

had in the past to analyse legislation, and that they will not be expected to deal with an avalanche of Bills, the details of which cannot possibly receive adequate consideration. Having regard to the comparative urgency of the legislation that will be placed before us, I trust that the opportunity to consider the contents of the more important measures will be fully availed of. For once I find myself in agreement with the member for Yilgarn-Coolgardie (Mr. Lambert) who drew attention to the undesirability of flooding the Table with piles of regulations from time to time. Those regulations deal with all sorts of matters handled by various departments. When we look into those regulations, we find that many arise from the fact that the Legislature has given insufficient consideration to the legislation, the regulations being required to give more adequate effect to the intentions of the Government. I trust therefore that this session we shall be asked to deal with fewer Bills, so that we may be able to scrutinise them more carefully, and thereby avoid the necessity for the promulgation of regulations, except where they may not be expressly provided for in legislation. Parliament should first give adequate consideration to measures so as to make them reasonably complete and thus obviate the need for the framing of regulation after regulation to give effect to the intentions of legislation. I trust that this session will be fruitful of good for all sections of the community.

On motion by Mr. Holman, debate adjourned.

*House adjourned at 8.16 p.m.*

## Legislative Council,

*Wednesday, 16th August, 1939.*

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

### QUESTION—TAXATION.

#### *Hospital Fund Tax.*

Hon. H. SEDDON asked the Chief Secretary: What was the total amount received from Hospital Fund Tax for the year ended 30th June, 1939?

The HONORARY MINISTER (for the Chief Secretary) replied: The total amount received from the hospital tax for the year 1939, was £264,072.

### QUESTION—STATE FINANCES.

Hon. H. SEDDON asked the Chief Secretary: What was the revenue and expenditure for the months of June, 1938 and 1939?

The HONORARY MINISTER (for the Chief Secretary) replied: The revenue and expenditure for the month of June, 1938, and June, 1939, were as follows:—Revenue: June, 1938, £1,170,094; June, 1939, £1,092,924. Expenditure: June, 1938, £989,411; June, 1939, £996,127.

### QUESTIONS (2)—RAILWAYS.

#### *Diesel Cars.*

Hon. H. SEDDON asked the Chief Secretary: What revenue was earned by Diesel cars in each district during the year ended 30th June, 1939?

The HONORARY MINISTER (for the Chief Secretary) replied:

Route—	Gross Revenue. £
Perth to Merredin (Main line)	5,458
Perth to Merredin (via Wyalkatchem) . . . . .	6,994
Perth to Merredin (via Quairading) . . . . .	5,310
Perth to Katanning . . . . .	8,463
Perth to Bunbury . . . . .	1,547
Bunbury to Busselton, Donnybrook and Northcliffe . . . . .	4,287
Geraldton to Mullewa and Yuna . . . . .	2,130
Total . . . . .	£34,189

*Passenger Traffic, Kalgoorlie-Leonora, Laverton.*

Hon. H. SEDDON asked the Chief Secretary: What was the total number of passengers carried during the year ended 30th June, 1939, on the railway (a) from Kalgoorlie to Leonora, and (b) from Kalgoorlie to Laverton?

The HONORARY MINISTER (for the Chief Secretary) replied: (a) 315, (b) 614.

**QUESTION—WORKERS' HOMES, KALGOORLIE AND BOULDER.**

Hon. J. CORNELL asked the Chief Secretary: Is it the policy of the Workers' Homes Board to continue to build workers' homes in Kalgoorlie and Boulder? If so, how many homes is it intended to erect in each of those towns during the current financial year?

The HONORARY MINISTER (for the Chief Secretary) replied: The Board is continuing its building programme in Kalgoorlie and Boulder. It has not laid down any number for each town as it regards the two towns as one area and erects the homes in either of the towns selected by the approved applicants. During the last three years 59 homes have been erected in Kalgoorlie and Boulder. The present programme is 16 houses per annum on the basis of four houses per quarter.

**QUESTION—LICENSING COURT, MEMBERS' AGES.**

Hon. J. A. DIMMITT asked the Chief Secretary: What are the respective ages of the three present members of the Licensing Court?

The HONORARY MINISTER (for the Chief Secretary) replied: There are no departmental records which show the ages of the members of the Licensing Court as the Licensing Act contains no provision relating to the ages of appointees to that Board.

**PERSONAL EXPLANATION—AGRICULTURAL BANK, DISEASE IN DAIRY COWS.**

The HONORARY MINISTER (Hon. E. H. Gray—West) [4.37]: On a point of explanation, I desire to apologise to the House for the erroneous and misleading answer given to the question asked by Mr. Tuckey on the 9th August. This answer was challenged by Mr. Mann, who, on investigation, I find to be correct. Naturally, I have no desire to mislead members. My aim is to build up a reputation equal to that of my predecessors for giving correct answers to members on any question of Government activities.

Hon. J. Cornell: The answer was given to you.

The HONORARY MINISTER: This is the correct reply:—

The information asked for in the question of the 9th August was whether the Agricultural Bank had sold cows at Sabina Vale giving a positive reaction to the abortion test. The answer given was correct, as that institution does not control the Sabina Vale property, and did not sell these cows. The property is under the control of the Lands Department, and the sale of the stock was carried out by Elder, Smith & Co. on that department's instructions. Included in the stock sold were eight stud cows that had not given a negative reaction to the contagious abortion test. The auctioneer, in accordance with definite instructions from the department, sold those cows separately, and stated before selling the animals that they had given a positive reaction to the test. Cows similarly affected are continually being sold at private sales. Farmers with holdings already infected could have purchased such cows without harm, but a farmer with a clean holding would have been foolish to do so, in view of the definite information given before the animals were sold.

## ADDRESS-IN-REPLY.

*Fifth Day.*

Debate resumed from the previous day.

**HON. H. V. PIESSE** (South-East) [4.40]: At the outset I should like to express my sympathy with the families of the late Miss Holman and the late Mr. J. MacCallum Smith, both of whom rendered exceptional service to Western Australia. We all came into contact with Miss Holman and are aware of the great work she carried out, particularly during her term in Parliament. As to Mr. MacCallum Smith, may I say how grateful are the primary producers and stock raisers of Western Australia at the announcement in this morning's newspaper that he had seen fit to bequeath the necessary funds to establish a veterinary science course at the University. Such a course, I feel sure, will prove of very great help to the stock raisers of this State. The deceased gentleman was one of the founders of stud stock breeding in Western Australia and undoubtedly endeavoured to raise stock with an eye to added profit-making. He imported many beasts, including stud stock, from the Old Country, and I feel that I am only expressing the appreciation of stock growers in thus alluding to his munificent bequest.

Looking at the front bench I observe that the Leader of the House is still absent. I regret that his health has not improved sufficiently to enable him to return to his duties. Nevertheless, we have the smiling face of his offside, the Honorary Minister, whose courtesy we all appreciate whenever we bring any matters before him.

The most important discussion naturally centres in the wheat and wool industries. Everyone must realise how serious the position will be if adequate help is not provided for both those industries. The Premier, accompanied by the Minister for Lands, has to-day returned from the wheat conference held in Melbourne last week, and no doubt he will advise Parliament of the results of the conference. The Prime Minister, Mr. Menzies, has offered to provide £2,000,000 to assist the States in aiding the industry. This, with the excise now being collected, will provide a price of 3s. 4d. a bushel at ports. I should like to warn the Premier that, before accepting the offer of the Prime Minister, he should carefully consider the fact that this price

is based on a crop return of 140,000,000 bushels. During the last few weeks I have been to the Eastern States and have seen the bountiful growth of grass, pasture and top feed from Western Australia to Sydney. Although I have made the trip on many occasions, never before have I seen such pasture and other feed available for stock. Consequently it is quite reasonable to expect that the Australian crop this season will be, not 140,000,000 bushels, but nearer to 170,000,000 bushels or perhaps even more. If that proves to be so, what will the position be? Will an increased amount of money be provided or is this fixed amount only to be available to pay a bonus to the wheatgrowers? If more money is not provided, the wheatgrowers, instead of getting a price equivalent to 3s. 4d. a bushel at ports, will receive considerably less. Though the producer of wheat expects to be guaranteed a profit on his wheat, he should at least be guaranteed a payable price to enable him to carry on this important industry. In Perth to-day I met a man who told me that during the last few weeks his business had fallen off tremendously. If wheat and wool prices are not put on a reasonable basis before many months have passed and particularly before the coming harvest, I do not know how we shall fare in the depression that is now prevailing. The depression of 1931-32 was quite bad enough, but what will happen if wheatgrowers are to receive only the small amount that has been suggested?

The "West Australian" newspaper announced this morning—

Wheat Below 1s.

Record Low Level Reached.

The fall in the price of bulk wheat to 1s. 0 $\frac{3}{4}$ d. a bushel at Government railway sidings in the Fremantle zone, with the equivalent of a bagged rail freight of 4d. a bushel, has reduced the quotation at many sidings in this State, where higher rates exist, to below 1s.

Hon. J. Cornell: That would be equal to 6d. per bushel 20 years ago.

Hon. H. V. PIESSE: That is so, taking into consideration the value of sterling and the exchange rate. The other day I heard a member speak of spending a bushel of wheat to get three cups of tea. That is sufficient to show the catastrophe confronting us unless special consideration is given to the industry. Still, I repeat that before the Premier accepts any proposition submitted by the Commonwealth Government, he should make sure

that a reasonable price will be provided for the growers. I congratulate the Premier and the Minister for Lands on their work in the East. I am sure they are conscientious in their efforts on behalf of the growers of wheat and wool.

A suggestion has been made that if the price of wheat rises to 3s. 6d. a bushel at ports, an export duty should be imposed to provide for repayment of the bonuses granted by the Commonwealth Government. I am interested in the aerated water trade and have to buy bottles year after year to replace losses, and I am paying a much higher price for bottles to-day than I paid 15 years ago. But do I get a return of any portion of the profits made by the glass combine? Of course not. Then why should a wheatgrower be asked to make a repayment to the Treasury when wheat reaches a price of 3s. 6d. a bushel? If such a repayment is to be insisted upon, the price should be made 4s. or 4s. 6d. a bushel. To suggest a repayment after a price of 3s. 6d. is realised is absurd. The farmers have accumulated heavy debts against their properties and have experienced only one payable season in the last five years. Yet, in spite of all their losses and accumulated debts, they are to be asked to agree to the payment of an export duty as soon as wheat reaches a price of 3s. 6d. To say the least of it, that is absurd.

