

State sawmills, they are rendering you a service, but I do not think it should be left so open as it is in the Bill. If I enter into a contract with the State sawmills by way of appearing for them in my professional capacity, for which I would receive a reward, I think it would be wrong, since I am a member of Parliament; but I can see nothing wrong in a member of Parliament being permitted to make purchases or enter into a contract with the State sawmills for the supply of timber to him as a contractor.

Hon. G. W. Miles: What about a member's salary: would he be deprived of it?

Hon. H. S. W. PARKER: Probably if you had a long outstanding contract, you would be deprived, and I think rightly so. If you had a contract to supply railway sleepers over a number of years, you should be deprived.

Hon. C. F. Baxter: If a member ceases to be a member while he has a contract in existence, what machinery is there to reinstate him?

Hon. H. S. W. PARKER: I am only reading the sections of the Constitution Act.

Hon. C. F. Baxter: Once a member ceases to be a member he can only be reinstated by the electors.

Hon. H. S. W. PARKER: I am not prepared either to agree or disagree with that statement. I am only reading what the section says.

Hon. C. F. Baxter: But he does cease to be a member.

Hon. J. J. Holmes: Only while the contract is in existence, say whilst the nails are being passed over the counter to the customers.

The PRESIDENT: Order! I must ask the hon. member to proceed with his remarks.

Hon. H. S. W. PARKER: I do not propose to enter into the various technical details concerning what may or may not be the position. I am merely pointing to certain purely technical peculiarities that I feel should receive attention. What I would like to see is Section 32 and other relative sections completely redrafted so that they may be brought up to date. I feel sure that all members will agree that the expressed intention of the Chief Secretary is what we all desire to have brought about.

Hon. C. F. Baxter: That cannot be carried out under this Bill.

Hon. H. S. W. PARKER: Meanwhile I support the second reading.

On motion by Hon. J. Nicholson, debate adjourned.

ADJOURNMENT—SPECIAL.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [5.33]: I move—

That the House at its rising adjourn until Tuesday next.

Question put and passed.

House adjourned at 5.34 p.m.

Legislative Assembly,

Wednesday, 14th August, 1935.

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

QUESTION—STIRLING HIGHWAY.

Cost of Reconstruction.

Hon. P. D. FERGUSON asked the Minister for Works: 1, What was the total cost to 30th June, 1935, of the work of reconstructing Stirling Highway? 2, What is the estimated expenditure for the year ending 30th June, 1936? 3, What is the estimated total cost of the work when completed?

The MINISTER FOR WATER SUPPLIES (for the Minister for Works) replied: 1, £39,600. 2, £48,500. 3, £95,013.

ADDRESS-IN-REPLY.

Sixth Day.

Debate resumed from the previous day.

MR. J. H. SMITH (Nelson) [4.33]: I do not propose to speak at any great length nor unduly to criticise the Governor's

Speech, but I want to make a few remarks in answer to what has been already said. First of all, I desire to join with other members in regretting the loss of the late member for Avon (Mr. Griffiths) and of the late member for Katanning (Mr. Piesse). They were both sincere friends to every member of the House and, with other members, I genuinely regret their passing. I congratulate the new member for Avon (Mr. Boyle), for I think he will be a distinct success in the House; also I congratulate the new member for South Fremantle (Mr. Fox), who has impressed everybody with his moderation. I am sure he will be an acquisition to the House.

Mr. Marshall: Do not forget that he is a fox.

Mr. J. H. SMITH: He may be a fox, but he is not so sly as the member for Murchison. I am pleased that the member for Gascoyne (Hon. F. J. S. Wise) has been appointed Minister for Agriculture. I believe he has the confidence of all agriculturists. But in that appointment I see a great deal of cunning on the part of the Government, for they expect in consequence of the appointment that they will be able to hold the Gascoyne seat at the next general elections. In my opinion even that will not be sufficient. I am also pleased to know that the Premier has been fully restored to health. In this I am sure I voice the opinion of every member on this side of the House; indeed, it might almost be said that we all love him. However, he will require his robust health for the next general elections, for we on this side are making every arrangement in the expectation of taking over the reins of government and raising Western Australia from the slough she is in at present. One thing I regret very much is the illness of the Minister for Works (Hon. J. J. Kenneally). We all deplore the sudden serious illness that has stricken him down, a catastrophe one can only appreciate when it occurs in his own family. I hope the Minister will have a speedy recovery, and I am sure that every member of the House sincerely hopes the same. I am not going to say much about the financial position, except to remark that the Government have had wonderful opportunities during the last two years to fulfil some of their promises. This myth of solving the unemployed problem is, to use a favourite word of the Pre-

mier's, all balderdash. Before I sit down, I will prove to the House that it has been all balderdash and an endeavour to throw sand in the eyes of the people. His Excellency's Speech made reference to the improvement in our industries. The gold industry, of course, has improved wonderfully and is the one bright spot in Western Australia to-day. But I do not think the Government propose to take any kudos for improving the condition of the timber industry. They would not dare do so. It is true the Government have made certain concessions regarding freight, but it must be remembered that when the industry was in its prime, freights generally were increased and have not been reduced. Moreover, the Government could not take any kudos from the condition of the timber industry, since that industry is suffering from lack of administration. In that I must link up the Forests Department. Last year a Bill was introduced here which I strenuously opposed. It was to give the timber workers certain concessions and an Arbitration Court award. I said then, and I repeat, that it was an impossibility. The Government to-day are the greatest exploiters of the timber workers known in the history of Western Australia.

Mr. Wilson: No.

Mr. J. H. SMITH: The greatest exploiters of the timber workers. I will prove to my friend, the member for Collie, that they are exploiters in regard to royalties. On that I defy contradiction. The cutting and hewing branch of the timber industry is down to a very low ebb and I repeat what I said last year, that in one area a man can hew sleepers for £2 per load, whereas in another area under forestry regulations no man could hew at less than £3 or £3 10s. per load. We cannot have an Arbitration Court award there, and the only possible chance of putting the hewing industry on a satisfactory basis is to get a board of reference consisting of men who understand the position and who will lay down what the rates are to be for various areas.

Mr. Wilson: What about the private lands?

Mr. J. H. SMITH: You are going to get exploitation there. But if we were to place some legislation on the statute-book it could be made to affect private employers as well. Only last night the member for Perth (Mr. Needham) reminded us that

the Financial Emergency Act had been made to apply, not only to Government workers, but to private employees also, and we could do the same with legislation relating to the hewing industry. I am glad to say there has been a revival in the timber industry and I hope it will extend until every mill in the State is working full time, for I realise what it means to have the industry in a healthy condition. For 15 years, ever since I have been in Parliament, I have urged improvement for the workers in the timber industry, notwithstanding which the champion of the workers in the bush has not supported me.

Miss Holman: And you have not supported me.

Mr. J. H. SMITH: I will not support ridiculous legislation, for I know it is not workable.

Miss Holman: That is your opinion.

Mr. J. H. SMITH: Yes, I am giving my opinions now. I want to point out how the Government, through the Conservator of Forests, have exploited the timber industry.

The Minister for Lands: And what have past Governments done?

Mr. J. H. SMITH: They have done exactly the same thing. But now we have a Labour Government exploiting the men and allowing the Conservator of Forests to do it. What is happening? Our prices for export do not bear comparison with what they used to be, but the Conservator of Forests is selling timber to the highest bidder. Unfortunately, we have many foreigners in the industry and they are being exploited, through the Government not putting down their foot and saying, "We are going to fix the rates according to the value of the industry." In consequence the prices are going up to £1 and 21s. per load.

Mr. Wilson: And 26s.

Mr. J. H. SMITH: I heard of 25s. the other day. Is not that exploitation? The industry is suffering in consequence of the attitude of Government officials, and of course the Government know all about it; if not, they are lacking in their duties. However, I am pleased to say the timber industry has revived to a certain extent.

Mr. Stubbs: Who is making the money out of the industry?

