

Legislative Council,

Wednesday, 26th July, 1933.

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

QUESTION—FINANCE, LOANS AND PUBLIC DEBT.

Hon. H. SEDDON asked the Chief Secretary: 1, What was the amount of loan expenditure for the year ended 30th June, 1933? 2, What was the increase in the public debt for the same period? 3, What was the amount of short-term debt, including overdrafts at 30th June, 1933, owing by the State (a) in Australia, (b) in London, (c) elsewhere.

The CHIEF SECRETARY replied: 1, £2,152,281. 2, £2,798,105, after deducting £1,008,640, proceeds of May loan unspent at 30th June, 1933. 3, (a) £7,215,000; (b) £3,098,214; (c) Nil. No overdraft existed at 30th June, 1933, the bank credit balances being:—General Account, £204,887; Trust Account, £600,685; total, £805,572.

COMMITTEES FOR THE SESSION.

On motion by the Chief Secretary, Sessional Committees were appointed as follows:—

Standing Orders Committee: The President, the Chief Secretary, Hon. J. Cornell, Hon. C. F. Baxter and Hon. J. Nicholson.

Library Committee: The President, Hon. J. Ewing, and Hon. C. F. Baxter.

Printing Committee: The President, the Honorary Minister, and Hon. W. J. Mann.

Joint House Committee: The President, Hon. J. Cornell, Hon. E. H. Gray, Hon. V. Hamersley, and Hon. Sir Edward Witteoom.

BILL—SUPPLY (No. 1), £1,500,000.

Second Reading.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [4.38] in moving the second reading said: This Supply Bill is neces-

sary to enable the Government to finance operations pending the passing of the Estimates. The Estimates have been prepared by the various Departments, and are now under consideration by the Treasury. It is anticipated that the Budget will be presented at an earlier date than usual. The amount of the Supply asked for is £1,500,000; representing expenditure on Consolidated Revenue Fund of £900,000; General Loan Fund £300,000; a total of £1,200,000; Treasurer's Advance £300,000; making a grand total of £1,500,000.

The amount asked for is based on the expenditure for last year. Last year, however, Supply was granted for three months. This became necessary owing to Parliament's meeting later than usual, due to circumstances over which the then Government had no control. This year Supply is requested for only two months. The shorter period asked for is due to the fact that the Estimates will be presented for the consideration of Parliament earlier this year than they were last year. The amount required for Consolidated Revenue, viz., £900,000, is anticipated to be spent as follows:—July, £480,000, and August, £420,000. The estimated General Loan Fund expenditure is as follows:—July, £150,000, and August, £150,000.

The deficit limit for this State for the year 1933-34, fixed at the last meeting of the Loan Council, is £750,000. The deficit for the financial year just ended amounted to £865,000, which was £100,415 in excess of the estimate. The estimated revenue was £8,417,577, and the amount received was £8,332,153, a shortage of £85,424. The shortage under revenue was accounted for mainly by the failure of the Financial Emergency Tax to yield the amount estimated. The amount estimated was £300,000, whereas the actual collections were £202,336, a difference of £97,664. The shortage was due to the delay in putting the Act into operation.

The Loan Council has approved of loan funds to the amount of £2,750,000 being made available to the State for this financial year. The provision of the whole of this sum is contingent on its being available when the necessary loans are floated. The first loan floated was a decided success, and as a result this State has had made available to it the sum of £1,000,000. Another loan will be floated during the financial year. If it is a success, the balance of the

sum allotted to this State will be made available. I move—

That the Bill be now read a second time.

HON. J. CORNELL (South) [4.43]: It was not generally known that the Supply Bill would come down so early. I understand it is the intention of the Government during the current session to ask Parliament to authorise the construction of the Yuna-Balla-Dartmoor railway, and that if any loan moneys are available they will be used on that work. I am in favour of the construction of this line. In the utilisation of loan funds in relation to the unemployment situation, I view the matter from a different angle from that in which it is viewed by many other people. I am of opinion that some of the money that is usually expended on sustenance, and in other directions that are non-reproductive, could with advantage be utilised on such an undertaking as the Yuna-Balla-Dartmoor railway. Further, the money could also be spent in two other parts of the State that are in a worse position from the standpoint of railway facilities. I refer to the necessity for a railway south from Southern Cross to the miners' settlement and also a line from Newdegate to serve the Lake Carmody and Lake King country. Those lines are absolutely essential. The only alternative to the construction of those railways is the evacuation of the settled areas I have referred to. It is useless to pay carting subsidies as in the past to the settlers in the Lake King and Lake Carmody country.

HON. A. THOMSON: Those people were promised railway facilities when they took up their holdings.

HON. J. CORNELL: Of course they were.