I shall next deal with the wool-growing industry. I cannot help but admire those engaged in the production of wool. Not for one moment do I wish to detract from the work of our back-country farmers, who have had to put up with such poor housing accommodation and other inconveniences while carrying on their clearing operations, but, at the same time, the wool grower carried on pioneering work long before we embarked upon wheat production in Western Australia. At no time did the wool growers approach the Government for financial assistance in the past, but to-day they have been forced to make application for a bonus for the first time in their history. They represent a long-suffering section of the community and to lend emphasis to that point I shall refer to particulars of interest that appeared in the "Pastoralists' Review," under date the 12th June, 1939. My attention was drawn to the publication by Mr. Gregory, M.H.R., who has paid much attention to the effects of the tariff on primary products throughout the Common-

wealth. The following list of prices was taken from a station ledger and embodies a comparison between the prices that obtained in the financial year 1912-13 and those operating in 1939. To show the enormous rises in prices that have taken place respecting essential items that wool growers must procure in order to carry out their operations, I shall quote the following:—

	1912-13.		1939.	
	£	s. d.	£	s. d.
Shearing handpieces ....	2	10 0 each	5	17 6 each
combs....	1	4 0 doz.	2	8 0 doz.
" cutters .....	0	5 0 "	0	13 0 "
" handpiece forks .....	0	6 0 each	1	1 0 each
" emery cloth, No. 2½ .....	0	2 6 doz.	0	6 6 doz.
Sheep branding oil .....	1	2 6 drum	2	14 0 drum
No. 8 galvanised wire .....	8	5 0 ton	17	0 0 ton
" A " grade wire netting, 42 x 1½ x 17 .....	31	10 6 mile	50	6 2 mile
American axes .....	0	4 0 each	0	10 6 each
Imported Stockholm tar .....	0	9 6 drum	1	7 6 drum
Kerosene .....	0	7 9 case	0	17 0 case
Jam .....	0	0 5 tin	0	0 10 tin
Bread .....	0	0 3½ loaf	0	0 6 loaf
Baking Powder .....	0	1 3 lb.	0	1 11 lb.
Dark Champion tobacco .....	0	5 6 "	0	14 6 "
Wages, station hands .....	1	0 0 " per week	2	5 6 " per week
Second-class rail fare—				
Sydney-Warren .....	1	6 0	2	0 10
Book-keeping ledger .....	0	6 6 each	1	1 0 each
Freight on truck, sheep or cattle, Warren-Sydney .....	6	5 0	13	2 10
Working men's boots .....	0	5 6	0	16 0

These comparative figures indicate the increased costs that have had to be borne by those engaged in the sheep industry. When I perused those details, I communicated with the officials of the Railway Department. I think members generally will agree that whenever they make inquiries from the railway officers, those officials have no hesitation whatever in assisting to clarify matters. I asked what was the difference between the first-class fares for the journey between Katanning and Perth in 1912-13 as against those obtaining to-day. I found that the first-class fare in the earlier period was £1 16s. 5d. and it is rather interesting to find that to-day the fare is £1 16s. 6d., an increase of one penny. The return fare in 1912-13 was £2 14s. 6d. but to-day the return fare is £3 12s. 6d. Throughout the railway system return fares have been increased and sometimes the department will not issue return tickets; in fact, they are obtainable only as between certain railway centres. As for the transport of stock from Katanning to Perth, a small full truck for cattle or sheep cost £4 7s. 6d. in 1912 as against a charge of £6 17s. 6d. to-day, showing an increase of £2 10s. A bogie truck cost £8 15s. in 1912, whereas to-day it costs £13 15s. From a passenger point of view,

our railway fares compare more than favourably with those charged in the Eastern States. On the other hand, it is interesting to note that in the other States people travel by the railways, whereas in Western Australia trains are certainly not over-crowded because of few people travelling from country districts or even within the metropolitan area. While on this subject I wish to commend Mr. Seward, the member for Pingelly in the Legislative Assembly, who wrote a letter to the Press some time ago complaining about railway matters. For instance, take the sleeper accommodation provided on the Great Southern line. I have heard many people say that they would never travel on that line again. That was not because the officials did not endeavour to make passengers as comfortable as they possibly could, but because the seats were worn out. Particularly enough, just when I was writing my notes for my present speech, I noticed an improvement regarding the seating accommodation. On the train that I travelled from Katanning on Tuesday night, I found the only new seats that have been provided on the trains for a very long time. They consisted of a type of rubber cushion and were quite satisfactory. I would like to know how many carriages are provided with comfortable seating accommodation other than on the goldfields express and the trans train.

Hon. W. J. Mann: Are they not available to every one?

Hon. H. V. PIESSE: Of course, that should be so.

Hon. C. F. Baxter: I presume they were not specially supplied for you.

Hon. H. V. PIESSE: They were not. Then again, anyone who has travelled over the railways in the Eastern States must have noted the difference between the refreshment room arrangements there compared with those obtaining in Western Australia. The Adelaide refreshment room is a credit to South Australia, and is certainly the finest in the Commonwealth. Compare the conditions there with what we find here. Some time back, when the early train for the Great Southern left at 7 a.m., members representing the South-East Province and Assembly members from that part of the State, were on some occasions tempted to travel by it. Members can imagine our experience when we had

breakfast in the refreshment room on the Perth railway station.

Hon. J. Cornell: The tea served at Chidlow's Well would not be tolerated in a soup kitchen.

Hon. H. V. PIESSE: Of course not. Members appreciate what happens at the refreshment room at Perth when they ask for a pot of tea. They get a cup of tea and I am sure that if they wish to sample the worst quality of tea procurable in Australia, they can get it at the Perth Railway station. It is certainly the worst tea that I know of or it is badly made. On one occasion I was in a hurry and I rushed in to the refreshment room and asked for a shilling's worth of sandwiches. When I opened up the parcel, I found there was not sufficient butter on the bread to make the slices adhere, with the result that the sandwiches had separated. On top of that I discovered that the meat was uncooked.

Hon. W. J. Mann: It might have been margarine, not butter.

Hon. H. V. PIESSE: Perhaps margarine would have kept the sandwiches together better than the butter. I am not altogether blaming the Commissioner of Railways, although some blame should be attached to him for the reason that the accommodation provided at refreshment rooms is a positive disgrace. Not only is it a disgrace in the capital city itself, but also at many of the other stations along the various lines. I have heard many people say that it has not been possible to get a decent cup of tea, but that is not surprising, remembering the conditions under which the refreshment has to be served. The first thing to be done should be to provide reasonable accommodation for the contractor to enable him to carry out his duties properly. If that were done, the effect might be to produce a change for the better. Even Mr. Fraser in the course of his remarks stated that the refreshment rooms were a disgrace to the State.

Hon. G. Fraser: I said the system was a disgrace.

Hon. H. V. PIESSE: Either the system or the accommodation provided no doubt prompted the hon. member to make his adverse comments.

Hon. G. Fraser: There will never be an improvement until the system is altered.

Hon. H. V. PIESSE: Then let us alter the system. I come now to another matter

that might be said to be a burning subject—I refer to the resignation of Mr. C. O. Barker who, at the general election, was chosen to represent the Irwin-Moore seat.

Hon. J. Cornell: Why refer to poor Barker?

Hon. H. V. PIESSE: His name has been frequently mentioned in this building, but everybody seems to whisper it in fear. I assure members that I have no hesitation in alluding to him, and not in a whisper. I have before me the report of the meeting addressed by Mr. Barker the night before Parliament met, a report taken from the "Wheatgrower" newspaper. To say the least of it, the accusations made by Mr. Barker against members of Parliament and other people in Western Australia are astounding. It makes me rather feel sorry that Mr. Barker did not take his seat in another place where he would have had the freedom of speech about which he had so much to say. He might or might not have been able to produce some evidence in support of the statements that he has been making publicly for many months past. On reading a report that appeared in the "West Australian" on the 4th August, we find it set out there that Mr. Barker referred to rumours which he said had been circulated against him, rumours containing the suggestion that he had been in trouble in New Zealand and had served a term of three years' imprisonment for forgery. Mr. Barker denied the accuracy of the rumours, or the statement, and, after having resigned his seat in the State Parliament, he declared his intention of contesting against Mr. Gregory the Swan seat in the House of Representatives at the next Federal elections.

Hon. G. Fraser: He exonerated us.

Hon. H. V. PIESSE: Yes, but he said that our Parliament was a glorified road board. There were a number of other things too that he said. Mr. Bolton can tell members what he heard Mr. Barker say. In any case, Mr. Barker's opinions about us do not worry me. The article in the "West Australian" of the 4th August said, amongst other things—

He concluded with a statement that if their allegations against him were true it would be just as impossible for him to contest the Swan seat and take it as it would be for him to take a State seat. That statement raises a question of fact which is of considerable public interest. The Western Australian Constitution provides in Section 31 (6) of the

Constitution Acts Amendment Act, 1899, that "no person shall be qualified to be a member of the Legislative Council or Legislative Assembly if he has been in any part of Her Majesty's Dominions attainted or convicted of . . . . felony." The Commonwealth Constitution Act says in Section 44 (2) that "Any person who . . . has been convicted and is under sentence, or subject to be sentenced, for any offence punishable under the law of the Commonwealth or of a State by imprisonment for one year or longer . . . . shall be incapable of being chosen or of sitting as a senator or a member of the House of Representatives."

It will be observed that there are substantial differences between the two disqualifications. In view of the lengthy arguments that were waged on the interpretation of the words "absolutely free" in Section 91 of the Commonwealth Constitution, laymen, and even lawyers, might hesitate to be dogmatic about the exact meaning of Section 44, but Quick and Garran have given it the following interpretation:—"A person convicted of an offence of any description against the law of the Commonwealth or against the law of a State, whether it be felony or misdemeanour, or an offence punishable on summary conviction, and undergoing sentence of imprisonment for the term of one year or more, is disqualified for membership until he has served his sentence." The last six words in themselves constitute an important distinction between the Commonwealth and State Constitutions. This distinction is of interest apart from any application it may or may not have to any particular case.

I have no personal grudge against Mr. Barker, some of whose speeches I have had an opportunity to hear. I think, however, that our electoral law should be amended to provide against the acceptance of the nomination of a person for Parliamentary honours if that person happens to have been guilty of some misdemeanour. The Electoral Act should be altered in that respect to conform with our Constitution Act.

Hon. J. Cornell: Any private member can bring down a Bill to provide for that.

Hon. H. V. PIESSE: I consider it is the duty of the Government to submit such an amendment of the law, an amendment that would have the effect of deterring people guilty of some offence from contesting a seat. We know what elections cost, and I suppose the election that is again to be held for the Irwin-Moore seat will run the country into an expenditure of £200 or £250 to say nothing about the salary that was drawn by Mr. Barker from the date of the general election up to the time of his resignation, or even the free rail-

way transport of which he was able to avail himself. Why should a man be elected and have to withdraw at the last minute because he discovers that he has contravened the Constitution Act? Steps should be taken to prevent the possibility of a recurrence of such an event. Had Mr. Barker been able to remain in Parliament, it might have been illuminating to hear what he had to say when advocating, as he always did outside, the right of free speech.

The next subject to which I wish to refer is that of the potato industry. Many of my friends will smile at my mentioning this particular industry, but I should like to explain my own position with regard to it, and the interest I take in it. Just after my election to this House seven years ago I was present at a meeting of potato-growers held at Albany, and, listening to their arguments and the disabilities under which they were labouring, I learnt more about the industry than I ever knew before. I have added to that knowledge since I have been one of the representatives of the South-East Province. This province embraces a considerable area that grows this particular primary product. Western Australia is unique in this respect, and if Tasmania went out of the potato business to-morrow, it would not be very long before our great South-West and the southern portion of the South-East Province would be able to supply all the potatoes required by New South Wales. I say this without hesitation because of the statistical information I have been able to gather from the Agricultural Department. Incidentally I was delighted to hear what Mr. Mann had to say last night about the marvellous South-West, and I congratulate him upon the manner in which he submitted his facts for the benefit of members. Mr. B. H. Burvill and I represent this State on the Federal Potato Advisory Board. Mr. Burvill is the son of one who sat in this House for many years and who rendered valuable service to the Great Southern not only as a legislator, but as chairman of the Albany Road Board, and the son has followed in the father's footsteps. I should like to explain the duties of the Potato Advisory Board and the reason for its appointment. It was created by the Commonwealth authorities for advisory purposes. It is a purely honorary board and in most instances the members attending the meetings do not draw expenses. Indeed they pay their own fares excepting, per-

haps the representatives of Tasmania. That State is in a unique position, since it is able under its Plant Diseases Act to impose an inspecting duty, I think of 3d. a bag on all potatoes sent out of Tasmania. The late Mr. Lyons while Premier of Tasmania framed the regulations under that Act, and those regulations provide for the payment of the inspection duty to a board of growers. The result is that that board has to-day an income of between £3,000 and £4,000 per annum.

Hon. L. Craig: Who imposes that levy?

Hon. H. V. PIESSE: The State on the growers.

Hon. L. Craig: It is against the Constitution.