Mr. J. H. SMITH: No one is making very much money out of it to-day, but the

industry is going along and the money that is being made is being put into circulation. While on this subject, I want to say a word to the Minister for Works. This is the sore point, that while the industry is so very important to Western Australia, we have various road boards in the South-West finding it impossible to maintain the roads that are so essential to the farming community. During the wet season the timber carters cut up those roads until they are unfit for traffic. Of course I want to advise the Minister to be careful about closing the roads for that period, because it might mean blocking the industry. The industry is being hampered. It would be better to have an arrangement between the Minister for Works, the Forests Department and the road boards whereby these roads could be kept open and so much taken out of the royalties for the purpose. The road boards could be supplied with means to keep the roads open during the wet period, and maintained in a state of repair. The timber cutters, as well as the carters, are migratory. I have always begged the road boards of my electorate not to close their roads against the timber carting industry. The Speech refers to wool in an optimistic strain. The growers have had a bad time, but the outlook for them is now brighter. With regard to the dairying industry, the Speech refers to the bountiful season in the South-West. That part of the South-West with which I am familiar has never had a worse season nor such a late one. It has not been good for dairying. We are all expecting great things from the Act passed last session to promote the marketing of dairy products. The South-West Dairy Co-operative Company and others last month gave a bonus of 1¼d. on the production of butter fat for the previous 12 months. Every producer gets the benefit of that. I should like to know why this bonus is given. The factories take 1¼d. per lb. from the producers when the latter require the money most urgently, and the companies do this when they want a reserve fund. The companies make a big song about this and broadcast it everywhere. They make big cheques for themselves, and then they come along with this bonus of 1¼d. Immediately the bonus was paid, and it was also paid by the proprietary companies, like a bolt from the blue in the following month came a drop in the price of butter fat of

about 2d. per lb. The companies must be building up their resources again so that they can give a bonus in the following year. The butter industry is not buoyant, but with the appointment of the board to control it, things are looking a little brighter. I am not going to criticise the Agricultural Bank. I believe the new Act will ultimately benefit the farming community. I do not intend to criticise the appointment of the commissioners. Possibly the appointment of Mr. McCallum savours of political influence. It looked like a political appointment, and there may have been bitterness in the minds of many of us when it was made. No matter what we may think, I believe the chairman of the Agricultural Bank Commissioners is a man of special ability, and that he will be fair to every section of the community. He has proved that he can carry out big works, and I think when he gets into his stride, he will give satisfaction to the whole State. He is bold enough to do what we have been looking for, namely, write down the value of properties to what they are actually worth from the productive point of view. When that is done, no doubt we shall lose another 10 or 14 million pounds. I believe there are members of this Chamber who are prepared to see that this writing down is brought about, as was intended when the Act was passed.

Mr. Thorn: It is the only way out at the moment.

Mr. J. H. SMITH: Another of the commissioners is Mr. Clarke, of Bunbury. I think he will be a good man in that position. He was born in the South-West, and has been a farmer practically all his life. He knows the conditions in Western Australia from A to Z. I am prepared to give all the commissioners every opportunity to make good. No doubt Sections 51 and 52 of the Act are causing a good deal of distress and uncertainty amongst the clients of the bank. I have told settlers that their feelings are somewhat premature. The bank has power to take over goods and chattels and all stock. Settlers are rushing off pell mell to sell their stock at prices ranging from 1s. to 10s. per head. I have advised them, if they value their stock and intend to remain on their holdings, that it is better they should assign their stock to the bank. If they fail to do this, they will have to pay three or four times the price they are getting for

their stock when they come to buy back their requirements. It is not right that the commissioners should take so much out of the pig account and so much out of other accounts. I understand that where necessary these amounts have been refunded. These things amount to pin pricks. The Act is new, and I am now waiting for the policy of the commissioners to come into operation. The Deputy Leader of the Country Party referred to the appointment of two gentlemen to represent the producers on the Butter Marketing Board. I join issue with him. I think the board is truly representative of the farming community. The two members were nominated by the South-West Conference, which in turn is also representative of the farming community. I have attended various meetings of the conference, and I know that 90 per cent. of its members are getting their living from the land or are directly connected with it.

Hon. P. D. Ferguson: What do the other 10 per cent. do for a living?

Mr. J. H. SMITH: They may be interested in other ways. The Chamber of Commerce, also, is interested.

Hon. P. D. Ferguson: But they are not producers.

Mr. J. H. SMITH: The Chamber is interested in everything to do with the land.

Mr. Withers: Some members of Parliament may be in it too.

Mr. J. H. SMITH: When the Minister for Agriculture invited nominations for the positions, two men were put forward by the South-West Conference. They are truly representative of the producers. The hon. member claimed that a political organisation with which he is connected should have the right to nominate the representatives. They wanted Mr. Pickering and Mr. Davies, neither of whom has any standing on the land nor holds any land. I think the Minister was right in the course he took. I understand the Albany district secured no representation at all. The producers will have the right to make their own appointments from now on. I hope there never will be anything political about them. I wish it were possible for the Minister for Education to afford more facilities in the agricultural and far distant areas. I notice the Government are spending £70,000 on a girls' school in Perth. When we ask for some of our requirements

in the country we are told there are no funds available. Various parents' and citizens' associations ask for things which run into only a few pounds in many cases, and these organisations are entitled to some consideration at the hands of the Government. Quarters are required in many places, and would cost very little. I know of two teachers who have to walk several miles to school, but if bachelor quarters were provided alongside the schools, this would be a great convenience to them. Only a small expenditure would be required to meet the case. I cannot see any way out of the present economic depression. The member for Perth said last night we had signed away our birthright when we became party to the Financial Agreement. I think we all realise that. The member for Claremont interjected that at all events we were borrowing money within Australia. What does it matter whence the money comes? We cannot continue under present conditions. Thousands of men are still out of employment. That is the position to-day, despite the claims of members opposite that the employment situation is so much better. The member for Subiaco said that everyone was now earning £3 1s. per unit per week. That may be so in the case of married men situated in the metropolitan area. There are hundreds of single men in my district who are not earning 30s. a week, and they have to work six days a week to get that. Some of them are pretty good men. The position has not improved. Figures can be made to prove anything. I am sure my leader could make figures prove anything and everything. There are numerous instances of families who are not on the books of the unemployed, but who are in a very bad way financially. A great song has been made about the Youth and Motherhood Appeal. What are we doing for the thousands of boys and girls about to leave school? There is no outlook for these young people, and there never can be an outlook unless we alter the economic system. To bring that about we have to alter the monetary system, and we also have to reduce the hours of labour. Even these things will not solve the problem. We shall have to go further and institute some form of national insurance. After a number of years, people go off the labour market, and younger people take their places. Perhaps the only solu-

tion for the difficulties in which the world finds itself is to have another general war, and bring about the death of millions of people. The member for Toodyay talked about orderly marketing as a solution of the problem associated with people on the land.

Mr. Thorn: I did not.

Mr. J. H. SMITH: The hon. member talks of orderly marketing every time he rises.

Mr. Thorn: I said it would help.

Mr. J. H. SMITH: Are we going to get any further by doing what the hon. member suggests? The member for Claremont (Mr. North) will say, in better language than I can command, that boiled down, the remedy for the whole trouble is economic. There is no other solution, as we must admit if we are sincere to ourselves. Before finishing I propose to go much further into this subject. I am on the side of independent thought, and desire to do something for the whole community and not merely for one particular section. I stand for the great spirit of Nationalism, which places country before everything else.

Mr. Withers: What have you nationalised so far?

Mr. J. H. SMITH: At Walpole there is a settlement concerning which I spoke to the Minister for Lands to-day. I regard it as one of the bright spots, but it is in the same category as all other settlements. Let me divert for a moment to the group settlements, which some of our friends proclaim to be the greatest tragedy ever known. Those settlements are not a tragedy. When the Agricultural Bank took them over, there were 600 group settlers in my electorate. Their number has now dwindled to about 400. It will keep on dwindling in spite of the expenditure of millions of money unless and until the present system is altered. The drift from the settlements must give serious thought to the Minister for Lands and to the Government. As regards the drive for youth, are our boys to be placed on the land, or are more migrants to be brought from overseas? I wonder what will become of the British nation if the British Dominions do not get population? We must fill up our empty spaces. If we can encourage Empire settlement, we shall be dealing with the crux of the problem, as the Leader of this party said at a meeting. It is

the duty of all of us in Parliament to encourage Empire settlement. Other countries are sending their migrants to Australia, and we insist on such migrants being well equipped to develop the land. All the economists in the world may say otherwise, but land is the only source from which wealth is derived. On that point I agree entirely with my Leader. The millions of money Western Australia has expended on land settlement are now being lost, because the land on which those millions were spent is going back to Nature. The Government and this Parliament must do something to fill those vacant areas again. It is no use saying that Tom Jones has left Northcliffe, and that somebody else has left the wheatbelt, and to give individual instances of that kind: the settlers are going off the land in hundreds. Members must seriously tackle the question of the cleared lands which have been abandoned. I am not to-day advocating the selection of further lands: under the Empire scheme we shall bring migrants here to fill the empty cleared spaces. When those migrants have been successfully settled, we can go on developing the South-West and the wheatbelt, and also, according to our friends who went on the recent tour, the North-West. Walpole settlers, in a district with from 70 to 80 inches of rainfall, are in the worst position of all, not being supplied with houses. I spoke to the Minister for Lands on that matter to-day, to see whether houses cannot be erected there. The Minister said it was impossible owing to want of funds, but he would be prepared to make some small advances for doors, windows, and material, and with this the settlers would have to be satisfied. I requested the Minister to do the best he could in the circumstances, and I believe the hon. gentleman will give me some satisfaction. The roads in the district are in a particularly bad state. I have mentioned that matter to the Minister for Works, and believe I have a fair chance of getting something done in that regard. I did not intend to speak at length, but there are some other matters to which I must refer, though I do not like doing so in the absence of the Premier. However, it must be done, and I believe I am quite capable of doing it. Let me refer now to the goldfields strike. It matters not how our friends on the opposite side of the Chamber try to hoodwink the people of Western Australia: it is a bitter