HON. J. J. HOLMES: How far are they farming from existing railways?

HON. J. CORNELL: Upwards of 65 miles.

HON. J. J. HOLMES: And growing wheat?

HON. J. CORNELL: Yes; they produced 65,000 bags of wheat there last season and they had to cart an average of 45 miles. The fact has to be accepted that the settlers are there and they must be given facilities for transport or they must evacuate their properties. The "West Australian" suggests that we should cry a halt in our policy of railway construction because of the prices of wheat and wool. We should not concern ourselves from that standpoint even if the prices do not improve. Rather should we concern ourselves about the railways that

have been constructed during the past 25 years. I hope that the Government, in considering the expenditure of the loan funds contemplated, will take a much broader view in future than has been the experience in the past. I trust that the works I have referred to will be put in hand because the necessity for those railways is apparent now and will be doubly so when we have turned the economic corner. These are the only matters I desire to refer to. I know the Premier is seized with the necessity for the construction of a railway south from Southern Cross to serve the miners' settlement.

The Chief Secretary: Are they not subsidised for carting wheat?

HON. J. CORNELL: Yes; the subsidy applies from 30 miles south from Southern Cross, and it applies right through to Ravensthorpe, where the subsidy was 6d. per bushel. As the settlers have had to pay 11d. per bushel for transport purposes, it will readily be understood that their position is an impossible one. If Western Australia is to emerge from her present troubles, it will be by taking the long view, not the short view. The long view was eloquently stressed by Lloyd George during the course of a broadcasted speech recently, when he said that it meant taking the view that we will get out of our difficulties. I shall not touch on the reclamation works at the Causeway, beyond saying that the railways I have mentioned will mean much more to the State than the cleaning up of the river foreshore within the city boundaries.

HON. A. THOMSON (South-East) [4.50]: It is customary to grant Supply to the Government at this stage to enable them to carry on ordinary governmental activities, and I do not propose to detain the House for long. I congratulate the Leader of the House upon his assumption of the responsibilities of Ministerial office, but I also commiserate with him regarding the administration of the affairs of State in view of the falling revenue. The prospects are much brighter to-day and I trust that the improved prices of wheat and wool will continue. Should that position arise, we shall be able to say definitely that the State is on the up-grade. I trust the Chief Secretary will be able to influence the Government to secure the establishment of a public works committee, of which both he and I are in favour. I do not desire to reflect upon the Government, but in passing the

Supply Bill, we shall be giving Cabinet a blank cheque enabling them to spend £1,500,000 as they may desire. The Government have taken office with the advantage of an overwhelming majority in the Legislative Assembly, and one of the principal tasks confronting them is the necessity to find employment for men who, unfortunately, have been out of work for some considerable time. I do not propose to criticise the Government at this stage because I do not think we are in a position to do so, but there is one phase that I hope the Government will recognise as requiring alteration. The boys and girls of the present generation, particularly the boys, may be said to be suffering severely because of the extravagance of their fathers during the past few years. Those who are interested in endeavouring to find positions for boys know it is an impossible task in these days. I have endeavoured to get positions for lads in both the city and the country areas, and invariably the reply I receive is that the employer could engage a lad but declined to accept the responsibility of engaging him as an apprentice. A tragic feature of it is that boys of 18 years are too old to secure jobs. The secondary education system has accentuated the difficulty. A boy of, say, 13 years of age obtains an entrance to a secondary school. The conditions under which he gains that entrance provide that he must spend three years before he can sit for his junior examination and another two years before he can take his leaving certificate examination. That means that the lads, for whom the Government desired to do so much, are 18 years of age before they pass the latter examination, by which time they are debarred from securing positions. When I was a member of the Legislative Assembly, I ascertained from the present Chief Secretary that he was sympathetically concerned regarding the future of these boys. To lend point to my remarks, I can quote an illustration of what took place in the city last week. A lad had been called in to do a few odd jobs and was asked to do a little painting that anyone could do. It was merely touching up parts of a tractor. One of the union officials—I do not blame the individual, because it is part of the system that has grown up—came to the place and asked the lad what he was doing and how long he had been there. The boy replied that he had been working for a day and a half. He was told