Hon. H. V. PIESSE: Whether that is so or not it is paid to the board and it is used to the best advantage. Tasmania advertises its product very extensively. One has only to go to Sydney to notice the pictures that are displayed of the produce of that particular industry, and I have no doubt that that advertising has something to do with the extensive consumption of Tasmanian potatoes in New South Wales. Only a little while ago we were called over in reference to the embargo, and we wanted some information from New Zealand. It was rather amusing. We were sitting around the table, and I turned to my colleague and said, "I think we will wire to New Zealand." Somebody else said, "How much would it cost?" We had to refer back to Tasmania, because that State was able to send away wires and get all the information it required. Possessing funds, it is able to keep a staff in Sydney to-day and advertise extensively. The board confers with the merchants in Sydney in fixing the price at which potatoes are sold every Monday. My reason for pointing out these things is that I was delighted to read in the "West Australian" of Tuesday, the 15th August, that the Agricultural Council—on which Western Australia was represented by the Minister for Agriculture, the Hon. F. J. S. Wise—had agreed to recommend to all the States the introduction of legislation for the registration of growers. I do not wish hon. members or the people of Western Australia as a whole to confuse that suggested legislation with the proposed measure for the stabilisation of marketing. Two distinctly different points are involved. The registration of growers is purely a

State matter and is being suggested for statistical purposes. I should like to read to hon. members the plan agreed to at the meeting to which I have referred. This was—

The adoption by all States of legislation on the lines of that embodied in the Bill to be presented to the New South Wales Parliament to register growers cultivating potatoes for sale. The conference considers that legislation to this end is an essential prelude to effecting a proper organisation of the industry. It will enable the following very desirable aims to be achieved:—

- (1) The maintenance of a record of growers;
- (2) The compilation of a roll of growers which will enable an elected committee to be established in each State (with a central Federal committee composed of representatives of the State committees) for the purpose of promoting the interests of the industry and of representing the views of growers to Governments when such is required.

My references to Tasmania practically amounted to the same thing. If we had the necessary legislation to provide for it, the proceeds that we would collect would be paid over by the Agricultural Department at the will of the Minister for this purpose. To continue my quotation—

- (3) The provision of funds to enable the committees set up under (2) to function effectively;
- (4) the establishment of a means through which growers can be directly contacted for the purpose of securing reliable statistical and other information concerning the industry;
- (5, facilitating efforts for improving the cultural practices of growers and for controlling diseases and pests.

It was also recommended that the Commonwealth and State Government should co-operate with a view to enacting legislation to give effect to a plan based upon certain recommendations.

Hon. L. Craig: Is there not something about price-fixing?

Hon. H. V. PIESSE: I will come to that directly. That is a totally different matter. I should like to state here that whenever I have approached the Minister for Agriculture in connection with attendance at meetings in the Eastern States there has been no hesitation on the part of the Premier's Department through the instrumen-

talities of the Minister in granting a free pass to my colleague on the Western Australian Railways. This has been greatly appreciated by the growers. The proposed Bill to which I have referred would provide for the growers to obtain a license to grow without restriction or application. That is one of the points that, in view of the marketing and stabilisation recommendations, may occasion confusion in the minds of some people. For that reason I have taken the opportunity to endeavour to explain the suggestion. The point is that there will be no restriction so far as acreage is concerned, but if a man intends to plant over one acre of potatoes he must have a license to do so, and he must be more particularly under control of the inspectors—the seed inspectors and so on—and conform to the different planting regulations.

Hon. A. Thomson: What is the area?

Hon. H. V. PIESSE: The grower of one acre and over has to be registered. All license fees collected and any penalties imposed under the Act would be paid into a special account at the Treasury and on the recommendation of the Minister for Agriculture such funds could be made available for the promotion of the production, marketing, treatment and sale of potatoes and for expenses incurred in connection with visits to the Eastern States by those concerned in the industry. The inspectors now employed by the department would be inspectors under this Act. My reason for giving such a full explanation of this measure is that when people read what appeared in the paper on the 15th August they may be confused as to the provisions of the proposed stabilisation plan and those of the registration Bill that the Western Australian Government will be asked to introduce. I might add that just previous to the visit of Mr. Wise to the Eastern States I had an interview with him. I saw him at the request of many growers who asked me to place before him their requests for legislation of this kind. Members will readily understand that if this registration takes place and any matter of importance arises, it will be easy to get in touch with growers and obtain a vote of any description concerning marketing, price-fixing, restriction of crop, or matters of that kind. More-



over, it will be possible to keep Western Australia's position before the importing States, and this will be to our advantage.

Hon. L. Craig: It is just organisation that is required.

Hon. H. V. PIESSE: Yes, an organisation is required to enable us to keep in touch. I should like to quote figures to indicate the position of the industry in this State. In 1928 the imports were 4,347 tons and the exports 429 tons. In 1929 5,339 tons were imported and 1,306 exported. Those who do not know the situation may ask why there are exports from this State and imports into it. The explanation is that potatoes are a perishable commodity, and in certain seasons of the year when the crops are harvested they have to be disposed of. They are not like wheat; they cannot be put in bags and kept for ever. One of the unique features of Western Australia is that potatoes can be planted in practically every month of the year in various parts of the great South-West and in the South-East. That is one advantage we have over many of the States. Furthermore, with our abundant rainfall we can plant without irrigation.

In 1930, 2,150 tons were imported and 4,957 tons exported. The figures for 1931 were 1,551 tons imported, 4,820 tons exported and the figures for 1932 were 1,882 tons and 730 tons respectively. I do not propose to quote all the figures. Coming to 1937 it is to be noted that we imported into Western Australia 3,000 tons and exported 5,062 tons. If members will refer to the Lieut.-Governor's Speech they will observe that 14,000 tons were exported last year. From the 1st January, 1939, to the 31st May—a period of five months—the imports to Western Australia were nil, and the exports are estimated by the Commerce Department at 19,186 tons. What would the figure have been if Albany had not suffered from that severe flood? Every potato that was lost in Albany was lost to production and to export. If those potatoes had not been ruined there would have been 24,000 tons available for export. I wish now to quote figures dealing with the acreage planted and the tons of potatoes harvested in Western Australia from

1932-33 to 1938-39. The figures are as follows:—

Date	Acreage.	Return.
1932-33	4,971	22,309 tons.
1933-34	4,462	21,204 "
1934-35	4,050	19,162 "
1935-36	4,946	26,278 "
1936-37	4,324	22,914 "
1937-38	4,203	21,587 "

In 1938-39 regardless of the loss sustained in Albany there were 6,000 acres under crop which were estimated to return 32,000 tons, from which must be deducted the 5,000 tons lost through floods. I could quote many other figures, but I might weary members. I do, however, want to make the point that Western Australia to-day stands far above any other State in the matter of the production of potatoes per acre.

The proposed stabilisation scheme perhaps calls for some clarification. In the course of an interview at Kalgoorlie yesterday the Minister for Agriculture made reference to it. He said it had been decided by the Agricultural Council to gain further information concerning it and to send out officers for this purpose all over Australia. That is the recommendation that went to the council from the Advisory Committee. I was instrumental in sending an article to the "West Australian" published on the 15th August, suggesting a minimum price of £10 per ton for potatoes. Within the last 24 hours I have been twitted about that. The scheme as furnished by me to the "West Australian" and by my colleague, Mr. Burvill, was brought about after a conference with the Federal Department of Commerce. Our thanks are due to that department. It provided us with an honorary secretary, and the wherewithal to gain information about the industry. This was very helpful to the committee. We have been ably assisted by all State officers. I wish to congratulate Mr. Morgan, who controls the State department and who has given excellent service. He and his staff have been to a great deal of trouble and have done their job well. My experience is that one has no difficulty when approaching the Minister for Agriculture in obtaining all the information required. That has been the experience of Mr. Burvill and myself on the occasion of our trip to the Eastern States to represent the growers.

I will not go into the details of the stabilisation scheme. These are available to

members. I should, however, like to read the remarks I made when the question of curtailment of acreage was brought up at a committee meeting. My remarks were as follows:—

As a principle, acreage or production control was definitely undesirable. In Western Australia there was much land not now producing potatoes which could still be brought into effective potato cultivation. Western Australia would be penalised more than any other State if a policy of acreage control were adopted. We have, however, to face facts, and it was no good for the potato growers themselves if potato production were developed to an extent that the supply outran the demand and the prices were kept at an unprofitable level. This was a situation which had to be avoided and there seemed in the circumstances to be no alternative if a proper stabilised plan were to be conducted, to imposing some degree of acreage or production control or a combination of both. It seemed to be in the interests of the industry to do this, though he personally was not in favour of curtailing anyone's production. The present growers after all were the ones who had withstood the test of time and whose interests should be safeguarded.

Hon. L. Craig: You cannot restrict production.

Hon. H. V. PIESSE: No one wants to see production restricted. When speaking to a man in the lobby to-day I discussed the time when potatoes were worth 30s. a ton. Members will recollect that notices were put up in many gardens indicating that passers-by could help themselves by digging up what they required. It is interesting to note that during all the years of potato production in Australia there has been only one occasion when production has exceeded the demand. Had proper organised marketing been in vogue the price would never have been 30s. a ton. If the other States had placed all their cards on the table and had marketing been properly organised, the price even in that year would have been a reasonable one. Were I a grower and had 200 or 300 tons of potatoes on hand I would not want to throw them away but would wish to export them. So far we have had no stabilisation of markets.

The great South-West has been referred to. I take my hat off to that part of the State. A few weeks ago a dinner was given in my honour at Scott's Hotel, Melbourne, and the main topic of conversation was Bunbury and Bridgetown. Those who gave me the dinner had a marvellous time in the South-West and they have been advertising

those two towns ever since. I am not one to decry any part of Western Australia. If we could get proper organisation of markets to-morrow we would secure a more even price for our products than we ever had. To-day Western Australian potatoes are selling at a high figure. Who is getting the benefit of that increase? It would be interesting to know.

Hon. J. M. Macfarlane: Who is getting it?

Hon. G. W. Miles: The middleman as usual.

Hon. H. V. PIESSE: I am told the middleman is benefiting by the increase. That is only natural. I do not blame him; it is the fault of the system. The middleman has the right to buy when he chooses. That is his business. When I was in Queensland in March, last year, I saw Western Australian Delawares fetching 5s. a ton more than the choicest Brownell potatoes from Tasmania.

The stabilisation scheme is said to be based on the famous Brownell, as being the best potato grown in Australia. That is not so. We can equal the prices obtained for that potato with our own production in this State.

Hon. J. M. Macfarlane: What about eggs?

Hon. H. V. PIESSE: The thanks of the potato growers of this State are due to Mr. B. H. Burvill and Mr. Pugh, and to the people they got together to discuss the sending of the committee to the Eastern States. I told the Federal Government that the visit was of national importance to Australia. I said an endeavour had been made to fix a minimum price for potatoes in Sydney, and that this was being done for the sake of the consuming public as well as for that of the grower, and on the recommendation of Mr. Prowse, M.H.R., the Department of Commerce also provided free passes for all delegates who attended the last meeting. The thanks of the growers in Australia are due for that service.

Hon. H. Tuekey: I understand some growers do not want control.

Hon. H. V. PIESSE: Naturally that is so in some instances. I have heard of people in the South-West who have been making a good living out of fruit-growing and fat lambs. They have let some of their land at a cheap rate for the production of potatoes, and have not worried whether those

potatoes fetched £5 or £20 a ton. They are apt to forget that the potato grower may be making his entire living out of the industry. Some people will not want control, but, in the registration of growers, no semblance of control is suggested. I wish members to understand that there is to be no control and no reduction of acreage in the proposed legislation that has been approved by the Agricultural Council. I hope the Honorary Minister will do his best to see that the legislation is introduced this session in another place, or in the Council.