pill to the whole community to know what has happened. Mr. Munsie said in London, "Our Government stand and fall by industrial arbitration. It is a child of our creation, and we have always stood by it and always will stand by it." I am wondering whether in view of the capital expected from England Mr. Munsie was not expressly sent Home by the Premier and Cabinet to utter those words, in an endeavour to reinstate confidence in Western Australia in the minds of the financiers of the Old Country. In order to know what Mr. Agnew and other people in London, including Mr. De Bernaldes, say on the subject, I need only listen to the members for Murchison (Mr. Marshall) and Pilbara (Mr. Welsh) and other hon. members: I may instance also the members for Canning (Mr. Cross) and Perth (Mr. Needham). We did this thing; we brought in the Financial Emergency Act, and in doing so we flouted every arbitration law of the land.

Ministerial Members: That is true.

Mr. J. H. SMITH: Admittedly, we did bring in that measure. For my part I did not agree with many phases of it. Ministerial members, who were then sitting in Opposition, declared that an Arbitration Court award was sacred, and must in no circumstances be broken. What have we found latterly? That the miners go to the Arbitration Court and obtain an award which gives them everything they ask for. They even get the 44-hours week.

Ministerial Members: Oh!

Mr. Lambert: The miners had that for years previously.

Mr. J. H. SMITH: Yes, but it was then 40 hours one week and 44 hours the next week.

Mr. Marshall: Not at all.

Mr. J. H. SMITH: If necessary I will read out the award. Mr. President Dwyer and his colleagues would not agree to that, and thereupon the miners said they would go out on strike, and did so, and the industry was stopped for months. Every member of the Cabinet went to the goldfields to aid and abet the miners.

Ministerial Members: No!

Mr. J. H. SMITH: All the Ministers holding goldfields seats. There was Mr. Munsie saying to the miners, "It is a good job for you that the Labour Government are in power; otherwise you would be placed in prison."

The Minister for Justice: He did not say that.

Mr. J. H. SMITH: In effect he said that. He went on, "It is a good job we are sympathetic towards you. We advise you to go back." Conference after conference was held, and pressure was brought to bear on the Chamber of Mines, representatives of which came to Perth to interview the Government. Then some very straight speaking occurred. Would hon. members opposite like me to read some of the remarks made at that deputation?

Ministerial Members: Yes.

Mr. J. H. SMITH: The gun was held to the heads of the mining companies, and they were told, "You will have to take a vote as to whether the men shall work 40 hours per week or 80 hours per fortnight." A ballot was taken, but the result was a foregone conclusion. So it was that the men went back to work.

The Minister for Agriculture: On the exact terms of the award.

Mr. J. H. SMITH: Not on the exact terms of the award, but on terms altogether different. The men went back on 44 hours per week.

Ministerial Members: On the award.

Mr. J. H. SMITH: I know the award perhaps better than my friends opposite know it. I will read the award again, and with unbiassed eyes. No pressure is put on me as to losing a selection ballot, and so forfeiting my seat. I do not depend on a selection ballot. I am perfectly free. I have signed no pledge. I have only to do the best I can for the people of Western Australia. Now I wish to make a reference to the great big A.W.U. organisation on the goldfields. This morning I read with a great deal of thought the remarks of a member in another place on the subject of the movement. They carried my mind to the conscript unionists in the South-West, men on the lowest rung of the ladder, earning less than 30s. per week, who are told that before they can get work, whether they are married or single, they must be conscripted to join the A.W.U. organisation, the alternative being to starve in the gutter. My friends opposite say they do not believe in conscription or compulsion in any shape or form. Yet as soon as they have possession of the Treasury bench, immediately they have a Ministry standing behind the organisation, they say, "You must do this, otherwise not one day's work

is there for you in the whole of Western Australia, and you will be a branded man throughout the State." There was a strike of men who had been sent down to gather clover burrs in the Sussex electorate. There were about 250 of them, mere sustenance workers. A union of unemployed could not be recognised because it did not contribute funds to the political side of the Labour movement. The union of unemployed was just half a union to fight for the rights of its members, but it could not operate because it had no funds to contribute towards the political side of the movement and towards the "Worker" newspaper. Those 250 men came out on strike because they found it impossible to earn more than 3s. or 4s. a day. I want members to contrast their position with that of the men who enjoy the benefits of Arbitration Court awards. There was no award governing the work of these unfortunate men. It was merely a matter between them and a Minister of the Crown, who was one of those who went to Kalgoorlie during the early stages of the recent strike. The men in the South-West contributed their pennies and threepences towards the fares of two delegates who were sent to Perth to interview the Minister. When they reached here, the Minister refused to meet them. He said that until the men resumed work, he would not listen to their claims. Was that what the miners were told at Kalgoorlie? If the workers in my electorate could be instructed in that way, why did not the Government extend similar treatment to the men on the goldfields, to the members of the great A.W.U.? Of course, they would not do that. They have their political hides to safeguard and they know where the preponderance of voting power is on the goldfields. Let members contrast the Government's attitude towards the goldfields workers with that which they extended to poor sustenance men, who are on the lowest rung of the industrial ladder. Members on the Government side of the House claim that they stand for humanity and for the uplift of the people. They want everyone to receive the basic wage and have something over for comfort and to provide for their old age. The Minister refused to hear those unfortunate men and would not listen to their claims until they had gone back to work. The men subsequently got in touch with their colleagues, who returned to work. The

delegates then went to the Minister and said, "The men have gone back to work, Mr. Kennelly, under the same conditions. Now will you listen to our claims?" The Minister replied, "No, I will not listen to your claims. Get back to the bush. You are of no use to us here. Go back and get to work, and then I will send down someone to investigate your claims."

Mr. Hegney: He went down himself.

Mr. J. H. SMITH: I will take the matter a bit further. Because the miners in Kalgoorlie got away with it, the foundry men followed suit, and have been out on strike for some months. They refuse to go before the Arbitration Court. The president wanted a compulsory conference, but the men absolutely refused to agree to that. What will happen in these circumstances? Merely because men have the power, because they are a force in the land with the Government behind them, are they to be allowed to defy the laws of the country? If that is to be the position, what will happen? It can be said that people cannot receive too much under the heading of wages, but the existing state of affairs stinks. When it comes to the right time and place, we will broadcast throughout the country what is happening now. I am satisfied that at the next general election the great mass of the people of this State will show that they have no faith or confidence in a Government who have let them down, who have allowed a section to break the laws and not extended consideration to others. I will go a little further still.

Mr. Withers: Always in moderation!

Mr. J. H. SMITH: Of course. I trust that for the future the Government will on all occasions hold the scales of justice evenly balanced when dealing with the affairs of people, whether they be from my electorate where they are struggling for a bare existence, or whether they belong to organisations that are large and all-powerful. I trust that no distinctions will be made between sections of the community. When there are happenings such as we have witnessed during the present Government's regime, our sense of fairness is offended. It is useless for members sitting behind the Government to endeavour to hoodwink, especially themselves. It is idle for them to suggest that everything in the country is satisfactory, because the position is not favourable to large sections of the community to-day. They will prob-

ably want to go before the electors and claim to have reduced taxation. When the Premier was in my electorate just before the last elections, he held up his hands in absolute horror at the thought of imposing a tax of 4½d. in the pound.

Mr. Sleeman: That was altered.

Mr. J. H. SMITH: Who altered it? It was done in another place. Government members should not forget that I have Labour's Bill well stowed away, and that it will be well used during the next general elections. There was a great deal of consternation in Government ranks when another place altered the rates and increased them. It was not the present Government who really did it. They raised it from £1 to £2 and from £2 to £3.

Mr. Marshall: You are all wrong; they reduced it.

Mr. J. H. SMITH: I will show the electors what was in the Bill as it was introduced in this House and will show what was done in another place. The Premier said it was a dreadful thing, yet what did he do? He raised the rate to 9d. in the pound. He then introduced legislation that would have exempted his gold-fields friends, but they have to pay the tax now. Instead of securing a return of £200,000 or so, the Premier received £600,000 odd by means of the increased tax.

Mr. Withers: Paid by those who ought to pay.