that he would have to get out, as he was doing a painter's work and the employer would have to pay the proper rate of wages. As a result, the boy had to be paid at the rate received by a fully qualified painter, and was immediately dismissed. It is lamentable that the youth of Western Australia to-day are debarred from getting positions. Much of the money we are now dealing with is to be spent in providing employment. It is essential that our boys should be given an opportunity to learn trades of various descriptions. Unfortunately, the Arbitration Court in this State will not countenance what is known as the improver system. I was not apprenticed to my trade, but learnt it as an improver. Without being boastful, I can claim to have held my own in my particular calling. The improver system is in operation in New South Wales, Victoria and South Australia, and it is tragic to think that in another five or ten years' time, we shall not have the tradesmen available to take the places of those who drop out because of old age. I know the Government are sincere in their desire to provide work. Already a Boys' Employment League has been established but 90 per cent. of the employment provided for the lads is on farms. It is pitiable that parents, after making sacrifices to enable their boys to remain at school until they are 18 years of age, should find that the only positions available for their lads brings them 10s. a week and tucker on a farm. I am hopeful that before this session is concluded some steps will be taken to deal with this phase of the problem and, if the members of the Arbitration Court themselves cannot get over the difficulty, that the Arbitration Act will be amended so as to place our boys in the same position as the lads in the Eastern States. I feel keenly on this matter because I am personally interested. I have been endeavouring for months to secure a position for one lad and I have found it impossible. In view of the enormous money that is being spent on our education system, I am afraid much of it is wasted if it merely results in boys being turned out at an age when it is impossible for them to secure positions. If we may judge from what has appeared in the Press, of the £1,500,000 that is to be raised, £12,000 a year is to be spent on reclamation work on the Swan River and we have had an indication from the Minister for Works that it is his intention to spend upwards of £23,000 per mile on the construc-

tion of a road between Perth and Fremantle. I feel that if we had a public works committee, we would not permit the expenditure of that money, bearing in mind the existing condition of affairs.

Hon. C. F. Baxter: It is to be spent from loan.

Hon. A. THOMSON: Yes, but there will be a recoup from traffic fees. In my opinion this cannot rightly be claimed to be a reproductive work in the true sense of the term. Mr. Cornell intimated that it was the intention of the Government to construct a railway to the Dartmoor area. I have no objection to the construction of railways to new areas because they mean increased wealth to Western Australia. Thus they are reproductive works and while there may be some who consider that we have reached the limit of railway construction, I am not one of those who think so. We have encouraged people to go out into the agricultural areas to open up the country, and it has been demonstrated clearly that land which a few years ago was considered to be of no value is now capable of producing wealth.

Hon. J. Cornell: I referred also to the Agricultural Bank loans of £300,000.

Hon. A. THOMSON: I admit, and I confirm the interjection I made, that those people who went out to the Lake King and Lake Carnody areas were permitted to take up land there under a definite promise that railway facilities would be provided. Therefore the Government are faced with the position that either they must provide transport facilities or the settlers must be removed to some other part of the State. If the figure quoted by Mr. Cornell is correct, that the Agricultural Bank has advanced £300,000 to develop those areas, we should carefully consider whether it will not pay to construct the railway which was promised. Comparisons are somewhat odious. We find that £12,000 a year is to be spent in reclaiming a part of the Swan River. In the days of affluence I would have had no objection to that expenditure of money because the land reclaimed would be valuable. By a recent mail I received a letter from the Albany Chamber of Commerce. There are cool storage works in Albany and in the vicinity there is a lagoon that requires to be filled in. The freezing works belong to the Government. With a view to providing work for the unemployed in the Albany district, and also to create an asset for the Government by

making available additional land which would result from the filling in of the lagoon, a suggestion has been made that this work might be put in hand. The people along the Great Southern, from Katanning downwards, are looking forward to the day when it will be possible to establish an export lamb trade. I do not know of any districts which offer better possibilities than those south of Katanning for the export of fat lambs. The filling in of the lagoon would serve a dual purpose, it would provide work for the unemployed and make available an area that would be an important adjunct to the freezing works. Here is the official reply to the letter that was written by the Albany Chamber of Commerce—

The Secretary of the Unemployment Board advises me that you made the suggestion that the filling in of the lagoon near the Deep Sea Jetty at Albany would be a suitable work for the absorption of the local unemployed. This proposal has been referred to the Hon. Mr. Kenneally, as Acting Minister for Works, and he has ascertained that the project was previously brought under the notice of the Government. After giving consideration to the reports that are available he desires me to inform you that any money which could be made available for public works should, within reason, be reproductive in the true sense of the word, and this project you have submitted certainly cannot be described as reproductive work, and for that reason he has directed me not to take any action.