Reference has been made to the great North-West. During the recess I travelled by the "Koolinda" and the "Koolama" and visited a large area of country I had not known before. I was astounded at the information I was able to gain, and feel sure that it will be very helpful to me when I hear the great three representing the North talking about it. I shall better understand that part of the State and have a greater knowledge of the conditions. No one can claim that a visit on board the "Koolama" will make an expert out of a passenger. Every member of this Chamber should seize the opportunity to visit the North, for that would enable him to take a more intelligent interest in the Press reports and in the information that is passed on from time to time by people who know and understand the North. Dr. Steinberg, as members know, is in charge of the scheme for the foundation of a Jewish settlement in the North. I discussed that matter with many people I met, and also had an opportunity to meet the doctor. Whilst at Wyndham I had a good look around and was amazed at the fertility of the soil and the bird and animal life I saw in the course of a 25-mile trip. This is where it is proposed to have part of the Jewish settlement. On the boat I met a man who was stationed at Hall's Creek and had many conversations with him, as well as with other people who were also travelling on the vessel. In that way I gained a great deal of information. Sometimes travellers make no effort to gain knowledge.

Hon. H. S. W. Parker: They may have their legs well pulled.

Hon. H. V. PIESSE: When people have had practical experience of grazing and farming it is not so easy to pull their legs. Next we visited Darwin. I know of no port

on the north-west coast with greater opportunities for our secondary and primary production. Yet during my stay there I did not see one good fruit display. The fruit produced in the West, if shown more carefully in that hot northern climate, would find a readier sale, especially citrus fruit. When I decided to go on the "Koolama" I had a feeling of a thin time ahead, as on our railway trains, but I must congratulate the State Shipping Service on the excellent way in which it looks after its tourist traffic. I did make a mistake when talking to the captain. I said to him, "Your little boat is very good." He corrected me: "The ship, you mean." Not being a seafaring man, I suppose I did make a *faux pas*. But from the captain down to the least important member of the crew and staff, the attention given to passengers on the trip up and back was outstanding; so much so that I could name three Katanning people on the "Koolama" to-day whom I recommended to make that trip.

One hears many adverse reports concerning lumpers. I like to give credit where credit is due, and I will say that the way those men handled the "Koolama's" cargo was a pleasure to see. In the main they were most careful.

Hon. A. Thomson: You mean the crew of the ship?

Hon. H. V. PIESSE: Yes, the crew.

Hon. A. Thomson: You said the lumpers.

Hon. H. V. PIESSE: I was greatly struck to see how the crew acted as lumpers; they were head and shoulders above the professional lumpers at Darwin. I infer that the selection of the crew must have been very good indeed. While watching the loading of meat at Wyndham I was greatly struck with the orderly manner in which the loading was carried out. But what a difference when one got to Darwin! It was the difference between chalk and cheese. We were received by a very large crowd of men singing lusty songs, and three cheers were given for the crew because the men who had promised to take work up there had been stopped from joining the "Koolama." I had an interesting talk with several of those men, as we had a long stay at Darwin because of a short shower of rain.

Hon. A. Thomson: It rained all day.

Hon. H. V. PIESSE: Perhaps; but not heavily enough to stop work, I should say. It was also extremely nice during our visits to the various centres to be entertained by leading citizens. The great source of our information on that phase were my two worthy friends Mr. Miles and Mr. Angelo, M.P.s.L.C., who showed us every courtesy. I also wish to mention Mr. Dick Cornish, whom I knew in Katanning as a boy. He is the most enthusiastic Carnarvon producer I have ever met. The ship remained only about 40 minutes at Carnarvon, but Dick Cornish showed us over all the plantations in which he had an interest. I brought away some splendid fruit from that centre, grape fruit and mandarins of which I have not seen the equal anywhere in Australia. Production there is undoubtedly marvellous. Having regard to all the good qualities of the North, I cannot close my remarks on this subject without paying a tribute to those great old pioneers who may be said to have fathered the North. On my return I read a letter in the "West Australian" from a young man named Frank Thomson, whose father, I may add, took up a large sheep-breeding stud property at Katanning. The references in the young man's letter to what housewives in the North had to contend against in obtaining help were thoroughly true. The same newspaper also published letters concerning the North from Mr. Robinson. Let me say, finally, that during the winter there is no better place to visit than the North-West ports. I must not omit that at Port Hedland I heard excellent reports concerning the Marble Bar goldfield. No doubt I am taking up a great deal of the time of the House. When I entered this Chamber I said that travel was the greatest information for members. I contend that whenever they have an opportunity to see the other parts of the State and to see the production that is taking place, all should seize that opportunity.

Now we come closer to home. I sincerely hope that the Honorary Minister will take a note of this point, and that at an early date we shall see the erection of that court house for Katanning promised by Mr. Collier 11 years ago and the vote for which still appears on the Estimates. I have here a letter from the Narrogin Municipal Council asking me to collaborate with a member of another place to-

wards the establishment of a high school in that important centre, or, failing that, to have the necessary improvements carried out at the existing school. I specially ask the Honorary Minister to take a note of that item, because the town of Narrogin is always growing and if the municipal council asks for additional facilities and describes them as urgently needed, the statement is undoubtedly correct.

Reference was made by Mr. Mann to the Bunbury harbour. Wherever production is created in this country, the products should be shipped from the natural port. Though I am not an expert on the Bunbury harbour question, I have had several opportunities during the last two or three years to see the immense production of the district. I repeat, wherever production takes place, it should be shipped from its natural port. That is why I consider that all wheat grown on the marginal line at Wagin should be shipped via Albany. One has only to read arguments about South African cost of transport and American cost of transport to know that the first essential to cheapening transport cost is to reduce grades. On the railway from Wagin to Albany two serious grades have to be contended against—one at Moojebing and the other at Carbarrup. A fully-loaded goods train leaves Katanning. That can be dragged over the Carbarrup hill. When it gets to Mt. Barker it is shunted on to the siding. Then the next fully-loaded train comes up, whereupon the two trains steam into Albany with one engine. All that is needed to enable one engine to pull the double load from Katanning is a reduction of that Carbarrup grade. By reducing the grade at Moojebing, the whole of the double load could be hauled with the same engine power from Wagin, instead of two engines. Thus the load of each engine could be doubled.

Hon. G. W. Miles: That is where the Government could find work for the unemployed.

Hon. H. V. PIESSE: Yes, and very good work too. Some little time ago I had letters from the Albany Chamber of Commerce and from the Mt. Barker Co-op. Fruitgrowers' Association asking me to assist the member for the district in another place and my colleagues here in connection with a proposal to have a harbour

board appointed at Albany. I believe the necessary legislation has been passed: Mr. Thomson can correct me on this point if I am wrong. However, the harbour board has never been brought into being by proclamation. I now desire to give some figures relating to the Albany harbour with which I have been supplied—

Capital cost of the jetties on 30/6/39—  
£129,697.

Gross revenue during the last 10 years—

Y.E. 30th June.	£	Y.E. 30th June.	£
1930 ..	9,377	1935 ..	11,601
1931 ..	8,610	1936 ..	10,668
1932 ..	12,114	1937 ..	14,418
1933 ..	7,740	1938 ..	9,672
1934 ..	10,288	1939 ..	18,657
Total—£113,145.			

Expenditure is not separately recorded. The following figures, which do not include supervision or locomotive shunting, have been extracted for the year ended 30/6/39:—

	£
(a) Upkeep of jetties exclusive of buildings, permanent way and machinery .. .. .	2,006
(b) Working of jetties (i.e. wages of lumpers) .. .. .	6,944
	<u>£8,950</u>

The estimated revenue per 10,000 lambs exported is £44.

(The above figures are only for portion of port under control of railways.)

Harbours and Lights figures for 1938-39 are—

	£
Rev. pilotage .. .. .	1,025
Tonnage .. .. .	2,908
	<u>£3,933</u>
Expenditure .. .. .	1,561
Net earning .. .. .	<u>£2,373</u>

Hon. L. Craig: No interest?

Hon. H. V. PIESSE: A net income of £2,373 is available. I know that a deputation is to wait on the Minister in connection with this matter. Representatives from the Albany end will be present. I have quoted these figures, because I consider that all possible evidence should be presented to members. I have no objection whatever to my friend, Mr. Mann, bringing forward his important request with respect to the Bunbury harbour; because, when all is said and done, that harbour

requires the expenditure of money upon it and it is absolutely essential that the Bunbury harbour should be deepened for the purpose of the shipment of goods from the district Mr. Mann represents. I shall not object if Government officials consider it necessary to expend money on the Bunbury harbour; in fact, I would be only too pleased if that were done, provided it is not expended to the detriment of our natural port, Albany. I hope the Government will give further consideration to the building of offices for the Agricultural Department. The present office accommodation of that important department is a disgrace.

Hon. L. Craig: This House refused to agree to the site last year.

Hon. H. V. PIESSE: I was pleased to see in this morning's paper a report of Mr. Moseley's remarks at the opening of the Country Women's Association yesterday with regard to the Native question. Whilst visiting Darwin, I ascertained that a large expenditure had been undertaken by the Commonwealth Government for the alleviation of aborigines. I am looking forward to Carrolup being re-established and proper facilities provided to assist the natives. Mr. Wood, in his speech last week, referred to the natives at Brookton. I can assure him that it is the wish of the residents of the South-East Province that every consideration should be given to those unfortunate people. My late uncle, Mr. Arnold Piesse, took a very great interest in the natives in my district, and now, when the natives there have any complaints to make, they come to me with them. I personally have many requests submitted to me by natives. I thank the department for its courtesy and promptitude in answering correspondence. I apologise to hon. members for taking up so much time, and I have much pleasure in supporting the motion for the adoption of the Address-in-reply.

HON. L. CRAIG (South-West) [6.4]: It is rather appropriate that I should follow Mr. Piesse in this debate. Marketing organisation appears to be in the air at the present time, and I propose to devote my short speech almost entirely to the questions of home consumption prices and marketing schemes. The time has come when

the producers and the consumers, not only in this State but in all Australia, should be told the truth about the existing legislation governing the marketing, principally, of primary products. In case I should be misinterpreted, let me say now I thoroughly agree that many primary industries do require assistance. I also agree that over the years primary industries have contributed materially to the building up and carrying on of our secondary industries. A committee appointed by the Bruce-Page Government—I think in 1920—to inquire into the incidence of the tariff on the wheat industry, came to the following conclusions: "That, although wheat was then 4s. 9d. a bushel, the price would have to rise by 9 per cent. to compensate the industry for the imposition of tariffs." Over a period of 20 years, that sum would amount roughly to £74,000,000, so it can rightly be argued that in 20 years the wheat industry has contributed that enormous sum towards the building up and carrying on of our secondary industries. Consequently, the wheat industry, as well as other industries on which bad times have fallen, naturally claims that it is entitled to protection and to higher prices than world prices for its product. I agree entirely that some assistance is necessary, but what is controversial, what is doubtful, is the method of the assistance that should be given. I am not satisfied that the present home consumption scheme is the best. I am aware the problem is a difficult one to solve, as I am sure members will agree, especially after submission to them of figures relating to the industry and the convictions of prominent men as to the repercussions of home consumption prices. Only to-day the head of a department of a very large firm—one of the largest in the State—said to me, "I have been all day at a conference dealing with rising costs. These costs have got almost beyond us; we do not know what to do. Whatever we do, the returns from our business are less; whatever schemes we initiate, our costs keep on rising."

Hon. L. B. Bolton: That applies to secondary industries, unfortunately.

Hon. L. CRAIG: Yes. Although prices of goods are not in all cases rising, higher costs seem to be inevitable. Cost of food is down to bedrock, yet wages and other costs are now higher than they have ever been. There must be reasons for that. One reason, in my opinion, is the existing home

price scheme. Before I deal with methods of assisting industry, I might with advantage tell the story of the sugar industry. I have obtained all the details and think I might point out concisely what happens to assisted industries. Above all else, I desire that we should avoid in this State what happened in the sugar industry. Up to the year 1901, sugar was produced in Australia almost entirely by Kanaka labour; but after Federation the Commonwealth Government decided that that was incompatible with our White Australia policy. In order to assist the industry during the period when Kanaka labour was being dispensed with, the Commonwealth Government devised its first scheme to assist a primary industry. In 1901 that Government imposed an excise on the production of sugar which continued until 1913.