Mr. J. H. SMITH: That is what the Premier did. And then Labour tells us that they want taxation to be reduced to a minimum! To-day there are thousands of men unemployed. We have heard Labour members twitting the former Government with having placed men at work digging up grass in the streets. Whatever may have been the defects of the Mitchell Government, they at least did something towards organising the unemployed and instilling in them the idea that they must do some work in return for the money they received.

Mr. Withers: They built concentration camps, too.

Mr. J. H. SMITH: And what are the Government doing to-day? They are sending men on to group holdings that are said to be over-capitalised to the extent of some £5,000,000 and are clearing some of the holdings. I do not take exception to that because the money that is being spent is

helping to open up and develop the country, with the possibility of one day making the areas reproductive. But work of that description is useless unless it is followed up. After an area has been ringbarked and cleared, unless the work is followed up year by year, the holding will gradually become worse. Probably the work that is being carried out may be a good thing for the Agricultural Bank clients. On their holdings between 30 and 40 acres are being cleared and the settlers are being charged £2 10s. or so per acre although the work is costing more like £12. While Labour members claim that a great improvement has been made in the employment situation, it must be recognised that to-day there are still many thousands who are out of work. The Government could effect still further improvements, but if we have a harsh Government in power whose Ministers will not listen to claims men want to put before them, what can be expected? What is there before the unemployed married man who has a home and some children who are not in work? Nothing but starvation. I could inform the House of some pitiable cases that have been brought under my notice.

Mr. Marshall: It was the same under the Mitchell Government.

Mr. J. H. SMITH: I do not want to indulge in any sob stuff; if I were to do that, I could tell members some terrible things that have occurred in my electorate. All because of the hard heartedness of the present Government who are supposed to stand for poor humanity! I said I propose to be moderate in my remarks, so I shall defer anything else I have to say until we are dealing with the Estimates. I assure the Minister for Lands that I do not propose to adopt any drastic view with regard to the Agricultural Bank Commission. We are told that we must not interview members of the Commission, but I am sure that if I write to them, they will not refuse me the courtesy of a reply, particularly if I have a policy to outline that will be of benefit to the State.

Mr. Hegney: What if the commissioners do not reply?

Mr. J. H. SMITH: I will send my communication to the commissioners and, as I realise that they are sensible men, they will certainly extend to me the courtesy of a reply. I thank members for the hearing

they have given me. I take it that the absence of interjections shows that they have been largely in agreement with what I have said. They have not interjected to any extent, and so have not given me any lead to assist me in placing my views before the House.

MR. LAMBERT (Yilgarn - Coolgardie) [5.26]: I think we can all join—

Mr. Marshall: When did you arrive in this country?

Mr. LAMBERT: It was a regrettable episode in the history of this State when the hon. member arrived. I think we can all join in an expression of regret at the passing of two of our members since we last met. The passing of our dear old friend, Mr. Piessie, and of Mr. Harry Griffiths is regretted by members on both sides of the House. I believe that the meanest critics of the Government will at least pay a tribute to them for their administrative work during the past two years, quite apart from their efforts to deal with the employment problem in face of the difficulties of the economic situation. Appreciation should also extend to the Government for their financial work, particularly owing to the condition in which they found the Treasury when they assumed office.

Mr. Thorn: When the Mitchell Government assumed office there was nothing in the Treasury at all.

Mr. Withers: They were quite used to that.

Mr. LAMBERT: For reasons that the member for Toodyay (Mr. Thorn), with all his denseness, will possibly appreciate, it is not my purpose to discuss the Mitchell Government.

Mr. Hawke: They are dead.

Mr. LAMBERT: The member for Nelson (Mr. J. H. Smith) and the Deputy Leader of the Opposition (Mr. Ferguson), with probably more sense of responsibility and authority, as well as the Leader of the National Country Party in another place, referred to the recent hold-up on the mines at Kalgoorlie. It was wrong to refer to that trouble as a strike. It was the sort of thing that one could expect the supporters of those hon. members to take up and repeat, knowing all the time that the men were not on strike. The explanation of that unfortunate and regrettable incident was that an award had been delivered by

the Arbitration Court—I believe everyone in the country has the fullest confidence in that court—in which the wording of the clauses relating to hours of labour was rather ambiguous. The desire of those who lodged their protest against the Government for their intervention for the sake of industrial peace, was really to express resentment against the 44-hour week. Regardless of the manner in which such statements be served up in Parliament, that fact remains, and I definitely say that the man who is mean enough, or unthinking enough, to ask miners to go into profit-earning and dividend-paying mines, 2,000 or 3,000 feet into the bowels of the earth, deserves to be roasted in hell. I should like some of them, instead of going up to King's Park and paying noble and right tribute to the monument there, to go to the Woorloo cemetery and pay tribute to the men who have fallen by the wayside in producing wealth for this country.

Mr. Thorn: You have had your share of the dividends, have you not?

Mr. LAMBERT: I have had no dividends whatever. Rather would I enter the dried fruit industry, which is sheltered by a board and is conducted on properly organised and orderly marketing lines. If there is one body of workers who deserve the fullest possible consideration, it consists of those men who have to go 2,000 or 3,000 feet below the surface to earn a living. All the misrepresentation indulged in by those who are seeking to make political capital out of the commendable action of the Government will merely lead to the people giving the same verdict as they gave a little over two years ago. I am pleased that the Government are carrying on a comprehensive policy of public works. Evidence of the Government's activity in this direction may be seen throughout the far-flung areas of this State. It is not confined to the metropolitan area, as has been suggested by our friends opposite. It is regrettable that those members cannot introduce into their political philosophy the fact that there is something to be done apart from fighting election issues here. There are bigger problems to be considered, and we might well expect something better of them than to fancy that this is the place in which to fight the next general election.

Mr. Hawke interjected.

Mr. LAMBERT: I am glad that the member for Northam, who takes such an interest in economics and crematoria, supports me in that. The roads constructed by the Main Roads Board under the director, Mr. Tindale, are appreciated by the people in the country. I need not refer to some of the bigger works undertaken by the Government and actuated by a far-sighted policy, having always in view the progress of the State. It is only natural that I should make slight reference to the mining industry. The member for Canning (Mr. Cross) made it a pleasing feature of his speech last night, when he was good enough to suggest that batteries should be erected in my district. As a matter of fact, I may lack both the practical and technical knowledge possessed by the member for Canning, but I feel that he as a metropolitan member will fortify me in the representations I might have to make to the Government from time to time for additional crushing facilities in the Yilgarn-Coolgardie district. At one time there was a member who represented Canning—it was not called Canning then—who crawled out of the snake-house or monkey-house to make similar representations, namely, that crushing facilities should be provided on the Murchison goldfields. The present Minister for Lands represented the Murchison, and he quietly but forcefully reminded the member that he had been elected spokesman for that district and that he himself was quite capable of making any representations along those lines.

Mr. Withers: Gratitude personified!

Mr. LAMBERT: It is pleasing that the Commonwealth Government have realised the necessity for granting additional aid to the farmers of this State. Such additional aid will be necessary in future; in fact, it will be a permanent need so long as Australia is prepared to subscribe to the present economic system with its quotas and high tariff. There was a time in my youth when I disagreed with the member for Nedlands (Hon. N. Keenan) that tariffs and quotas would ultimately destroy our national stability, but I am quite prepared to-day to admit that, in years gone by, when we piped loudly if not eloquently at meetings of the Australian Natives' Association about creating a self-contained Australia, we were marching along definitely wrong lines. Not only is Australia doing that, but all the

nations of the world, with their intense nationalism, are marching along wrong lines. We have only to take the report issued by the Carnegie Institution for the preservation of peace to find that in 1929 the export trade of the United States of America was valued at £5,000,000,000, and that through their quotas, barriers and high tariff, it dwindled to £1,600,000,000 in 1932.

Mr. Tonkin: Economic nationalism is not the cause of the depression; it is the result.

Mr. LAMBERT: The hon. member may hold that opinion. Possibly it is not held by those who have given deeper thought to the matter. The fact remains that, if the countries of the world are going to erect tariff barriers, and we have to indulge in a system of bartering our wheat, wool, timber or other primary products, we shall have reached a deadlock. Italy is trying to produce wheat at 7s. 6d. a bushel. France is doing the same thing. England, the tight little island, is trying to make herself self-supporting in the matter of producing butter, beef and other products. This is totally uneconomic, and the time must come when the people of the world will realise that unless we get a freer interchange of our respective commodities, the existing chaos will continue.

Hon. W. D. Johnson: You are now advocating an exchange?