It is rather difficult for me, and for other members, to reconcile the expenditure of £12,000 annually on the Swan River reclamation work, which is purely for beautifying purposes, with the refusal I have just read. I admit that the land reclaimed will in time become valuable, but here we have a proposal which will absorb the local unemployed and also give the Government, for their cool stores, an additional area of land on which they could build their hauling and trucking yards. Is it any wonder that there is a certain amount of dissatisfaction in some of our out-ports regarding facilities. If the amount of money it is proposed to spend on the reclamation work were spent in the country districts, I do not care where, a better return would be assured. Take the district Mr. Cornell referred to. Let us make the £12,000 available as the nucleus of a fund for the building of a railway to Dartmoor, or let us even consider the construction of the lines respecting which the previous Government

prepared the earth works, for instance, the Cranbrook-Boypup railway. The Government have spent a considerable sum of money in clearing work and making roads, and in that way providing labour for the unemployed. This has been done for 30 or 40 miles to the west of Mt. Barker. There would certainly be a better return for the State if the money were expended in the direction I suggest. With regard to the Fremantle harbour works we find there also the pernicious system that has been condemned. Last year the Fremantle Harbour Trust increased their loan indebtedness by £37,674, and they took into revenue £103,360. I cannot blame the present any other Government, because, unfortunately, it is the system which has arisen. I do hope that it will be possible to secure the appointment of a public works committee which will enable us to have, if I may use the term, a better control of the finances. The present Government certainly have taken control of the finances of the State under slightly happier conditions than their predecessors experienced, and the Premier was very fortunate when he went to the Eastern States in having behind him the overwhelming vote that was cast in favour of secession. It certainly proved useful, and enabled him to get more money from the Loan Council.

Hon. J. J. Holmes: Do you think they were trying to buy him over?

Mr. THOMSON: I think they were, and I really believe that the overwhelming vote in favour of secession was rather a staggerer to the Federal Government. It was not imagined by that Government that such a large number of people in Western Australia were dissatisfied with the position. I do not propose to offer any objection to the passing of the Supply Bill. I realise it is necessary, but I express the hope that the Ministers in this House will confer with their colleagues and see whether it is not possible to do something to improve the outlook of the youth of Western Australia.

HON. H. SEDDON (North-East) [5.13]: In speaking to the Supply Bill, it is desirable to make a few references to the finances particularly at this time, before the Government have gone into their programme for the year. After a change of Government, it is desirable to draw a dividing line

as far as the finances are concerned. It is like old times to see our old friend, Mr. Drew, again occupying the position of Leader of the House. One must recognise that he has earned that position by reason of the many years of faithful service he has given to his party and to this House. I am also glad to see Mr. Kitson back again, and I feel sure the assistance he will be able to give Mr. Drew will, as in the past, considerably lighten the labours of the leader. One cannot allow the present occasion to pass without referring to the really splendid way in which the ex-Minister carried out his duties single-handed during his term as Leader of the House. We all realise the tremendous amount of work that is imposed upon the Leader, and how necessary it is for him to have the sympathetic support of members generally. Dealing with finance, one must consider the actions of the Government. One of the first steps was the appointment of the present Lieut.-Governor. Naturally one does not expect the Lieut.-Governor to receive the same allowance as that given to the Governor, and if that is an indication of the economy that the present Government propose to carry out, then I take it it shows the way the wind is blowing.

Hon. E. H. Harris: The allowance has been cut down by 50 per cent.

Hon. H. SEDDON: One cannot judge until the Estimates are brought down. At the same time one recognises that in the present Lieut.-Governor we have a man sincerely inspired by a sense of duty to Western Australia. Although many of us may not agree with all Sir James Mitchell has done, we do recognise that he has acted whole-heartedly in what he considered the best interests of the State. While we may express gratification at Sir James Mitchell's appointment to the position, one cannot help referring to the fact that there has been a precedent established in the appointment of a local Governor, a precedent in accordance with the ideas of the Labour Party, with which many of us, at any rate, do not agree. Consequently, while we approve of the appointment of Sir James as Sir James, one recognises that the introduction of a political partisan to the office is not an altogether desirable innovation. Indeed, the Government may have been inspired by somewhat of a sense of gratitude in making the appointment, because undoubtedly the results of the general election indicated

that the previous Government were very much out of touch with both the sentiments and the ideas of the general community. May one say here, in passing, that human nature does not alter? It is capable of widely divergent responses. Human nature frequently responds to the appeal of selfishness; but there have been instances, as the history of the nations proves, when a people can also respond to the high ideals of national duty and self-sacrifice. Personally I am of opinion that three years ago the people of Western Australia were prepared to respond to such a lead, had it been given to them. Unfortunately, however, we have seen history repeat itself. The strong have not been called upon to contribute according to their ability to the carrying-on of the State, and the weak have been heavily penalised. Undoubtedly the strong have escaped their due share of the financial burden. The Bill before the House authorises certain payments to be made. It is interesting to note from the remarks of the Leader of the House that the Government intend to expend loan funds at the rate of £150,000 per month for July and for August. I expect that this expenditure will take the direction already outlined by the pronouncements of Ministers in the Press from time to time, and indicated by Ministers' replies to certain questions. The Government's policy, of course, is not yet completely exposed: but we have had indicated a kind of preliminary programme. From the Premier's pronouncements it is quite evident that the Government intend to carry out, as far as they can, their election promise of three months' full-time work for the unemployed, who are afterwards to be allowed to go on sustenance.