Hon. V. Hamersley: Victoria had been doing the same thing for years.

Hon. L. CRAIG: I think the hon. member is mistaken. The Commonwealth Government imposed an excise on all sugar produced in Queensland, the proceeds of which were paid into a fund. From that fund the Commonwealth Government paid a bounty on all sugar grown by white labour. The rebate, or bounty, was £1 per ton less than the excise on the sugar. For the purpose of illustration, if the amount were £5, the bounty on sugar grown by white labour was £4. The Commonwealth made a huge profit out of the excise. It collected £6,500,000 during the period from 1901 to 1913, and paid back as a rebate, or bounty, £3,750,000. The Commonwealth therefore made a profit of £2,750,000. Members must also bear in mind that during that period the sugar industry could not supply the requirements of Australia. By 1913, all the Kanaka labour had been got rid of, and sugar growing was entirely in the hands of white people. In order to encourage the industry, a duty was placed on imported sugar. Australia was importing sugar up till that time. The duty imposed was £6 per ton on cane sugar and £10 per ton on beet sugar. Later, this duty was considered insufficient. The industry was not run very well, as is usually the case with new industries. Therefore, the Commonwealth in 1922 increased the tariff to £9 6s. 8d. on cane sugar and £14 on beet sugar. All this information is leading up to what happens when an industry is over-protected. It is protected to the right

amount at the beginning, but the protection is not reduced when the industry becomes established.

During the war period, the Commonwealth purchased all the sugar produced in Australia. At that time freights were difficult—in fact, almost impossible—to obtain. The Commonwealth told the sugar producers, "We will take all the sugar that you produce." The Commonwealth did so, and paid a certain sum for it which was considerably below world parity. Sugar was short during the war. Had Queensland been able to export sugar, a higher price could have been obtained for it than that which was paid by the Commonwealth. The difference between the price paid by the Commonwealth and the price that could have been obtained in the world's markets amounted to £15,000,000.

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

Hon. L. CRAIG: I was endeavouring to lead up to a point I wish to make showing the results of high protection for an industry without any power to control the production of the industry, and what the repercussions are. I had reached the stage when the Commonwealth Government purchased the whole of the sugar grown in Queensland and paid considerably less than world parity for it. The difference between the price paid and the price on the world market represented a total of £15,000,000. Sugar production in Queensland did not progress as fast as was expected, and in 1920 the price was increased from £21 to £30 6s. 8d. a ton. In 1923 when the local consumption price was higher than that of imported sugar, a complete embargo was imposed on imported sugar, leaving the Australian market entirely to Australian grown sugar. From that point trouble started in the industry. The production of sugar increased to such an extent that the local market could not absorb it, and the export market was unprofitable. As in all these schemes unless controlled everybody was endeavouring to sell his sugar on the local market and no one wanted to export. In 1930 the peak-year scheme was instituted under which certain areas in Queensland were licensed to grow sugar. It was not said to the growers in other areas, "You will not be allowed to grow sugar." That

would have been unconstitutional, but it was said, "The sugar grown in certain areas only will be permitted to be sold on the Australian market. Sugar grown outside those areas will have to be exported and sold on the world's market."

Hon. J. A. Dimmitt: Was that constitutional?

Hon. L. CRAIG: I understand it was. The factories said, "We will not handle or crush your sugar unless you abide by those conditions." That was the peak-year scheme. All sugar grown outside licensed areas had to be exported. The factories had a limit on the quantity they could sell.

Now consider the repercussions. First of all land values became unduly inflated. Licensed land—land permitted to grow sugar for sale on the Australian market—became worth £100 an acre, and that pertains to-day. Land of similar quality and in just as good a position was worth £5 an acre and it is worth £5 an acre to-day. Many holders of land worth £100 an acre sold out and were able to live on the huge sums they received from the sale of their land. Other people bought at those high prices, and so the Australian price of sugar, although too high as compared with world's parity, was not too high for sugar produced on such expensive land. In effect, the consumers of Australia are paying the incomes of the people who retired on the proceeds of the sale of their land. Costs in Australia have mounted so high, through wages and the high prices of land, that the price charged for sugar in Australia, although a long way above the economic value, is probably not too high in proportion to the cost. As I said, the whole scheme was inflated. Sugar was the first industry in which production was restricted. Following that came rice.

Hon. J. Cornell: But the hon. member has not told the House that there is an international agreement between the sugar exporting countries not to cut each other's throats in the matter of prices.

Hon. L. CRAIG: That is right; quotas are fixed. An agreement was entered into by the Commonwealth and other countries that all exporting countries should be placed on a quota, just the same as with butter and lamb.

Hon. J. Cornell: And rubber.

Hon. L. CRAIG: Yes, and many other products. I am trying to deal with the

position from an Australian point of view in order to show that protected markets, unless controlled, become dangerous. Let me now deal with a product raised in my own province, namely, butter. The scheme of stabilisation in the butter industry is operated by boards. Each State has a board which fixes the price of butter. The surplus production of butter has to be sold on the world's market. Irrespective of the economic value of butter in the world's market, the price in the State does not vary. The effect may be something like what happened in the sugar industry. These are points that I wish particularly to stress. After the war butter rose to 2s. 6d. a lb. and later it dropped down to 1s. 6d. a lb. So high were land values that the producers of butter said they could not make the industry pay at 1s. 6d. a lb.; land values on the north coast of New South Wales had risen to £100 an acre. Imagine what dairy farmers to-day would say to a price of 1s. 6d. a lb. for butter. They would jump at it.

Hon. J. M. Macfarlane: Some sold at 8d. a lb.

Hon. L. CRAIG: So inflated had the industry become that butter was considered unprofitable at 1s. 6d. a lb. Then it was decided to organise the industry, and the price was fixed at about 1s. 9d. a lb. However, the idea in the first place was to improve the marketing organisation, improve the quality, regulate the supply, and reduce production costs, marketing costs, freights and insurance. All those things were accomplished. In one year a reduction of £50,000 in freights was secured. The industry was very profitable until the quantity that had to be sold overseas became so great that the average price received—that is, the mean of the local price and the overseas price—declined once more to the normal price, and so the consumers in Australia were really being charged for the cost of cheap butter supplied to the people in England. That is a danger in Western Australia to-day.

Assume that the price of butter here is 1s. 6d. a lb., and the butter exported realises 1s. a lb. So long as three-quarters of the total production is being sold at 1s. 6d. a lb. and only one-quarter at 1s. or 9d. a lb. the average price is a fairly high and profitable one. But let the reverse occur; suppose the local consumption is 20 per cent.

and the exports represent 80 per cent., the industry would again become unprofitable, although the local people were being charged a fictitious price. When an industry is so protected, the price of the product eventually declines to the level of what it was before protection came at all, and the producer receives almost no benefit from the protection scheme. The danger is the limited export market.

Hon. G. W. Miles: You were going to tell us something about rice.

Hon. L. CRAIG: That is a very small item, but I shall revert to it later. Under the present scheme, known as the home price scheme, the consumer is charged an extra price in order to maintain a fair price to the producer. If over-production takes place the advantage to the producer disappears and the disadvantage to the consumer remains. How are we going to alter this? What other scheme is there?

Hon. G. W. Miles: Would not the limiting of production meet the position?

Hon. L. CRAIG: Limitation of production has to come in any industry that over-produces. But there are other schemes. The question that arises is this: Is a home consumption price the best scheme? Professor Giblin, in giving evidence before a Royal Commission, showed that in all home consumption schemes the extra amount charged to the consumer eventually falls back on the producer or, as he terms it, the unsheltered industries. He presented figures that are very interesting and help to bear out his argument. He said the consumers in Australia are divided as I shall show, and his figures have never been refuted. He said six per cent. of the consumers are employers of whom two are farmers, while 17 per cent. are workers on their own account, of whom seven are farmers. Those would refer to small industries such as shoe making, and so on, and the farmers would be those who have no employees. Then he pointed out that 77 per cent. are employees, of whom seven are farming. Therefore, of the total population of Australia, only 16 per cent. are engaged in the farming industry. The important figures relate to the 77 per cent. who are employees, of whom seven are farming. That means that roughly 70 per cent. of a population of Australia are dependent upon arbitration awards. Their wages and, in many instances, their sal-



aries are subject to the cost of living regimen. Professor Giblin in pointing this out, refers to the butter industry as one instance and suggests that we take the average protection at 6d. a lb., which is roughly the position to-day. The difference between the local price and the London price is 6d. a lb., so butter is protected to the extent of about 6d. per lb., which amounts to, roughly, £5,000,000 per annum. That means to say that the consumers of Australia are asked to spend £5,000,000 per annum more than they would have to pay if there were free trade in that commodity. The professor pointed out that within 12 months £4,000,000 of that money had been passed on from the consumers to the costs of industry. It becomes part of the cost of living regimen in respect of items such as bread, butter and sugar. We all know that in no country throughout the world are costs passed on more quickly than in Australia because the cost of living figures are adjusted every quarter. A rise of 6d. a lb. in the cost of butter is passed on to the employee in the raised wages and immediately the increased wages have the effect of advancing the cost of production in the industry in which the employee is engaged. Some of the industries are such that the increased cost can be passed on to the products of those industries. On the other hand, many of those products are taken into consideration in the cost of living regimen and because of the increased wages, the professor has worked out that within 12 months £4,000,000 of the £5,000,000 has been passed on to the cost of industry. Within a very short time after that cost has been passed on to the product and within, I think he said, two years, the unsheltered industries are practically paying the whole of it. The professor includes in the unsheltered industries wheat, wool and gold, plus a certain number of people on fixed salaries and a few that cannot be traced. The professor pointed out that by far the greater proportion of that £4,000,000 is passed on to the producers. Knowing that the cost of all the butter bounty of £5,000,000, the sugar bounty, the dried fruits bounty, the rice bounty, and of all other bounties is passed on, members will appreciate the effect that has on the industries that are not sheltered at all. It is inevitable that their costs should mount beyond all recognition. To my mind that is one reason why the basic wage is so

high, while food prices are so low. Everything is passed on. The position is almost impossible on stations to-day. We have been engaged in the wool industry almost as long as I can remember. As a boy I have a recollection of wool fetching 1s. a lb. in London, and we thought that was marvellous. In those days stations were profitable with wool at that price. To-day we have no hope of growing wool at any such price because the cost of everything we touch is two or three times as much as it was formerly, owing to the added costs that are passed on to the unsheltered industries.

Hon. J. M. Macfarlane: And there is every prospect of those costs being higher.

Hon. L. CRAIG: That is so. Members may say, "All right, what are you going to do? The people of Australia, the Governments of Australia and the producers are all crying out for a home consumption price. If you do not like it, what are you going to do?" Again I will quote Professor Giblin, but before doing so I would mention that Professor Brigden has pointed out that 80 per cent. of all costs are wages in one form or another. Professor Copland and Professor Giblin have pointed out that the honest and right way to help industry is openly to pay a bounty.

Hon. J. Cornell: That is not the political way.

Hon. L. CRAIG: I am talking about what is right. Eventually there may be an awful collapse in Australia, for if the London market is closed to us we shall be in a most hopeless situation. We shall find ourselves in the possession of huge quantities of foodstuffs that we shall be unable to sell. In the meantime the consumers of Australia are being charged a long way more than the economic value of the products they require. The professors have pointed out that a bounty paid straight from revenue is something that is subject to the scrutiny of Parliament every year. From the point of view of Australia and of the consumers, that is the right way to deal with the problem, but the producers naturally say that that method is useless for their purposes because they cannot make any long term arrangements as they do not know that the bounty will not be cut off in any one year. They like the painless extraction method that is applied to our secondary industries so that no one knows of the protec-

tion afforded the latter. We pay £50 extra when we purchase a motor car or 5s. additional when we buy a pair of boots, and we do not know that we are paying for the protection of industry. We pay and we do not take any notice of the extra impost. Therefore, the representatives of the producers urge the adoption of the painless method of extracting financial assistance, so that if people pay 1s. 6d. a lb. for butter or for some other article, they will not be aware of the fact that they are paying a bounty, or an additional tax. Is that sound? Where will it end?