Mr. LAMBERT: I do not care whether it is an exchange of goods under a system of barter or not. It is not the right of the politicians to block the free trade and free exchange of goods between countries. To canalise the trade, as was attempted in America, and is being attempted in Great Britain, an example that is being emulated by some tinpot politicians in another Parliament, is totally impossible. Unless we had the mining industry to buttress and fortify Labour's activities, one-half of our population would be starving. Later on I shall read some engrossing extracts, and if the reliable and unmistakable facts therein contained do not convince members, nothing will convince them.

Mr. North: Do you support the local products campaign initiated by your Minister?

Mr. LAMBERT: As a matter of purely domestic concern, that is quite all right. It reminds me of the old woman in the backyard indulging in an exchange of views with the old women in the next

backyard. That does not touch national policy. It is commendable to give preference as far as possible to the people around us. To that extent we should support local industry, but that is not the point with which I am dealing. It does not go to the root of the trouble.

Mr. Tonkin: It seeks to remedy the trouble and gets fairly close to doing so.

Mr. LAMBERT: People in Coolgardie years ago thought they were living prosperously by tearing down the town. Mark Twain pictured it when he spoke of people taking in each others washing for a living. The need to-day is to find wholesome employment for the people we are called upon to govern.

Mr. J. H. Smith: You admit that the present Government are not doing it?

Mr. LAMBERT: Other Governments will have an opportunity later on.

Hon. W. D. Johnson: Not in the near future.

Mr. LAMBERT: I should say in the dim future, and probably the responsibility then will be shared by the member for Nelson. The Government should be congratulated on having appointed the Commission to inquire into the activities of the Agricultural Bank, which was drifting in a most deplorable fashion, and the Commission to inquire into the utilisation of bulk handling, so that we might the more economically market the wheat of our State.

Mr. Fox: And throw a lot of men out of work.

Mr. LAMBERT: That is quite unfortunate, but I expect the member for South Fremantle will be able to speak eloquently upon it, though I think it would be better if he attempted to get the displaced men absorbed in other employment. Regarding the Agricultural Bank, it is regrettable that the work done by the former general manager and the trustees was overshadowed by the glamour of the proposals for the reform of the institution. It is a great pity that full recognition was not rendered to the work of Mr. McLarty and his co-trustees. We know that the previous system was loose. Indeed, it is regrettable that the institution was ever called a bank. Not even the outside walls suggested that the institution ever pretended to be a bank. When some of our friends opposite speak about this party interfering with arbitration laws and the functions of

the Arbitration Court, they should throw back their minds to interference with the former trustees of the Agricultural Bank.

Mr. Thorn: By Governments.

Mr. LAMBERT: The institution had spent on 17,000 holdings public money to the extent of £26,000,000. I can safely say that 50 per cent. of that amount has been wasted, owing purely to political influence. Nowadays some people rail against the new Agricultural Bank Commissioners for not seeing members of Parliament. For my part, I do not ever want to see those Commissioners. In the personnel of the Commission the Government have made a wise choice. The Commissioners selected will be able to straighten up the loose ends of the administration, and to abolish political interference by men who should have known better. The Commissioners' job is to displace misfits, and to make money available for those clients who possibly will succeed in the particular industry in which they are engaged. I also note with pleasure the recommendations made by the Royal Commission on bulk handling of wheat. The Commissioners will be complimented, I believe, by both sides of the House on the comprehensive and thorough report they have furnished. I trust it will at least form the basis for a sane decision by the Government. I agree with the member for Fremantle (Mr. Sleeman) that if there is going to be a displacement of labour, as has been forecasted, the Government will not be unmindful of their responsibility to the men displaced, who should be absorbed usefully in some industry instead of being thrown on the street or added to the unemployed ranks.

Mr. Cross: Why not leave that to the member for Fremantle?

Hon. W. D. Johnson: Displacement is already taking place.

Mr. LAMBERT: I know there has been some displacement, but possibly displacement to a greater extent will occur.

Hon. W. D. Johnson: That is not so.

Mr. LAMBERT: I am pleased to hear that interjection. I have often thought that the Governments of years ago should have realised and fulfilled their responsibility to a most deserving unit of labour, the Fremantle lumpers, by instituting community settlements. Land should have been found for displaced lumpers in blocks of three, four, or five acres, wherever available.

The Minister for Lands: We have done that.

Mr. LAMBERT: I mean blocks sufficiently large to enable their holders to become self-contained. The settlers should be enabled to grow their own vegetables, keep a cow and some fowls, produce their own milk and eggs. I do not think that scheme is over-idealistic even for the Minister for Lands to realise.

Hon. W. D. Johnson: You suggest, then, that the Government do for the lumpers what you allege they have already done for the farmers.

Mr. LAMBERT: It would not be too much to ask. Displaced lumpers might be placed on small blocks and assisted by the Agricultural Bank.

Hon. W. D. Johnson: I thought you condemned that policy.

Mr. LAMBERT: By no means. The first duty of all Governments is to find for men in occasional occupations something to do in their off time. In the case of a seasonal occupation the Government should endeavour, along modern lines of thought, to afford the men an opportunity of getting a livelihood when not employed in their ordinary calling. And here the question of secession arises. We should impress upon the Federal Parliament the necessity for a close revision of the tariff. I quite agree with the member for Nedlands (Hon. N. Keenan), although I do not go so far, perhaps, as he does regarding dismemberment of this great Commonwealth. Unless the Federal Parliament realises that the sheltered industries of Australia are concentrated in the big cities of the East to the disadvantage of Western Australia, and unless there is revision of the tariff on the lines of a clear allocation of the industries of the Commonwealth generally, Western Australian primary industries cannot hope to receive that reasonable support which they need. We have a great wealth of lands. In that respect we are fortunate. Western Australia is full of minerals which could be utilised economically if we had a sane economic outlook towards people beyond the shores of this continent. To-day it is not possible for us to sell unless we buy—it matters little whether the trade be with Japan, or the United States of America, or any other country. The sooner the Federal Government realise that most important fact, the better. Western Australia has

many minerals of great economic value. It is admitted that the time will come when there will be a clear appreciation of the high value of many of our latent mineral and metalliferous deposits, which to-day lie undeveloped. I shall not speak of our present Government's attitude towards a company that has spent a considerable sum of money here, although probably ten minutes could be usefully employed in discussing what I consider the narrowed outlook of Ministers in that respect. The position as regards the company has been wrongly stated by those who desire merely to make cringing political capital out of the matter. The Government should have looked beyond the shores of Australia. Admittedly the day will come when minerals which to-day are unimportant as compared with gold, will play a large part in Western Australia's economic life. With regard to minerals, Russia to-day holds the key to any position.

The Minister for Lands: Russia has organised, orderly marketing.

Mr. LAMBERT: Yes. It is a great pity that some Australian public men who glibly speak of orderly and organised marketing do not pay some regard to the platform on which this side of the House stands. Now I desire to make a few remarks on parochial matters affecting my district. If settlements like the miners' settlement are to succeed, they must be furnished with water supplies such as will enable the settlers at least to stock their holdings. Most of the Government officers concerned realise that the time has arrived when it is almost impossible for Western Australia to produce wheat and sell it at a price that will allow many farmers to remain on their holdings. Again, the Government should, if possible, give greater consideration to settlers' requirements in the form of wire netting. Many districts would be stocked up if wire netting were made available to settlers. Now I wish to refer to the Federal Act for the rehabilitation of the wheat industry. To-day the primary producers, and their spokesmen as well, apparently base the whole of their calculations on wheat at 3s. per bushel. From all the knowledge I have gained—though I am not a wheat producer—I understand that the price necessary for the economic rehabilitation of the wheat industry would be not less than 4s. per bushel. Marketing boards exist in connection with

the dried-fruit and other industries, all of them operating on fixed prices.

Mr. Cross: Why not leave that matter to the farmers?

Mr. LAMBERT: I consider myself right in stating the case for the farmers much better than some of them possibly could state it. In that respect I certainly do not need assistance from the hon. member interjecting.

Mr. Thorn: Besides, you have farmers in your electorate.