Hon. G. Fraser: That was never stated.

Hon. H. SEDDON: I have a recollection of reading words to that effect in the Press. If the hon. member thinks I am wrong, I shall be glad if in the course of his remarks on the Bill he will correct me. In reading the Lieut.-Governor's Speech the only conclusion I could come to was that it had been compiled in the office boy's spare time, and that the boy had the benefit of the last Year Book to assist him in his researches. At any rate, it is not from this document we gather any idea of the Government's intentions. One cannot help being impressed by the promises made, prior to the Government's taking office, of taxation to be removed, and of the disabilities of public servants on the

goldfields to be remedied as one of the first acts of the new Government. It was also stated, as I have mentioned, that full-time work would be given to the unemployed. All these promises were made in spite of assurances from the previous Government that no funds were available. Personally, after studying the finances of the State during the last few years, I found myself in the position of wondering where on earth all the money was to come from to carry out the programme outlined and also to give the indicated relief from taxation. Unquestionably the present Government were very successful in connection with the Loan Council, and I have no doubt that the success gained there was of material assistance to them in realising their programme so far. Naturally, the usual intimation is made to the worker that the incidence of taxation will be altered, and that the fat man will have to pay. I am waiting interestedly to see exactly in what direction the Government's proposals will effect that ideal.

Member: Where is the fat man to be found?

Hon. H. SEDDON: There may be difficulty in that respect too, but no doubt we shall hear from the Government what their proposals are. One is rather inclined to wonder exactly what is in the Government's mind, in view of the replies given to my colleague yesterday on the subject of mining reservations. If fat men are going to be taxed, at any rate one section of them will benefit materially from the reservations which have been made in regard to gold-mining. Over 1,000,000 acres of auriferous country have been placed under reservation at a time when gold is worth £7 10s. per ounce, and those reservations have been made at what is practically a peppercorn rental. One wonders, therefore, whether after all the fat man will not benefit materially even if he is to be hit hard by taxation. I am inclined to think that the goldfields community will receive a vigorous jolt, especially when they are told, in addition, that some £1,200 per week is being spent from loan funds to assist men who have been sent out prospecting. I am not finding fault with the idea of sending out those men to prospect, because the history of goldmining tells us that the luck of the novice as frequently as the knowledge of old prospectors has been successful in locating gold occurrences; but I do contend that to charge up this expenditure to loan funds is scarcely justifiable,

since prospecting cannot be regarded as a reproductive work in the way of returning interest and sinking fund, which is one of the conditions laid down at the Premiers' Conference some three years ago.

Hon. G. W. Miles: The expenditure is at the rate of £60,000 a year.

Hon. H. SEDDON: Yes. Another aspect of this assisted prospecting ought to be stressed: that from the location of the reservations it follows that the only ground these prospectors will be able to work on will be ground included in the reservations, or else the prospectors will have to travel to localities remote from what are known as existing goldfields. So that one may infer that the reservations will give mining promoters a great advantage as regards both the ground set aside and the assistance of prospectors who are being paid from loan funds to seek gold on the reservations. Again I have to say that the fact of these things being done by a Labour Government impresses one as more or less in the way of being too good to be true from the standpoint of the mining community. One would expect that the Government who extended such consideration to the mining promoter would have been equally prompt in dealing with the real disabilities to which public servants on the goldfields are subject. One cannot help feeling that there has been considerable delay in this respect. Certainly the answer that the question is receiving the Government's consideration is highly unsatisfactory when contrasted with their promptitude in the matter of reservations. It comes as something of a shock to learn that three months after taking office the Government can only say that the disabilities of civil servants on the goldfields are receiving attention, particularly as many of those public servants are being paid rates below the basic wage. This action comes somewhat strangely from a Labour Government.

Hon. T. Moore: Your party did it for years, and you said nothing.

Hon. H. SEDDON: That statement is quite incorrect, and I must ask for its withdrawal.

The PRESIDENT: The hon. member considers the statement made by Mr. Moore offensive to him. If Mr. Seddon regards Mr. Moore's statement as offensive, Mr. Moore, I am quite certain, will withdraw it.

Hon. T. Moore: I do not understand why I should withdraw it.

The PRESIDENT: If one hon. member considers a statement made by another hon. member offensive, withdrawal is in accordance with Parliamentary practice. I know of no instance where an hon. member has declined to make a withdrawal.

Member: Mr. Seddon said Mr. Moore's statement was incorrect.