Take the position of the dried fruits industry before it was organised. In those days local consumption in Australia represented 85 per cent. of the output of the industry, whereas exports represented 15 per cent. Under those conditions the protected market was quite all right, because we applied the excise charge to 85 per cent. of the production and from that return paid a bounty in respect of 15 per cent. In those circumstances a penny excise on 85 per cent. produced a large bounty for the 15 per cent. What happened in the course of a few years? The position was exactly reversed. The home consumption of the products of the dried fruits industry represented 15 per cent. and exports 85 per cent. Production is now controlled in that industry. I have pointed out the correct way of dealing with the problem, but not the popular way. I have suggested helping industry by a direct bounty from Commonwealth revenue. A second way is to pay an export bounty on every pound of butter that is sent abroad. We could take any other commodity but I mention butter because I know something about that product and it is easy to discuss. For instance, let us say there is a bounty of 3d. a lb. What is the effect? The local price immediately increases by 3d. a lb., because the manufacturers say they will sell on the market that pays them best. With the payment of an export bounty of 3d. a lb., the local price will rise by a corresponding amount and that evens up the position. What is the effect? Who pays? The effect is that half of the bounty comes from Commonwealth revenue and the other half is paid by the consumer. Another point is that such a method would be under the scrutiny of the Government and of Parliament and probably of the Tariff Board as well. Then

there is the Paterson scheme, but that broke down. I presume members know of that scheme. It was very successful until exports were so great that the whole scheme collapsed.

During the course of my remarks Mr. Miles asked me to deal with the rice industry. That industry was placed under a board, for it was in a chaotic condition. Everyone sought to take advantage of the local market and over-production resulted very quickly. But the marketing was placed on an organised basis, and to-day Australia is producing all its requirements in rice of the highest quality in the world. We are exporting nearly 50 per cent. of the total production and the success of the rice industry in the Commonwealth is due entirely to the restriction of production. Rice production is controlled by a board and is confined to ground of the proper quality. There is no law that says that rice shall not be grown, nor is there any law that prescribes that rice shall be grown only here or there. The fact remains that rice can be grown only upon land that is licensed for its production, and therefore unless an individual belongs to the happy band that holds that land, he cannot participate in the industry. Land upon which rice can be grown is worth up to £100 an acre, whereas areas nearby are not worth nearly so much.

The point I am making is that if we are to have successful control of primary industries, in the end we shall have to restrict production. That is a most unpopular dictum but, in my opinion, it is inevitable. Some method must be evolved that will have the effect of controlling the production of wheat throughout Australia. It is useless to pretend otherwise, or to say that we must find markets for our production. We must restrict that production. That end can be achieved by saying that a certain proportion of the wheat crop will receive a home-consumption price or bounty, whatever term may be preferred, but beyond that the producers will have to do what they can with their surplus. The sooner the people and the producers of Australia realise that if they are to have a protected market that will make industry profitable, inevitably there must be restriction upon production. I hate to think of the day when the butter market will be restricted, as it is likely to be restricted. That is inevitable because

already this year the British Government has cut down the mutton and lamb quota by 3 per cent. Here we are just starting on the lamb-growing industry in this State and England indicates to us that it is cutting down its orders. What does the future hold for us if there is already a reduction of 3 per cent. on the mutton and lamb export? Is it not likely that it will be a great deal more later on? What are we to do with our surplus when that occurs? The butter industry is in danger; indeed the whole of our export markets are in danger. Let me tell members the story of the Federal Ministers who went Home last year to renew the Ottawa Agreement with the British Government and if possible to obtain some concessions. In effect, what the Ministers put up was this: "We want you to give preference to our primary goods; except for Great Britain, we have no market, so you must take our primary products. We will do what we can and will give you preference for your manufactured goods." Knowing that the British market had nearly reached saturation point, Australia recognised that it was essential for us to have the right to search for other markets outside of England. It was explained that we had to find a market for all the production of Australia and in order to induce other countries to take our lamb or butter or sugar, we might have to take some of their goods in exchange, and the goods that they would want to sell us would be goods that we were at present taking from England. Therefore our trade with foreign countries would to some extent interfere with our trade with England. That was the Australian story. England said, "We would like to take your goods; we would like to give you preference; but do not forget the detrimental effect on our own producers. Our producers, who are occupying expensive land, have to stand up to competition, and so we must do something to help them." England further said, "We are also in a bit of a mess, just as you are. Our strength and our trade are dependent on selling manufactured goods to European countries. We cannot afford to lose that trade. We must endeavour to maintain it, and, so that we may sell machinery or anything else, say, to Rumania or any other country, we have to take something in exchange from them.

What they have to sell us is what you want to sell us." We know that that is so because only a few months ago England bought from Rumania, in payment of manufactured goods, no less than 200,000 tons of wheat. England was compelled to do that, which means, in effect, that probably 200,000 tons less of wheat will be purchased from Australia. So the market position is not easy; indeed, it becomes more difficult as time goes on. The people of Australia should look squarely at these schemes and if it is necessary to assist an industry—and I admit most of our primary industries do require some assistance—would it not be better to pay by direct taxation and in that way keep down the colossal rise in the cost of production which in the end, I am afraid, may have the effect of destroying the industry, because costs of production are getting beyond all bounds. I had intended say a few words on the proposed Jewish settlement in the Kimberleys, but I know that Mr. Miles has tons of Kimberley thunder rumbling in his burly bosom. He is possessed of all the facts and he is responsible, perhaps more than anyone else, for the initiation of that scheme. Therefore I will leave it for him to deal with.

Hon. J. Cornell: You would not steal his thunder.

Hon. L. CRAIG: I should like to say a few words about redistribution of seats. I agree with Mr. Parker that the present distribution of seats, particularly as applied to another place, is not quite fair. Last night Mr. Heenan raised the question of area. I admit that has to be taken into consideration, but what has not been taken into consideration is community of interest. I do not know exactly how many members in another place represent the goldmining industry, but probably there are nine or ten. The point is that that great number represents one industry and probably three or four could adequately represent it. We all know the value of a vote—goldfields three, agricultural areas two, and metropolitan areas one. The agricultural areas cover many industries which have nothing whatever in common. For instance, the wheat industry has nothing in common with dairying or the fruit industry. There are some agricultural areas in which the mining industry is carried on, and wheat and wool are grown, and so we find that five or six, or more, industries may

be represented by very few members, whereas one industry alone seems to need representation by 9 or 10 men. I admit that the goldfields have very large areas, and cover also pastoral land, but we know that elections are generally controlled by votes in the mining towns. Thus the same set of people elect a great number of representatives for the one industry. The Government should give due thought to a redistribution of seats Bill with a view to community of interest receiving greater consideration than is the position to-day. I support the motion for the adoption of the Address-in-reply.

**HON. H. SEDDON** (North-East) [8.11]: I have listened with great interest to the remarks of Mr. Craig, who has dealt with a problem of vital importance to Australia. I should have liked him to carry his arguments even further. However, I expect we shall hear more on this important subject from the hon. member on a future occasion. In addressing himself to the Lieut.-Governor's Speech, one must recognise that since the last time the House met there has been a general election and that a reconstructed Government has taken the reins of office. The Lieut.-Governor's Speech sets out the legislative programme for the session, and we know, of course, that the Government claims that it has a mandate to put that legislation into operation. There is one question I should like to see the Government deal with, and perhaps it will be given consideration later on, and that is the position which exists in this House regarding the responsibilities that rest on the shoulders of the Government's representatives. It has always been a matter of wonder to me to see the way in which, session after session, Ministers here have had the responsibility of initiating or piloting through this House the whole of the legislation that has been handled in another place by seven Ministers. When we have, as is the case at the present time, one Minister who is absent through illness, the responsibility falls on the remaining representative of the Government in this Chamber. Although I realise that the Government is in an awkward position, the fact remains that something should be done to assist the Minister here, such as, for instance, getting some of the Government's own members to take on the work associated with the Minister's office. I consider that the strain on Ministers in this Chamber is

tremendous and there is little wonder that the gentlemen who occupy the Ministerial posts here become completely exhausted towards the end of the session.

With regard to the legislation that is forecast, the attitude of this House, I think, will be the same as it has always been. Members here will be critical and will be prepared to help where they think assistance is needed and will give support to those measures that they consider are for the benefit of the State. Personally, I intend to follow that principle. Where I consider criticism is needed, I shall be prepared to offer it; where recognition has been due for good work done, I have accorded it in the past, and I am prepared to so accord it in the future. Naturally, the question of finance is given the most prominence, as it has always been given in the Governor's Speech, and we find in that Speech the comment: "It is necessary that the closest supervision be maintained over the financial position." Unfortunately, when one looks at the returns, one cannot help thinking that that supervision might be closer than it has been. The first thing we discover is a deficit of £200,000 more than the estimate for last year, that the expenditure is higher than ever before, and that revenue is running a bad second, as it has done for quite a number of years. The monthly returns for July established a record. For the first time in the history of this State the expenditure for the month of July exceeded £1,000,000. Although the deficit for July this year is certainly a little less than the deficit for the same month last year, it is very much higher than that of the previous year or the year before that, and although revenue is increasing, expenditure is growing far more rapidly, and this year we have attained the unenviable record of an expenditure of £1,000,000 for one month.

The Speech goes on to point out that the Government intends to combine the financial emergency tax and the income tax. I remember that this was quite a prominent feature of the last election campaign. Consequently the Government will only be carrying out what it promised to do on that occasion. People were told that the financial emergency tax would be abolished. In the Governor's Speech we are informed that the intention is to amal-

gamate the two taxes, as of course this House always understood would be done, and that the tax will be collected in the same way as the emergency tax is collected, the two amounts being collected as one.

Hon. J. Cornell: The same amount.

Hon. H. SEDDON: I wish I could agree, I think it will be more.

Hon. J. Cornell: I mean at the same rate; in the same proportion.

Hon. H. SEDDON: I suggest that the Government should tell us how much each person will pay under the new proposal as compared with what is paid under the present system. The Speech intimates that greater effect will be given to the principle of taxation according to ability to pay. The Minister might be able to tell us whether the intention of the Government is to obtain more from the combined taxes than it is securing by separate taxation, or whether it expects to get less. I am inclined to think it will get more. Our experience of the Government's taxation proposals in the past is that they have generally resulted in considerably more money being raised than was estimated when the tax was introduced.

Hon. C. F. Baxter: It would depend on the exemptions.

Hon. H. SEDDON: Yes, but I point out that every taxation proposal brought forward in recent years has resulted in a considerable increase in returns from that particular tax above what it was estimated would be secured when the tax was imposed. The hon. member has dealt with that matter on previous occasions. Past experience has shown that the amount has increased beyond the expectations even of the Government. Knowing the Government, I do not think it is likely to depart from that programme in the future. So that whatever happens as a result of the new taxation proposals, we can be sure that more will be collected than has been collected in the past, or at least that will be the intention.

Hon. J. Cornell: You and I can be sure of one thing: we will pay more.

Hon. H. SEDDON: Yes, I think our tax will be higher than it is now. While I am on the subject of taxation, I should like to point out that a considerable proportion of the national income is now extracted from the people in the form of taxes, but

there must be a limit to that. The limit will be found in the reaction on profitable employment that takes place in the country.

Member: The limit has nearly been reached.

Hon. H. SEDDON: As the hon. member has just said, we are getting near to that limit now. There are other aspects of the financial position to which I intend to refer later, but I thought these matters were deserving of mention at once, because they appear early in the Lieutenant-Governor's Speech. I think we shall find that my expectations will be realised.