Mr. LAMBERT: Undoubtedly. However, my friend who first interjected seems to think that numbers of farmers are located around the zoo, producing wheat at 3s. per bushel. I do hope that the Government officers who to some extent represent the primary producers will use their influence with Federal members and the Federal authorities to ensure that the price of wheat for any rehabilitation scheme shall be fixed at 4s. per bushel. The time has arrived when the control of many of the public works in the metropolitan area should be vested in separate bodies. I refer to water supply and sewerage, electricity and tramways. Each of those activities should be separate units controlled by boards. We, as a Parliament, are not concerned with such matters as the water supply and sewerage services of the metropolitan area. As for protests that have been lodged by local governing authorities, I would not take the slightest heed of them. It is the function of Parliament and of the Government to say exactly to what extent we shall delegate control of such concerns. The control of the metropolitan water supply and sewerage operations should be vested in a metropolitan board, as in every other capital city throughout the world. There is not the same excuse for the present system now that we are subject to the operations of the Loan Council. In the early days we had some semblance of an excuse, because we had the authority necessary to borrow for these separate undertakings. To-day the position is different. So it is with the Electricity Department, which is tacked on to the Railway Department. What does the Commissioner of Railways know about electricity supplies? No doubt the Commissioner of Railways is a very able man who will render splendid service to the State, but in his own sphere. In my opinion, we should appoint an electricity

commission to control electrical matters, just as they have done in Victoria. Electricity, from the present time onwards, will play a very definite part in our economic and social life. When the manager of the electricity supply requires to discuss technical work in connection with extensions, it should not be necessary for him to consult with the Commissioner of Railways but rather with two or three expert commissioners, particularly when we view the enormous amount of money that is invested in that activity. There should be proper standardisation of the whole of the electrical units operating in the State. On the other hand, we have one local authority purchasing a D.C. generating plant and another an A.C. generating plant. Those plants are not interchangeable, and are of no commercial value once they are thrown out of commission. It is a pity they were not on a 50-cycle phase, but I will not go into the technical side of the matter. At the same time it is necessary for us to take the initial steps to safeguard the position, and that is not possible unless Parliament is prepared to create an electricity commission to control the whole of the electricity supplies throughout the State. Another regrettable feature is that to-day there is a great tendency on the part of ill-informed tinkers and candle-stick makers and Tooley-street tailors who may be elected to local governing bodies, to set themselves up as authorities on the economic generation of electricity. In consequence of their ill-advised decisions, they are acting against the interests of our native fuels. For instance, Bunbury relies to a great extent upon Collie for her economic life. On the other hand, the local authorities at Bunbury have put in a generating plant, the propelling agency for which is oil fuel. At Kalgoorlie there is also a generating plant. Many of the councillors of Kalgoorlie took no part whatever in the creation of the great municipality of Kalgoorlie. They were unknown, but to-day, after the fine electric power station that has been in operation for very many years, they have decided to use oil fuel. I want the Minister for Railways to ascertain clearly the thermal unit basis applying to the railage of oil fuel which is conveyed to-day at "C" rates, inclusive of the return of the receptacles in which the oil is stored. The Minister

should see that the railage charged is that which applies to ordinary oil fuel. That is necessary in view of the increased desire of others to change-over. There seems to be a desire to affect a change-over at Southern Cross, where they had a suction gas plant but now require the introduction of an oil fuel plant. It is scandalous how our native fuels are being set aside in favour of the imported foreign article.

Mr. Sleeman: More bulk handling for you.

Mr. LAMBERT: That is not a matter of bulk handling. The position arises owing to the decision of a lot of ill-informed people who know little or nothing about the generation of power, but are elected to seats on municipal councils and road boards, and exercise the powers vested in them. They have a great desire to buy foreign machinery to feed which they wish to buy foreign fuel. So it is necessary for Parliament to take steps to cope with the position. It will be extremely difficult to deal with the position as it affects private individuals. Then again, in places like Wiluna where no native fuel supplies are available, special consideration would require to be extended to those engaged in industry. Naturally the Government could provide preferential rates to apply to the railage of oil to such places and exempt from the application of that preference places like Bunbury and Kalgoorlie, where fuel supplies are, and will be, available in the district for years to come. The attitude adopted in those centres is scandalous, and the Government should endeavour to effect an alteration.

Mr. North: Have you followed the experiments to obtain oil from coal?

Mr. LAMBERT: I have. The work done by the Imperial chemical research laboratories has been such that within the next few years there is every possibility of large-scale production of oil from coal. The Imperial concern I refer to took over Brunner Mond's operations, and have carried out expensive experiments with regard to the fixation of nitrogen, securing supplies from the atmosphere and converting it into nitroglycerine and nitric acid. Great interest has been taken by the British Government in the work, as well as by industrial concerns in England. There is every possibility that they will reach their objective and also succeed in securing supplies of oil from coal

on a commercial basis. However, until the experiments have been carried beyond that stage, it is impossible to say much more about the position. In the meantime it is the duty of the Government to protect our local industries. What is the good of the Minister for Works travelling about the country and preaching the use of local products when surreptitiously big industrial concerns are going in for foreign fuel supplies? Those supplies are largely drawn from America, where there is an adverse trade balance of upwards of £40,000,000 per annum.

Mr. Tonkin: Does not that view clash somewhat with your original argument?

Mr. LAMBERT: I do not know; it may clash with the capacity of the hon. member to reason along the lines I usually pursue. Finally I desire to comment on the neglect of the present Government and other Governments to cater for the tourist traffic. I am not viewing the matter from the standpoint of luxury, because the tourist traffic is valuable the world over. If steps were taken to link up Kalamunda with Mundaring Weir, it would provide an excellent round drive that would be attractive to tourists and enable them to see quite a large area of the outer metropolitan district. I believe the connecting link would represent about three or four miles only, and, if the road were constructed, it would cater for a paying tourist traffic. If that traffic were organised, tourists could be met at the Fremantle wharf and driven through the hill country where they would leave many pounds to the benefit of the fruit-growers and others in the districts that would be traversed. I hope that, with our boasted educational system, the Government will endeavour to make our technical schools free, just as we have a so-called free University. I admit that the University has developed into a nice social centre, but I do not know that it is performing any more useful purpose in some directions than the Technical College or the School of Mines. I hope consideration will be given to placing the two last-named institutions on the same basis as the University, because there is a greater need for them. I commend the Government upon the work they have effected during the past three years. The Premier and his Ministers have applied themselves assiduously to their jobs and I can only hope that, with changed conditions

throughout the world and the advantage of wise administration on the part of the Government, Western Australia, before the next year or two have elapsed, will again revert to the condition of prosperity that we so much desire.

Sitting suspended from 6.15 to 7.30 p.m.

MR. DONEY (Williams-Narrogin) [7.30]: I very readily associate myself with the congratulations that have been proffered to the member for Gascoyne (Hon. F. J. S. Wise) upon his advancement. I consider that advancement was merited, and I hope for the hon. member that he may have a very useful period of office. To which I would add that if he is able to attain to the standard set him by his predecessor, this House will consider he has succeeded. I feel sorry indeed that Mr. McCallum, who was for so long the member for South Fremantle, a gentleman with a very forceful personality, should no longer be a member of the Chamber. The House will agree when I say that debate here and politics generally will be less colourful by reason of his absence. What I regret still more is the absence through a very serious illness of the new Minister for Works (Hon. J. J. Kenneally). I regret that exceedingly, and I join with every other member of the House in hoping it will not be very long before that hon. member returns here in his full health. I cannot help thinking it may be of some help to our friend if someone conveys to him a message setting out the affection and sympathy the House has for him at this juncture. I have had many sharp differences of opinion inside this Chamber with the hon. member, but I am glad always to recall that outside we have had many a good laugh over our political differences. It was a compliment to the member for Brown Hill-Ivanhoe (Mr. F. C. L. Smith) that he should have been selected by the Government to move the adoption of the Address-in-reply. I think the right man for the job was chosen, but even he succeeded in his difficult task only by having recourse, when discussing the relative expenditures of this and the late Government, to a most ingenious piece of arithmetic, and by comparing the achievements of his Government with the achievements of the Mitchell-Latham Government during those incomparable years 1930-32. If the best the Government can claim for themselves is that Western Australia to-day is in

better fettle than it was in those years of sadness, sorrow and despondency, it is a pity indeed. The House will agree that those three years when the Mitchell-Latham Government were in office were just about the gloomiest in the whole of Australia's history. On the other hand no one can deny that for the last two years, not only in this State, but throughout Australia, events have taken a turn for the better. I do not think that can seriously be denied, nor the fact that the change for the better has been entirely independent of party, and for that matter independent of politics altogether.

Hon. W. D. Johnson: How can you explain the buoyancy of Queensland and Western Australia?

Mr. DONEY: I have just been asserting, not that those two States are especially buoyant, but that there has been a proportionate buoyancy throughout the Australian States during the last couple of years. The member for Perth (Mr. Needham), who has just come in, made last night the same meaningless comparisons as did his colleague of Brown Hill-Ivanhoe. To compare what I might call the purgatory of those three years with the picnic, relatively speaking, that followed, is in my opinion manifestly preposterous. Nor for that matter will any comparison of expenditure and revenue of this and the previous Government disclose the actual difficulties the Mitchell-Latham regime had to meet. The late Government had to contend against the mental distress of a suddenly impoverished and to some extent panic-stricken people, especially in the rural areas. They had also to counter the sudden dislocation of business to an extent never before experienced in this State, whilst in addition provision had to be made for the urgent need of thousands of families brought from plenty to poverty by sudden unemployment. The present Government, say what they may, have had to date no trials of that kind. By 1933, when the present Government attained to office, although the situation was admittedly still critical, nevertheless the people by that time had mastered their panic, the machinery of Government was running smoothly, Commonwealth revenue had shown a sharp upward tendency and there was in addition a movement in commodity prices, slow but in the right direction. I relate all this in order to demonstrate to my friend, the member for Brown Hill-Ivanhoe,

that the two periods under discussion are plainly not comparable. The hon. member said that notwithstanding all the talk about the large amount of money available to the present Government by comparison with that which had been available to the late Government, he found that the amounts differed very slightly indeed—I think only £144,000—when an examination was made into the figures affecting loan expenditure and deficit.