The PRESIDENT: But Mr. Seddon has said that he regards the statement as offensive.

Hon. T. Moore: I withdraw the statement, Mr. President.

Hon. H. SEDDON: I thank the hon. member; but may I explain now that I have taken action in this Chamber as regards the matters to which I have referred. On various occasions I brought them under the notice of the House, and I have had on the Notice Paper motions dealing with the subject. The Bill asks for a sum of £1,200,000, of which £300,000 is from loan funds. Last year the amount asked for by way of Supply was £1,925,000, so that there is certainly an improvement as to the amount asked for by the Government on this occasion. The deficit, while estimated to be £750,000, actually amounts to £864,000. To that extent the financial position is worse than previously estimated. Undoubtedly, the Premier was able to extract from the Federal Government a considerable amount of extra money at the conference which he attended early in June. Unquestionably, also, the Premier on that occasion had a powerful lever in the vote on the secession issue; and from what one knows of Mr. Collier's ability in that direction, one can feel assured that he made full use of the weapon placed in his hands by that vote. One can also conceive that the demand he made himself had a moral effect on the Federal Government, always supersensitive, almost sentimental, in regard to giving grants to Western Australia. Before finalising the estimates of finance, one must know exactly what is being charged to Loan Fund. Therefore I asked a question, which the Minister answered this afternoon, in regard to the amount to be set aside as loan expenditure. I think the true figures, as far as State finances are concerned, are to be found by adding the deficit to the loan expenditure. Taking those two figures,

we find that the true loan expenditure for 1929 was £1,648,000, while for 1933 we get the sum of £3,017,000. May I draw attention to the very strong position occupied by the various State Premiers at the meeting of the Premiers' Conference and the Loan Council. The fact that they are six in number should provide that the State receives on every occasion major consideration in regard to the utilisation of what finances are available. For instance when the returns from the last internal loan were made available, we found that, although £5,000,000 was asked for, £8,000,000 was obtained. The attitude of the Premiers' Conference and of the Loan Council in regard to the utilisation of those funds is very significant. When they found the surplus amount available, the Commonwealth Bank suggested that that surplus should be utilised for the purpose of retiring short-term securities. On the other hand, the Conference decided that this money should be made available for loan expenditure. While the recommendation of the Commonwealth Bank was a wise one, the decision of the Loan Council was to make more loan money available to the States than had been anticipated. The position of this State is that we have been allotted £2,750,000, which will be available for expenditure on loan work. I notice from the statement made in regard to the money to be obtained under this Supply Bill, that we are laying out a rate of expenditure from Loan Fund of £1,800,000 per annum. So it will be seen there is a considerable margin between the two figures. There is a further factor affecting the position as far as the Premiers' Conference is concerned, and that is the position which was created some time ago by the action of Mr. Lang, who defied the Loan Council. It is quite possible that that position may reassert itself at some future time, and therefore one sees that as a result of that action the position of the various State Premiers at the Loan Council is so strong that necessarily their ideas must sway the direction of finance for a considerable time to come. From that standpoint one may deduce that from time to time attempts will be made by the State Premiers to force additional finance from the financial institutions of the Commonwealth. The Labour Party has made no secret of their attitude in regard to banking and their proposals to deal with credit to be provided by the banking institutions. This possibly

will have a very material effect upon the trend of finance in this State. The present position demands attention from the general public; I mean, for instance, the position in regard to the short-term debt. The Government undoubtedly, when they found the loan market closed to them, took advantage of the provisions made by the Commonwealth Bank to give assistance in the shape of short-term loans, and there seems to be a tendency to-day to exploit that system to the fullest possible extent. The trouble is that those loans, being short-term, are liable to be called up at very short notice, and should there be a time of revival in trade and those funds loaned by the bank be called for, we might find ourselves transferred from the position of passive inflation which exists to-day to a condition of active inflation. And because those short-term loans may be called up under those conditions, the future will be hard indeed to discern. One cannot help feeling that to create a state of affairs like that will not redound to the advantage of the people of Western Australia, particularly those who have entrusted their savings to the financial institutions. One has to consider the sources from which the ordinary loans are taken, and to realise that much of the money for short-term loans comes from the insurance companies. So anything which interferes with the confidence and solidity of the community is greatly to be deplored. These funds represent the savings of the thrifty section of the community against old age, and there should be no suggestion whatever in regard to the financial institutions which would tend to destroy the confidence in respect of finance, which is now being restored. Until the various Governments get into a more satisfactory financial position we cannot really say that we have definitely embarked upon the road to recovery. While there are certain signs, such as diminished unemployment, increased business activity and the like, one wonders whether these are not really the effects of increased expenditure arising from the fact that we are still borrowing heavily in order to carry out various relief works. I think we may very heartily commend the Government for the action they have taken in encouraging local production and urging local purchases. Too much cannot be done in this direction, for it means employment in the development and manufacture of those commodities which formerly we have