The Government has embarked on a vigorous policy of promoting secondary industry. That is entirely a step in the right direction. I was pleased indeed to read the articles appearing in the "West Australian" a few weeks ago dealing with the result of the visit of the Minister for Industries to the Eastern States where he interviewed manufacturers with a view to inducing them to commence operations in Western Australia. Some interesting information was also made available to the people of Western Australia only last week, when a special supplement of the "West Australian" was issued, dealing with the subject of secondary industries. That supplement brought out some interesting and illuminating facts. The Government's policy in this direction is a good one and I am entirely in sympathy with it. My only regret is that it is so belated. We can remember how this State was shaken by an economic earthquake seven or eight years ago. The State was faced with several problems and various steps were advocated by means of which the vital question of unemployment might be dealt with. That question is really behind this proposal to establish secondary industries. I trust I shall be pardoned if I quote from "Hansard" of that time, because I had some very pertinent remarks to make with regard to the establishment of secondary industries, and especially the effect of the policy that the present Government is putting into operation, namely, endeavouring to supply from this State those commodities that are being imported at the present time. Speaking on the matter on the 9th September, 1930, I dealt with the question of imports and said—

I have worked out the imports of Western Australia and divided those figures into various classifications of imports. If we take our imports under the head of agricultural and divide them by the local production per head, it appears that our imports would provide employment for 2,575 persons. In the case of pastoral they would provide employment for 556, in the case of dairying for 1,556, in the case of forestry and fisheries for 1,130, in the case of mining for 240, and in the case of manufactures for 45,629.

The figures for manufacturing are worthy of note, because the 45,000 people referred to would have included the tremendous army of unemployed we had at that time. It certainly emphasises the fact that here was a line that could well have been adopted by Governments as a major activity, and I say the pity is that we have waited until the present time, when we are on the eve of another financial depression, before we attack this problem. Incidentally, there is one factor that largely governs the establishment of manufactures in Western Australia. If the figures given in the Commonwealth Year Book regarding the capital involved in the provision of plant, machinery, buildings and land are examined, it will be found that the capitalisation per employee is fairly high. At the time I quoted those statistics, it was in the vicinity of £500 per employee. On the figures given in the "West Australian" last week, the amount is slightly less; it is about £497, very close to £500. That does indicate a factor that will have a very important effect on the establishment of secondary industries in Western Australia, and that is the enormous capitalisation involved. That capitalisation is naturally associated with factory production, for the reason that to-day such production is tending more and more along the lines of mass production. In order to keep costs down, machinery is increasingly employed, and the result is that capital expenditure is considerable. Then mass production is essential in order to utilise in the most economic and efficient manner the machinery installed. That brings me to the question dealt with just now by Mr. Craig, the question of the size of the market. These factors, I think, have had a very material effect in the past in restraining the establishment of factories in many industries in Western Australia.

The position really resolves itself into this: the Minister in the course of his activities in the Eastern States approached

manufacturers and asked them to establish branch factories in this State. Those manufacturers, sympathetic as they may be to the Minister's request, when they are confronted with a proposal of that description, have to take into consideration many factors. I have instanced one, the most important, namely, the question of capitalisation associated with a new factory. There is also the question of overhead expenses and of management. The matter of management is always very serious because when a man has his factory under his own eye there are many things over which he can exercise control, but if the factory is a branch factory it becomes a matter of management by a deputy; and from what I can gather, the hardest man in the world to secure is the man who is capable of looking after your affairs as well as you can look after them yourself. There is also the question of the duplication of equipment to be considered. It appears therefore that the Minister took on a pretty large task when he undertook to endeavour to effect the establishment of secondary industries in Western Australia. At the same time I do not intend to offer him any discouragement because I think it is the duty of everybody in this State to give whatever help he possibly can. I am simply pointing out the difficulties under which he will be working. If I may be allowed to do so, I suggest that there is scope for the establishment in Western Australia of new industries that offer a better chance of success than is afforded by endeavouring to induce firms to establish branch factories over here and make in this State goods they are at present supplying from factories in the East. There is not the slightest doubt that the vital part of the Minister's activity is going to be that of industrial education. A controversy has been taking place in the Press between the Minister on one hand and Mr. Baxter on the other. A good deal of industrial education is being afforded the people of Western Australia as a result of that controversy. People are being apprised of industrial conditions to a greater degree, I think, than in the past.

Hon. J. Cornell: They are tired of reading the controversy.

Hon. H. SEDDON: I consider it will be found that there is better scope for the establishment of new industries or the extension of activities of existing factories than

there is for the introduction of branch factories by Eastern States firms. There has been a considerable alteration in regard to industrial matters in Australia during the last year or two. For instance only the other day I read in an English paper that arrangements had been made for the export of 50,000 tons of Australian steel. This is a most important departure. Up to the present we have not been able to establish much in the way of an export market for our manufactured products. The exports have consisted mainly of minerals, and of primary products such as wool and wheat. Now we have a state of affairs in the world where it pays to export Australian steel and there is a ready market for it. In this State we have a steel factory that is making a high-class article. Apparently the activities of that establishment are not sufficiently great for them to receive recognition in the list of industries that recently appeared in the "West Australian."

Other industries to which I may refer as scientific are established here and they offer an opportunity for expansion. The published table showing our imports indicates that we are bringing into the State a large quantity of rock phosphate and sulphates, both of which are required in the production of the superphosphate used on our farms. Western Australia has deposits of phosphates but I do not think they have been thoroughly investigated. Had that been done, possibly the 4,000,000 cwt. of phosphate that we import might have been cut down to a smaller quantity by reason of our being able to produce some of the phosphate locally. The position as to sulphur is different. There is no reason why so large a quantity of sulphur should be imported, seeing that thousands of tons of that commodity go out into the atmosphere every year from our mines on the goldfields, and thus are wasted. The sulphur could be captured, and used for the production of sulphuric acid required in the manufacture of superphosphate.

Hon. J. Cornell: That has been going on for 40 years.

Hon. H. SEDDON: The position has been intensified since the introduction of the flotation process. That has resulted in the concentration of sulphides. Under the modern processes of manufacture the gas which passes from the sulphide is highly charged

with sulphur dioxide, and can readily be converted into sulphuric acid, in a way not possible a few years ago. When the gases were contaminated with arsenic, it was impossible to use them efficiently in the contact process. A modern plant now using other catalysts has been evolved, and is used in various parts of the world to deal with the impure gases; and by the use of that plant it is possible to manufacture the sulphuric acid so essential in the production of superphosphates.

Hon. C. F. Baxter: Would it not be a matter of cost?

Hon. H. SEDDON: By creating the gases we are doing a part of the work already. It is a matter of converting the gas into trioxide.

Hon. C. F. Baxter: Would not the rail freight be higher than the shipping freight?

Hon. H. SEDDON: We should not allow the Railway Department to interfere with the establishment of local industries. Freight is secondary only to the establishment of any profitable industry. Recently it was pointed out that 47 per cent. of our exports consisted of gold.

Hon. J. Cornell: In money, not in weight.

Hon. H. SEDDON: In Australian currency. Members will thus realise the important part that goldmining is playing in the economy of Western Australia. I congratulate the Government on the appointment of an officer and a committee, as reported in the Press on Tuesday last. That is a step in the right direction. If we are to judge by the particulars of the officer's career as published in the "West Australian," it appears that the Government has had regard for the efficiency aspect in developing our secondary industries. Apparently the appointment of this gentleman has been made because he is an efficiency engineer. Members may recall that last session I pointed out that the man who was wanted to develop our industries was one after the type of Henry Ford. The Government seems to have had that in mind when making the appointment. This officer has been studying industry from the standpoint of an efficiency engineer. He tells us that he intends to make a study of industrial methods in America, which shows that he is alive to the importance of efficiency engineering as applied to our industrial establishments. When one considers the critical attitude that

has been adopted by followers of the Government towards efficiency methods in the past, one must admit that it has done a brave thing in appointing this officer and giving him the responsibility of practically acting as technical auditor to the manufacturers of Western Australia.

Hon. J. Cornell: I would say 90 per cent. of it is due to the Minister himself.

Hon. H. SEDDON: I am not minimising the work of the Minister. The choice of this officer is a credit to whoever was responsible. His reports must certainly be made available at the earliest possible moment, and presented to both Houses of Parliament. That is very important. If this officer and the committee working under him do their duty efficiently, some very interesting information will be made available to the people of the State. The Minister's desire to undertake the industrial education of the public will be more than fulfilled, for the community will have to face some very important and vital facts associated with our industrial activities. It would be sound policy on the Government's part to table these reports in both Houses, and to give them the publicity they deserve, if the work is to be carried to a logical conclusion.

I now come to the provision of capital for secondary industry. The source of that capital is usually the investor, particularly the small investor. In connection with Government activities, the policy in the past has been to borrow money. The day of State trading concerns and establishing new ones is past. The capital was provided out of loan funds. The amount of loan money that will be available to the State Government for some time is very limited. Consequently there is all the more reason why the Government should firstly encourage the investment of private capital in this State, and secondly protect the small investor and see that he gets a fair deal when he invests his savings. I was very disappointed, when reading the table of proposed legislation, not to find mention of a Bill, so long overdue, to amend the Companies Act. In one respect that Act is in urgent need of being brought up to date. I refer particularly to what is known as investment trusts. This is a development that in recent years has occurred in nearly all countries, and each of these countries has experienced a need for legislation.

The establishment of investment trusts in England was called for because numerous small investors were endeavouring to invest the savings they had accumulated and obtain a reasonable return. By reason of the magnitude of the share issues the small investor would ordinarily be unable to invest his money in that way. The bright idea then occurred to some big people of adopting the principle of investment trusts. When a trust is formed a sum of money is set aside, anything from £5,000 to £20,000. This is invested in a number of well-known and tried concerns, the shares of which are beyond the reach of the small investor. The capital of the trust is cut up into a number of units, anything from £1 to £5. These units are sold to the man who wants to invest his savings. When he invests he knows that his money is going into some of the big, sound concerns that have been operating for some time, have been paying good dividends, offer a reasonable rate of interest, with a fair and reasonable margin of safety. Provided that the trust is in the hands of men whose integrity is beyond question, whose financial experience is such as to enable them to make a right selection of investments, and who are strong enough to take upon their shoulders the responsibility of acquiring the securities making up the trusts before they begin to issue units to the public, the position is fairly secure for the investor.

Hon. G. Fraser: We have had one or two unpleasant experiences here.

Hon. H. SEDDON: I am just coming to that aspect. Some people establish so-called trusts and endeavour to pay their way out of the money they are raising. Such people are looking for trouble, and do not give the bona fide investor the opportunity and safety he is looking for. Consequently there is urgent need for amending the Companies Act to provide that no investment trust shall be started in this State, whether registered here or anywhere else, until at least three important conditions have been observed. The first and most important condition is that the integrity and the record of the persons associated with the trust shall be beyond question.

Hon. E. H. Angelo: Who decides that, the Government?

Hon. H. SEDDON: That could be provided for in the measure. It should be possible, before registration is granted and a



share is sold, to investigate the history of every person connected with the institution. The second condition is that we shall know the trust is in the hands of people who know what they are dealing with. Thirdly, investors must be clearly told what their money is to be invested in and the value of the security. In the Old Country these trusts have been running for many years. Some of them possess capital running into millions of pounds. They have had remarkable success during recent years in maintaining the stability of the market, which otherwise would have collapsed again and again under the impact of disturbances. Time after time investment trusts have taken advantage of falling prices to buy up securities and add them to their portfolios. This has had a steadying influence on the market for securities. As a rule the securities are held by a bank. They are vested in trustees. In some instances the trustees have power to change those securities; in other instances they are rigidly bound by the trust, and securities purchased must be among the securities in which the trust is authorised to invest. Thus the conditions associated with those trusts in the Old Country are devised entirely to protect the investor and conserve the savings which are so important, and becoming increasingly important, for the development of industries. I hope the Honorary Minister in his reply will be able to tell us that the Government intends to introduce legislation dealing with this development, which is assuming large proportions in Australia.