Mr. Needham: To be correct, it was £140,000.

Mr. DONEY: Well, that correction does not make any material difference. The point I wish to take is that loan expenditure and deficits alone do not constitute the total amount available to this or any Government for expenditure. Obviously, revenue must always be taken into consideration. Speaking of revenue, it is known that in the first two years of the present Government—I am not comparing the third because the actual figures for that period are not yet available—they collected no less a sum than £17,813,000, whereas the previous Government, in their first two years, collected only £16,672,000, or approximately £1,140,000 less.

The Premier: Mixing it up with thousands does not matter very much.

Mr. DONEY: I will go back and make the point clear to the Premier. The Mitchell Government, during their first two years of office, had approximately £1,140,000 less. I imagine that the Premier has to accept those figures as correct. I have not heard them disputed. If we add to the £1,140,000 the difference in loan expenditure during the two periods, namely, £2,667,000, plus the additional receipts in respect of road grants, £154,000, plus special assistance from the Commonwealth in the shape of grants for various forms of employment, £285,000, and deduct the difference in the deficits for the two periods, £2,022,000, we find that the total amount available to the present Government over and above what was available to the previous Government reached the very large sum of £2,225,000.

Hon. W. D. Johnson: What is wrong with that?

A Member: For what period?

Mr. DONEY: I have made it plain that the figures I am quoting are for the first two years of the Mitchell-Latham Government, and, to get a fair comparison, I have

taken the first two years of the present Government.

Hon. W. D. Johnson: We changed Governments in order to get an improvement, you know.

Mr. DONEY: I point out that that purpose was not achieved.

The Premier: What are you trying to prove?

Mr. DONEY: If the Premier will permit me to carry on for another couple of minutes, I will show him what I am aiming at. This is also a reply to a statement made by the Premier in the Trades Hall about a month ago. He claimed that the addition to the State's indebtedness for his three years exceeded the relative amount during the three years of the Mitchell-Latham Government by only £140,000. I imagine that the member for Brown Hill-Ivanhoe, although he did not make the same use of the figures, took them from the statement made by the Premier at the Trades Hall. I admit that so far as loan expenditure only is concerned, the deductions drawn by the Premier appear to be quite correct.

The Premier: I was dealing with loan expenditure only.

Mr. DONEY: I agree that the Premier was dealing with loan expenditure only, but why was he dealing with loan expenditure only? Simply because by those means alone was he able to get the results he wished. On other occasions the Premier would have taken, as he should have done, both revenue and loan expenditure. That has always been done, and it would have been done on this occasion had it been capable of producing the desired results. The Premier must not expect, by his method of calculation, to cloak the fact that his expenditure for his completed two years exceeds the expenditure of his predecessors for a like period by no less a sum than £2,225,000.

The Premier: Where did you get your figures?

Mr. DONEY: I have taken nearly five minutes to explain how the total was arrived at, and now the Premier asks where I got the figures.

The Premier: Are those the figures of the Acting Leader of the Opposition? Where did he get them?

Mr. DONEY: The Premier need not ask where I got them. He is no doubt an-

xious to get somebody into trouble, but I shall not assist him. What the Premier's expenditure may be for the current year, I do not know, but had I exploited the source the Premier has in mind, I might have obtained the figures.

The Premier: Where did your Leader get his figures?

Mr. DONEY: I am not going to say.

Mr. Moloney: How do we know that they are correct?

Mr. DONEY: How do we know that any figures are correct? The other night the Premier indicated very plainly indeed to the member for Irwin-Moore and the member for Avon that they knew nothing or next to nothing of governmental finance. That was neither quite true nor quite fair. I do not mind admitting that neither of those two gentlemen knows as much as does the Premier, having regard particularly to his many years on the Treasury benches and to something like 30 years' experience in the ways of this Chamber and of public finance. Let me say, however, that the Premier should reflect on the fact that he himself at one time knew not nearly as much as he knows to-day. That, of course, is natural. Now the point I want to make is that there are some figures and some positions that nevertheless we definitely do understand. When we have set plainly before us, as I have attempted to set them before the House, figures showing the total sum of the Premier's expenditure for two years, and the total sum expended over a like period when the Mitchell Government were in power, it is quite competent for us to take the smaller total from the larger sum and determine that the difference is the amount that the present Government have had to spend over and above what the previous Government had to spend. We realise the vastness of that sum. We remember what the Premier said about the imperative and urgent needs of the farmer and naturally we want to know exactly how much of that huge additional sum went to assist in the amelioration of the farmer's troubles. I do not wish to leave this particular point until I have made it still more plain. We can now reduce the question in dispute to very simple terms indeed. The question is, did the Premier, or did he not, spend approximately £2,000,000 more in 1933-34 and 1934-35 than did his predecessors in the years 1930-31 and 1931-32?

Hon. W. D. Johnson: And if he did spend it, did he spend it properly?

Mr. DONEY: I shall come to that point presently. Or, I might ask, was the difference only £144,000, as has been asserted by, I think, nearly every member who so far has spoken from the Government benches? I should like to hear from the Premier on that point. I agree it is conceivable that some of the special grants I have named have not yet been entirely expended. I do not suppose there is any unexpended portion, but even though there may be, I am submitting that the amount is too small to affect my figures to any material extent.

Hon. W. D. Johnson: Now deal with the deficits.

Mr. DONEY: I propose now to compare two positions that are comparable. My comparison will involve the attitude of the Government towards the farmer. At the tail end of the 1932 session the Premier laid down certain rules for his own guidance and for that of the then Government in respect to their attitude towards our principal industry. The occasion was the 15th December of that year. The Premier at that time castigated the State Government as well as the Commonwealth Government upon their treatment of the man on the land. Before I went to another place to listen to the views and intentions of the Government as expressed in His Excellency's Speech, I took the opportunity of again perusing that speech of the hon. gentleman to which I have referred. My object was to ascertain whether there was any relationship traceable between the sentiments that were behind the speech in question, and the sentiments behind the Premier's latest views on the subject—that is to say, what difference there was between the Premier as Leader of the Opposition and the Premier as the Leader of the Government. I found that to-day, as in 1933-34, there was absolutely no relationship whatever. The spirit exhibited in 1932 seemed to have vanished. We had the idea on listening to the speech of 1932 that the Premier was a real Country Party man, and that he was rapidly developing that agricultural conscience to which the Deputy Leader of the Country Party referred last week.

The Premier: Ask the member for Avon what he thinks about it.

Mr. DONEY: It may be remembered that the hon. gentleman's speech made a considerable stir at that time.

Mr. Patrick: Was it not put out in pamphlet form?

Mr. DONEY: He declared that the then position of the wheatgrowers was such that three years security of tenure was absolutely indispensable. He said there should be in every wheatgrowing district local committees to assist the trustees of the Agricultural Bank in their operations. He complained that the farmer was constantly being cautioned by the Government that he would be dispossessed and he asked how could any farmer work with any heart under such conditions. He also complained that the amount paid out to Agricultural Bank clients as sustenance was no greater than was being paid out by the Government to the unemployed. A further complaint was that the Government were insisting upon $5\frac{1}{2}$ per cent. interest from farmers upon amounts advanced for sustenance purposes. If the Premier still holds these views, I fervently wish he might impress them upon the acting Minister for Employment. When the farmer is in distress he certainly gets a worse deal from the Government than does any other section of the community. The Premier went on to say that by all the canons of fair play and justice the man who provides our daily bread ought to receive a price sufficient to cover his cost of producing the article, and that there was no reasonable or logical rejoinder to that contention. He said we ought to have arranged that, and that other States had done so. One can imagine the enthusiasm with which that and other statements of the hon. gentleman were received in the wheat belt. He went on to suggest to the Government that they should put a tax upon flour. He also said, I think, that if he were Premier he would pay the farmers £100,000 irrespective of whether the Loan Council were in agreement or not.

The Premier: That is not correct. A miserable statement!

Mr. DONEY: It may be miserable, but that miserable statement is quoted from the hon. gentleman's own speech.

The Minister for Justice: You say, "I think."