been content to import. The Government are the more justified in that respect when we make a comparison of the figures of exports and imports in Western Australia during the past two years. For the purposes of such comparison I have reduced the figures to Australian currency, so that members may be able to see how we have been going. In 1932 our total imports from the Eastern States and overseas amounted to £11,338,000, and the exports to £16,296,000, leaving a margin of nearly five millions to the good in the shape of surplus exports. But in 1933 our imports rose from 11 millions to 13 millions, while our exports declined from 16 millions to a little under 15 millions, with the result that for that year the margin of surplus exports fell to £1,836,000; in other words, our favourable position has receded to the tune of over three millions, as against the year 1932. Of course the fallen prices of our export commodities have had a great deal to do with that position; still, from the standpoint of sound finance we must realise that the position in regard to interest provision is very disturbing. So I say the Government have taken a step in the right direction by encouraging the consumption of local products. One must also commend the Government on their action in establishing the Economic Council, to deal with the question of providing employment. That also is a step in the right direction. The need in the past has been for research work, and this has been handed over to this new body, whose duty will be to initiate, consider and recommend a scheme for providing new avenues of employment and establishing men in industry. It is not quite clear how far the council's powers of recommendation go, but the council will be of great benefit to the State, because it will attend to the research work, which is of the utmost importance. Up to the present, unemployment has been relieved largely by Government action, assisted by the action of the local authorities, and of private citizens in providing casual work. During last year the late Government's activities in this regard were dependent almost entirely upon borrowed money. The programme of the present Government evidently contemplates further activity along those lines, while the functions of the Economic Council would seem to lie more in the direction of research in the fields of local production and marketing, both internal and external. There-

fore there will be involved a certain amount of expenditure by the council, and while we are discussing his Supply Bill we should like to know what the Government are contributing towards the cost of the activities of the council. Undoubtedly the establishment of local production involves capital and so, too, will research work dealing with marketing, at all events marketing overseas. In view of the competition both from the Eastern States and from overseas, one realises that the only way a new industry can hope to become established in Western Australia will be by the adoption of up-to-date machinery and efficient labour, both of which will involve a considerable amount of expenditure. I should like to know whether the Government contemplate rendering financial assistance in this direction if recommended by the Economic Council.

Hon. A. Thomson: How are you going to train the workers who will be tending the machinery?

Hon. H. SEDDON: If we are going to open up new avenues of production it is evident that those avenues will provide employment, and our young men will quickly learn the work. Research by the council will quickly indicate that there are lines of activity which at present are being carried on, not in Western Australia, but outside the State. The institution of such works within the State will provide employment for our young men.

Hon. L. B. Bolton: I hope you are not suggesting that the Government should undertake their training.

Hon. H. SEDDON: I would like to ask the hon. member to indicate in what direction the committee, in which I understand he is interested, can raise the necessary finance for the institution of the new industries, and also to what extent the Government will be required to assist to get them established. Certainly the Government have opened the way and created a favourable atmosphere by the drive in the direction of encouraging local production. Regarding Government finance, it appears to me entirely undesirable that we should indulge in continued borrowing, as we are doing to-day. We have seen references by prominent members of the party now in power that the interest burden on the people is too heavy and that this burden on industry should be reduced. We have effected a reduction by the conversion loan, and we are effecting further reductions by the conversion loans now taking place

overseas, but we are increasing the burden from the other end by our borrowings from year to year, and one wonders how the two things can be reconciled. May I again repeat for the consideration of the Government the desirability of establishing a superannuation scheme. It appears to me that such a scheme would provide funds with which to carry on relief work, and would enable the citizen to obtain what is undoubtedly his right, namely, the right, if he requires it, to superannuation for his old age. The present system, unfortunately, is operating very severely against many sections of the community. One cannot but recognise that what should be every citizen's right is now simply grudgingly given as charity. My proposal is the institution of a superannuation scheme towards which every citizen would contribute. It would provide money for the carrying on of reproductive works and ensure to the citizen something for his old age. No matter what position he occupies, he should have the right to receive superannuation from the funds accumulated. I should like the Minister to state whether the Government have considered relieving the present serious position on the goldfields arising from the shortage of houses. One scheme that could be adopted would be of material benefit to a section of the community, relieve congestion, and be satisfactory from the standpoint of the work being reproductive. That is the building of residences for Government servants stationed on the goldfields. Those men are employed where they will be required practically as long as the goldfields exist, and the cost of building is such that I feel sure the Government could erect houses, let them to those men at reasonable rentals, and still receive a handsome return in the way of interest and sinking fund on the money thus invested. There now are a number of residences on the goldfields provided by the Government and occupied by Government servants, and the provision of additional residences would be all to the good and could be classed as reproductive expenditure. I support the Bill and trust that the Minister will reply to the questions I have raised.