New industries are being established in Australia to-day. I read recently that it is proposed to manufacture aluminium products in one of the other States. In Tasmania a factory is being established to manufacture metallic magnesium. Those two metals are absolutely essential to the manufacture of aeroplanes. Starting with one new industry, new employment is provided, absorbing people who at present cannot find employment.

Not long ago there was a report from the Commonwealth Bank dealing with the question of loan failures. A most important document, it sounded a note of warning to the Australian people, and set out certain facts, very clearly and very simply, having a most important bearing upon the future programme of this Commonwealth. When we realise the enormous sums it is

proposed to raise for defence purposes, and when we remember how recent loans have had to be supported, we should all feel serious concern as to what will happen in the immediate future. In the report, which was published in Canberra on the 30th June last, certain things are set out, as follows:—

Vital factors in the failure of recent Government loans are revealed in a confidential memorandum from the Commonwealth Bank Board to members of the Loan Council.

The analysis of contributory causes shows that the competition of semi-government plans with national issues had produced a critical situation when the Federal Treasurer, Mr. Menzies, insisted at last week's Loan Council meeting upon stricter supervision of semi-government borrowing.

Hitherto unpublished facts contained in the memorandum include:—

(1) Excluding this month's £4,750,000 loan, the Commonwealth Bank itself contributed £12,000,000 of a total of £35,000,000 raised in Government loans in 14 months. The bank contributed £500,000 to the last issue, in addition to funding £3,000,000 of Treasury bills before the flotation. The bank must also carry a substantial amount of the £900,000 by which the loan was under-subscribed.

(2) Recently banks have reduced substantially their holdings of Government securities.

(3) After allowing for sales, the support of insurance companies, State Savings Banks, and superannuation funds for Government loans is now negligible.

(4) Approved advances to New South Wales building societies exceeded £10,000,000 at the end of 1938, and had a marked adverse effect on Commonwealth loans.

A little lower down the report refers to the change of policy on the part of Australian financial institutions. The remarks are highly pertinent—

"A few years ago," the memorandum adds, "State Savings Banks, life assurance companies and superannuation funds used to increase their holdings of Government securities by amounts ranging from £6,000,000 to £10,000,000 a year. This represented from a quarter to half of the total of new issues. Because of the attractiveness to these institutions of loans to semi-government and local authorities and co-operative building societies, their support for Government loans, after allowing for sales, is negligible. As well as subscribing less to new loans the information we have, though incomplete, suggests that they are now, as a group, actually reducing their holdings of Government securities by selling them on the market and investing the proceeds in semi-government loans."

In conclusion the report stated—

Four reasons advanced by the Bank Board for difficulties in raising loan money

required by Governments and in keeping interest rates down are:—

(1) The check in the increase of national income this financial year.

(2) The growth in semi-governmental borrowing during the past two years.

(3) The expansion of building activity and the growth of the co-operative building society movement in New South Wales.

(4) The effect of semi-government borrowing expansion and building activity on the investment policy of life insurance offices, banks, friendly societies and Government superannuation funds.

In other words, we have at last had brought home to us by the leading financial authority of Australia the fact that funds for investment are not unlimited, and furthermore that people who are investing money most naturally look in the direction where they can get the best return for the funds of which they are the guardians.

There are a few other remarks I wish to make. Firstly, I notice that the Government has put the superannuation scheme into effect, with the result that, as I think, the fund will be providing a constantly increasing amount, year by year, which presumably will be invested in our Government works and will be the means of making up some of the loss which is possible from the restriction of loan funds as the result of loan flotations.

Next, I wish to speak of a few matters affecting the goldfields. The first question, naturally, is that of housing. I do not want to weary members. I have referred to this question year after year, as have other goldfields members; and despite the large number of houses which have been built on the goldfields, the demand for houses is just as acute as ever. Mr. W. R. Hall, when he speaks, will inform members regarding the demand which exists in the road board district for blocks. In the reply to a question asked by Mr. Cornell to-day, it was stated that the Workers' Homes Board has built some 59 houses on the fields, but that the demand is as acute as ever. The policy of the Workers' Homes Board should be considerably improved and extended, after the example of Great Britain and New South Wales.

Hon. J. Cornell: The goldfields are getting 16 workers' homes per year.

Hon. H. SEDDON: In connection with the Workers' Homes Board, a certain sum was set aside years ago for the

building of houses on the goldfields, and it was provided that as the instalments came in, they would be used as capital for the building of further homes. The number to be built each year would be 16. If the British scheme were followed, the money could be made to go three times as far as is the case now. Under the British scheme the Government finds one-third of the cost of the house, two-thirds by the building society, and the remaining ten per cent is found by the purchaser. Under that scheme the Government, instead of providing the whole cost of the house, would provide only one-third, the formation of building societies—a most desirable form of investment—would be encouraged, and the result would be that the building programme would be considerably accelerated.

Another difficulty now existing on the fields in connection with houses relates to the sale of town lots. Some years ago the Government established a thoroughly sound policy of granting 99-year leases for a rental of something like 10s. a year, with the result that people obtaining the blocks could put up homes without incurring much expense in the purchase of land. Unfortunately that excellent policy has been seriously interfered with by the activities of certain people who have bid at the auction sales conducted by the Government, with the result that prices have been run up to very high figures. They have defeated the objective of the Government, and although the Government has endeavoured to correct the evil by including in the lease a clause that the house must be built within six months or the lease be forfeited, that has not had the desired effect. Very high prices indeed are being paid by people who are purely speculators in the blocks, whereas the Government's objective, and I think the desire of the Legislature, is that the blocks should be available to the people requiring them, at as reasonable a price as practicable. Evidently the intention of the purchasers to whom I have alluded is to make big profits out of re-sale of blocks. The practice is one that should be condemned. A proposal has been made that the blocks should be submitted to ballot. If that course is adopted, then in my opinion the ballot will have to be set out and conducted by Government offi-

cars. In this way the people may get a better deal.

The next question I want to deal with is that of goldfields railway transport. Certain figures have been presented to the House with regard to the operation of Diesel cars. Those cars are doing wonderful work, and are earning quite a deal of revenue for the Government; but they cost a lot of money in the first place, and apparently the Government finds itself in this position, that although there is a demand for Diesel cars so that railway transport may be more rapid, the Railway Department is restricted to the original half-dozen bought and now on traffic. It is a lamentable fact that it still takes as long for a passenger train to get from Kalgoorlie to Leonora and Laverton as it took 35 years ago. In fact, I am not quite certain but that the trains take even longer now. As Mr. Craig has remarked, the goldfields have 12 members in another place, and I think it is about time that we got a better deal from the Government in regard to transport. I believe the Minister for Railways to be entirely sympathetic towards the position. It affects his own electorate as much as it affects the North-East Province. The time has arrived when the question should be taken up, and when we should get a transport system more in accordance with modern ideas. According to the figures given to-day, passenger traffic in the north country has fallen off in the course of years. Experience has shown, however, that as soon as a Railway Department provides a reasonably fast transport, it gets all the traffic it wants, or even more. I contend that a system of transport on the goldfields which will provide these centres with the daily paper on the day it is printed, and which will deliver vegetables in a reasonably fresh state, will also secure a large increase in traffic.

Hon. E. M. Heenan: You get your vegetables from Adelaide.

Hon. H. SEDDON: For vegetables to reach Leonora or Laverton takes nine or eleven hours by rail. If a motor truck were employed, they could be delivered in four hours to Leonora and in 5½ hours to Laverton; and it must be remembered that some parts of the road are not the best in the world. If it is possible to travel by road in that time, it should not be beyond the capacity of the Railway De-

partment to make delivery in the same time by rail. Why should not the department provide the district with a bus similar to those used by the Metro. Bus Co.? The bus could be so fitted as to run on rails. It would be much cheaper than the Diesel cars which are used in the agricultural areas. It would speed up the traffic and provide reasonable transport facilities, not only to the north, but also to the south. I understand Norseman is now the second largest mining town in the State. The mining communities are entitled to better transport service, and I trust the Government will give the matter its earnest consideration and afford us some assistance along those lines. The cars I have referred to would be but one-fifth of the cost of a Diesel car; while at the same time the accommodation would be just as comfortable as that in the Diesel cars.

Hon. G. Fraser: You mean something on the lines of the cars used in the back country of Queensland?

Hon. H. SEDDON: Yes. Another matter to which I desire to refer is the establishment of a native reserve near Laverton. The Honorary Minister knows something about this matter. At present, serious complaints are being made by residents at Cox's Find and Laverton about the natives coming into the town. Some of these natives come from as far distant as the Warburton Ranges. They hang around camps near Cox's Find and Laverton, and are allowed to remain in the town till midday. Householders are complaining of the nuisance. In some cases the natives are a serious menace to the children of the district. Recently there was a bad epidemic of sandy blight. The natives were first attacked, and then the disease spread to the white children. This matter is a most urgent one. I understand the Minister is going into it, but I hope he will make an early decision and deal with the matter as it should be dealt with. The natives should be put on a reservation where they will be under the supervision of a protector, who will be able to deal with them as experience has shown it is necessary to do. They should be kept away from the town.

There are one or two other matters to which I wish to refer. One is a report that I read in the paper some time ago showing the result of the examination of miners. The figures disclosed a considerable im-

provement in the health of the miners since the examinations were instituted in 1926. That improvement has been brought about largely by strict examination of new workers, but I think even more by improved ventilation in the big mines, most of which now employ a ventilation officer, who works in co-operation with the Government Ventilation Inspector. The result has been entirely to the good. A material improvement has been effected in conditions underground, the result being that the demands on the Mine Workers' Relief Fund and payment of compensation claims should in course of time be much lessened. Not only has ventilation of the mines been improved, but hygienic conditions have been established underground, so that obviously the incidence of injury and disease will be considerably reduced.

That brings me to another point, which is the allowance made to single men under the scale provided for mine workers' relief. I refer particularly to single men who have exhausted the amount provided under the Workers' Compensation Act. The allowance is entirely inadequate, especially for sick men. A number of these single men are receiving 25s. a week under the Mine Workers' Relief Act; they are sick men, who need medicine, nursing and a considerable amount of care, more care than they can get in a boarding house. This matter should be investigated by the Government with a view to seeing whether something more cannot be done to give these unfortunate men a little more comfort and a little more ease in their few remaining weeks of life. They should not have to battle as they do to-day. Such of them as have no friends must live in boarding houses; from the boarding houses they go into hospital; they return to the boarding houses and then again go into hospital. That is a state of affairs urgently needing attention, and I hope the Government will make it a matter of concern to ensure that the conditions of these men are improved at the earliest possible moment.

The Honorary Minister: There are not many of them now.

Hon. H. SEDDON: There are some. It is a matter of caring for them, rather than anything else. I bring the matter to the notice of the Government, feeling confident that it will be sympathetic.

I feel I ought to express my appreciation of the recent publication of the regulations under the Mines Regulations Act. In the past, it was rather a Chinese puzzle to find and reconcile various amendments and alterations; but I am pleased to say that the regulations have been collated and arranged in sections in such a way that it is now a simple matter to find a regulation dealing with any particular aspect of mining. I understand it is intended to revise the Mines Regulation Act. If so, I trust the Government will duplicate the excellent work it has done in revising the regulations. I hope the Act will be brought up to date and be more in keeping with present-day practice. I trust members will not think that I am parochial in dealing with these two matters.

There are other questions which I feel sure my colleagues will deal with in due course. In conclusion, I trust that during the present session legislation will be enacted that will prove of material benefit to our people, and that the country will prosper. The Government is adopting a sound policy of encouraging mining development, and I hope that its efforts in this direction will bear fruit. I support the motion for the adoption of the Address-in-reply.

On motion by Hon. C. H. Wittenoom, debate adjourned.

*House adjourned at 9.10 p.m.*