The Premier: I did not interject that remark to you.

Hon. W. D. JOHNSON: No; but I thought members might perhaps have misunderstood the Premier. I started in April to try to get Mr. Stoate to realise that the end was coming. It had not been reached then. Mr. McKee did have certain forest lands available; and, what is more, Mr. Stoate did help him to get an area of Education reserve in the Kalamunda district. He did make that land available to McKee, so as to keep him going, so as to

help him. I said to Mr. Stoate, "Well now, when that area is finished, is it possible to get another area?" The reply was "No." I pleaded with the officials; I saw the Premier about the matter; I wrote to the hon. gentleman about it; I tried in every way to achieve my object without coming to the House. I do not like proceeding in this way, because here one gets speeches like that of the member for Swan on a motion of this kind.

Mr. SPEAKER: Order! The hon. member must not reflect on another member.

Hon. W. D. JOHNSON: For that reason I do not like introducing these motions for discussion here. One has to realise, however, that the forests policy needs reconsideration, and that the only place in which reconsideration can be obtained is Parliament. There is no other opportunity whatever. The motion says that I object to discrimination between country and city sawmills. I had thought to get members to realise the discrimination that does exist. Country people have the forest country. They are getting their timber. We have had these forests here. We are not asking for the metropolitan area to be advantaged, as the interjection of the Leader of the Opposition would convey, but we say, "Do not disadvantage us. We have had these mills for ten years. We have got into the habit of supplying rough timber in the metropolitan area. Do not disadvantage us now by closing down our mills."

The Minister said it would reduce employment. It will not do so other than in the metropolitan area. It will increase employment in the country districts because the buyers who have been purchasing from the metropolitan mills will be forced, if this policy is not reconsidered, to go out to the country areas. Mr. McKee will be forced to scrap his mill and put his men off, and their only chance of getting work will be to go into the country. Unfortunately, his mill cannot go into the country because it is an electrically-driven plant. It is a special plant for a special purpose in the metropolitan area. There is a good deal more I would like to say, but I realise that time is flying. Regarding State sawmilling, no one is prouder of its accomplishments than I. I claim an active part in its establishment. It was established at a time when we were developing a forestry policy, and I am proud it was established. But unless

this matter is considered, the State Sawmills will interfere with the metropolitan mills. That is why I mentioned that it was discrimination that will unduly help the country mills against the metropolitan mills which have been closed down. I want that closing-down to be purely temporary, because it is not reasonable and fair that a business of this kind should be closed down on account of a policy that was all right in 1928 but is distinctly unfair in 1942.

It has been said that we want cheaper timber. It is not that at all. All I did in my motion was to say that if the mills are not closed down, automatically timber must become cheaper in the metropolitan area. So I say it is discriminating against the metropolitan area to force them away from where Nature has planted their supply. The timber supply of the metropolitan area is within 15 miles. A ten-years' supply is available within 15 miles of the metropolitan area. Why should that be held up any longer now that the privately-owned forests are depleted? I trust the House will carry the motion just to convey that while we gave—and I was a party to the giving—autocratic powers to the Conservator of Forests, they should be reconsidered. We gave him extensive powers. As members on the Government bench know, I have never been a party to that kind of policy, but I agreed because a wonderful asset was being destroyed. I gave way. I said, "Yes, I am prepared to do it for the sake of the forests." Now I find that it is going on for ever. There is going to be no reconsideration. The reason for the protection I agreed to has been removed. The Conservator of Forests says in regard to the power given him in 1928, "I am going to use it as long as I possibly can."

The only people who can declare for a reconsideration are members of Parliament. I do not want an area for Mr. McKee. I want the policy to be reconsidered with a view to ascertaining whether the metropolitan area should not maintain its supply of timber under conditions that have prevailed for ten years from Crown lands, now that the supply on private land is exhausted. I trust members will appreciate that the motion was worded so as to make them realise the effect if the policy is continued. I do not attack anyone. I know the Conservator of Forests is carrying out what he said, and I said, was right in 1928; but it

is not right in 1942 to penalise the metropolitan area to the extent that the consumers will be penalised unless some alteration is made, and unless some trees that are being wasted today are made available for cutting by the sawmills established in the metropolitan area.

Question put, and a division taken with the following result:—

Ayes 22

Noes 14

Majority for 8

AYES.

Mr. Berry	Mr. McDonald
Mr. Boyle	Mr. McLarty
Mrs. Cardell-Oliver	Mr. Needham
Mr. Cross	Mr. Shearn
Mr. Fox	Mr. J. H. Smith
Mr. J. Hegney	Mr. Thorn
Mr. W. Hegney	Mr. Tonkin
Mr. Hughes	Mr. Warner
Mr. Johnson	Mr. Watts
Mr. Keenan	Mr. Willmott
Mr. Marshall	Mr. Triat

(Teller.)

NOES.

Mr. Coverley	Mr. Panton
Mr. Doney	Mr. Sampson
Mr. Hawke	Mr. Seward
Mr. Hill	Mr. Willcock
Mr. Leahy	Mr. Wise
Mr. Millington	Mr. Withers
Mr. Nulsen	Mr. Wilson

(Teller.)

Question thus passed.

House adjourned at 6.15 p.m.

Legislative Council.

Wednesday, 18th November, 1942.

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The PRESIDENT took the Chair at 2.15 p.m., and read prayers.

PAPER—STATE CIVIL REQUIREMENTS.

Ministerial Statement.

THE CHIEF SECRETARY [2.18]: I wish to lay on the Table of the House a most important report, and in doing would like to make a statement. Members are no

doubt aware that on the 14th November, the following motion was moved in the Legislative Assembly by the member for West Perth:—

That a Select Committee be appointed to inquire into any existing or threatened shortages in the supply of essential requirements for civil consumption in this State, and as to the allocation to this State of a fair quota of the Australian production of such requirements, and as to the shipping and other transport services for the carriage of such supplies to this State, and to report thereon to this House.

The motion was amended, and it was agreed that a true picture of the position would best be obtained if a report were submitted to the House from departmental and governmental sources. During the course of his speech, the Minister for Lands said that if when the reports were made available to the House it was apparent from them that there was not sufficient recognition of the State's interests in various directions, there was any laxity, or anything had been overlooked, or if it could be shown that the State's requirements were likely inadequately to be met, then would be the proper time to take definite action in respect of any arrangements which appeared to be weak. Although one or two members suggested that such an inquiry would go the way of all such investigations, and that the Minister would accept no responsibility, the report now submitted, which I feel sure members will find to be tremendously informative, has been carefully prepared. Considerable endeavour has been made to present in this way to the whole of Parliament, as quickly as possible, such information as might even permit further inquiry, but which would facilitate decisions being reached.

The motion I have read mentions "the supply of essential requirements for civil consumption in this State." In preparing this report, "civil consumption" has been taken to mean not merely the inclusion of commodities that are for consumption as food. The comments and tables submitted in regard to goods of local production are based on almost measurable quantities in spite of the extreme manpower difficulties, and although they will vary in actual practice they are as reliable as investigations at this stage can make them. Imported commodities must of necessity be subject to various transport difficulties. Censorship restrictions in regard to the information to be found in this report were discussed with