HON. R. G. MOORE (North-East) [5.50]: The first subject on which I wish to make a few remarks is that of the regulations regarding the moving of cattle from the pleuro area in the North-West. I believe that the restrictions could be given a

more liberal interpretation, so that the cattle could be removed under supervision, taken to the pastoral areas of the goldfields and there fattened and utilised for our markets. Last year over 1,000 head of store cattle could have been placed there. They could have been fattened and sold on the markets and the money would have been retained in the State. That would have meant additional money in circulation and more work for men. What happened? Many of the cattle were taken to South Australia, fattened there, sent to Kalgoorlie by the trans. train, slaughtered in the abattoirs, and the money returned to South Australia. The pastoralists of the goldfields were hungering for cattle at the time but could not procure them. I know that one agent had an order for over 1,000 head of store cattle for different markets but he could not obtain them. I realise that some of the pleuro restrictions are necessary. Dairy herds in the coastal areas must be protected but there is no reason why the interpretation of the restrictions should not be liberalised in favour of the goldfields. For 35 years cattle were sent from the North-West to the goldfields under supervision, and there has never been an outbreak of the disease in those dry areas, and I do not think there is ever likely to be. By liberalising the restrictions, money would be kept in the State and a certain amount of relief would be provided for unemployment. Reference has been made to the proposal to restrict production in the hope of improving prices. I consider that a restriction of production would not be in the best interests of either Western Australia or Australia. In my opinion the world is suffering not from over-production but from under-consumption. There are millions of people in the world who have not enough food to eat or enough clothes to wear; nor are they comfortably housed. If we pushed on with production and could sell in markets prepared to buy at prices they could afford and yet profitable to us, it would be a sounder way of tackling the problem than by trying to restrict production and keep prices up in that way. If we restrict production, only the same amount of money will be available for expending and fewer people than at present will be in a position to buy. I do not think the shortening of the hours of labour would benefit anyone. If we increased production, retained the same working hours and reduced the cost of

living without interfering with the standard of living, it would be a step in the right direction. I agree with Mr. Cornell that we should take a long view and should press ahead with the determination that we are going to surmount our difficulties. Only reproductive works should be undertaken. Regarding Government employees on the goldfields, I hope the Government will attend to the matter as speedily as possible. If the payment is made retrospective to the date when the party took office, the Government will make themselves very popular.

On motion by Hon. V. Hamersley debate adjourned.

ADJOURNMENT—SPECIAL.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [5.56]: I move—

That the House at its rising adjourn till Thursday, 27th July, at 2.45 p.m.

Question put and passed.

House adjourned at 5.57 p.m.

Legislative Assembly,

Wednesday, 26th July, 1933.

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

QUESTION—PRIMARY PRODUCTS, MARKETING.

Mr. FERGUSON asked the Premier: Do the Government intend to introduce during this session a measure for the organisation of the marketing of primary products?

The PREMIER replied: It is not customary for the Government to announce their policy in answer to Parliamentary questions.

QUESTION—GROUP AND SOLDIER SETTLEMENT.

As to Dairying.

Mr. BROCKMAN asked the Premier: Is it his intention to afford the House, during the current session, an opportunity to discuss thoroughly the whole position of group settlement and soldier settlement, particularly with respect to its effect on the dairying industry?

The PREMIER replied: Yes. The Standing Orders provide ample opportunity for the discussion of any subject which any member desires to bring forward.

QUESTION—SITTING HOURS.

Mr. HAWKE asked the Premier: Will he give favourable consideration to the question of commencing the proceedings of the Legislative Assembly at 2.30 p.m. each day, instead of at 4.30 p.m. as is now the rule?

The PREMIER replied: The hours of meeting have already been decided upon by Sessional Orders, but they are subject to alteration, if the House so desires, at any time.

ADDRESS-IN-REPLY.

Fifth Day.

Debate resumed from the previous day.

MR. HAWKE (Northam) [4.35]: By this time, Mr. Speaker, you must be aware that your appointment has met not only with the approval of all members of this House but also with wide public approval throughout the length and breadth of Western Australia. After the exceedingly effective speeches delivered by those who have already taken part in this debate, it is with a good deal of doubt I proceed to contribute my quota of thought. Particularly have the speeches delivered by the new and, if I may say so, the young members been of a high character. One pleasing feature of the composition of this Parliament exists in the fact that there is a much greater proportion of young men than has been the