Mr. DONEY: I am not too sure at the moment where it was said, but possibly one of my colleagues will turn it up so that I may quote the Premier's own words.

The Premier: I stand up to my words and have never departed from them.

Mr. DONEY: I am glad to have coaxed that interjection from the Premier.

The Premier: But not the way you are trying to twist them.

Mr. DONEY: The Premier need not fear that I have to twist any of his remarks. They are set out in a form so that they can be checked by anyone. I have no desire to change them.

The Premier: I stand by what I said.

Mr. DONEY: The Premier also said that no sacrifice was too great to keep the man upon the land. That is what he said two and a half years ago. If he says the same to-day, I am glad indeed.

The Premier: Of course I do.

Mr. DONEY: Provided he makes some attempt to fulfil his recommendations or suggestions, or whatever they are.

The Premier: That is another matter.

Mr. DONEY: I agree that it is another matter. About four months later the Premier was the Leader of the Government once more. The House may recall exactly what his Government then did. In its first year I think they re-enacted all the farming legislation of their predecessors in office. I believe, however, that no notice whatever was taken of the Premier's promises. In the following year it cannot be denied that again the farming legislation of the previous Government was re-enacted, but still no notice seems to me to have been taken of the promises of the Premier.

The Premier: What promises?

Mr. DONEY: If the Premier does not regard those utterances as promises I cannot help it. They appear to me in that guise, and would, I think, appear so to ninety-nine out of a hundred people.

The Premier: Name one of them. Go on!

Mr. DONEY: I do not think—

The Premier: No, you cannot.

Mr. DONEY: If the Premier does not regard those suggestions as promises—

The Premier: Suggestions now.

Mr. DONEY: I repeat his remark that if he is in power he would find £100,000 for the farmers irrespective of whether the Loan Council was in agreement or not.

The Premier: And I did, too.

Mr. DONEY: If the Premier does not regard that as a promise I am amazed he should have made it. I was going to admit that what did happen in the second year of the Government's regime (last year) was

that the Minister for Lands brought down one Bill to amend the Farmers' Debts Adjustment Act and another which became the Agricultural Bank Act. With one or two exceptions these were very sound measures, and I imagine will be of great benefit to the State if they are soundly administered, which is a different question.

The Premier: Soundly administered!

Mr. DONEY: That is where my doubts lie.

The Premier: You are log-rolling for your electors.

Mr. Moloney: What are the promises you are talking about?

Mr. DONEY: Don't be absurd. So far as 1935 goes, the only document from which we can get any guidance on the subject is His Excellency's Speech. I fervently hope that what appears in that Speech is not the measure of the Government's intentions with respect to the farming industry for the year now current. The only reference to sheep was a remark about fat lambs—all very nice in its way; but so far as the great wheat industry is concerned, reference to that was restricted to just four short lines, a briefer reference than that given to any other governmental activity.

The Premier: Sheep are you speaking of?

Mr. DONEY: I was firstly speaking of sheep, and secondly I was complaining that the big wheat industry had been disposed of in four short lines, this being a smaller reference than the reference given to any other industry in which the present Government have engaged.

The Premier: Of course we had to give you something to say, and you talk about sheep.

Mr. DONEY: I see not much point in the Premier's comment. The concluding paragraph in the speech of the Premier to which I have alluded reads—

We are confronted with the possibility of a real crash in Western Australia if conditions do not improve, and the big factor in tiding us over our difficulties will be Government assistance to this great and important primary industry of wheatgrowing. Sufficient aid must be rendered to enable the industry to be carried on. We must endeavour to keep the area under crop up to the standard of last year, and up to that experienced in preceding years.

This speech of the Premier was put into pamphlet form and distributed among the farmers of this State. From the speech the farmers were entitled to draw the con-

clusions which they did draw. They naturally thought that the Premier was determined to help them to the uttermost limit. They expected that the Premier would grant what was impliedly promised. Whether it is a case of the Premier's having forgotten the promises which I allege he made on that occasion, or whether circumstances have arisen making it impossible to fulfil those promises, I do not know; but I do know that the countryside was impressed to an extraordinary degree by that speech of the Premier.

Hon. W. D. Johnson: Is that why all farmers voted against the Labour candidates?

Mr. DONEY: It will pay the hon. member not to pursue that particular line of reasoning. If he, or anyone else, does pursue it, I shall have to turn up that part of the Premier's speech which indicates that he was not concerned with political considerations.

The Premier: If the farmers had been very much impressed with that speech, you would not be here.

Mr. DONEY: No? I imagine the farmers gave the Premier credit for being willing to assist them despite his getting no electoral benefit from them. That is as I see the position, and that is precisely as the farmers saw it.

The Premier: That is the agricultural consequence!

Mr. DONEY: Not too bad. Certainly the farmers to-day are correspondingly depressed when realising that two years have passed since that speech was delivered, and four months of yet another year have gone and still the Premier has done nothing to redeem his promises. However, if the hon. gentleman can recover this year the interest which undoubtedly he felt in the farming industry in 1932, the worst may not happen.

The Premier: What a gloomy outlook you have!

Mr. DONEY: This is just a matter of realising things as they are. If the Premier moved in the wheat belt as much as I do—I admit the hon. gentleman's duties are here in Perth—he certainly would have just a tinge of that gloomy outlook which I cannot help possessing just now.

The Premier: It is nice to listen to a cheerful man like you!

Mr. DONEY: The Premier was not feeling too cheerful when he foresaw a crash.

That reference denotes a fairly gloomy outlook on the hon. gentleman's part. However, the crash he foresaw did not eventuate. Not that the clever manipulation of State finance by the present Government prevented it. Its prevention was rather the effect of the rapid rise in Commonwealth revenue, the somewhat astounding appreciation in the value of gold, and a certain amount of prosperity along the coastal districts. Those are the factors that staved off the crash, and incidentally gave to the metropolitan area that semblance of prosperity which, to my mind, can have no real foundation, having regard to the deepening despondency in the wheat belt, and to the fact that the exodus from the land which for so long we have been fearing is now, without the slightest doubt in the world, actually taking place. To a large extent the Premier has the goldfields to thank for the comparatively happy position in which he now finds himself, and I am indeed glad that it is so. When this State's Rural Aid Bill becomes law, the rehabilitation machinery will be, I think, complete. I hope it will function successfully. If there is to be any weak point at all, it will probably be found in the Agricultural Bank. In that institution a very able staff is at sixes and sevens now, and has been so for the past six months, and I think it not too much to say that the new management of the Bank seem to founder through each day, hoping day by day that some miracle may occur to indicate to them a sane objective, and to show them just how that objective can be reached. It may be argued against this view that it is early yet to criticise the new administration of the Agricultural Bank. That argument might impress me were it not that I recall the fact that the Agricultural Bank Amendment Act was assented to seven months ago. Surely it is a reflection on the Bank Commissioners if, after seven months in office, they do not know where they are. It has been said that the task of the Commissioners is difficult. Admittedly it is. Of course it is difficult. What other reason is there for our paying £2,000 per annum to Mr. McCallum and £1,500 to each of his colleagues, besides a total of £1,400 to two additional inspectors?

Mr. Patrick: Those inspectors are not appointed, are they?

Mr. DONEY: They are under appointment, and expenditure has been earmarked

for that purpose. I cannot help reflecting that if someone with banking knowledge had been appointed, he would at least have found his bearings by this time and laid down his plans. The principal argument against the commissioners at this time is that, despite the period they have been in office, nothing is known in the country as to the particular lines they intend to follow. If Mr. McCallum knew anything about his job, his other very fine and obvious qualifications would have made him the very man for the position. There is no doubt whatever about that. I readily admit there are few more able men in this State, few more energetic or more insistent than the gentleman who has been placed in charge of the affairs of the Agricultural Bank at this very critical moment. It will be agreed by all that Mr. McCallum does things. Whether he be right or wrong in what he does, he certainly does things, and the pity of it is that he now occupies a post where he cannot afford to do things wrongly. It is another misfortune, too, that despite the fact that he knows little or nothing about the affairs of the Bank, Mr. McCallum will be found insisting upon running the institution. I admit that he can imbibe knowledge quickly, more quickly than any member in this Chamber, and by the time he commences to improve, he will improve at the run. In the meantime, he can do quite a great deal of harm; in the meantime, the long-threatened exodus from the land is actually in progress, and meantime Mr. Grogan, who does know something about banking, and particularly that phase of banking practised in the Agricultural Bank, is being worked to death. That is a very unfortunate fact.

The Minister for Justice: Is he not on holidays?

Mr. DONEY: That gentleman may be on holidays: if he is, I am indeed glad. I do not think it will be wise to pursue this argument beyond emphasising the few points I have made. It is well known to hon. members that Mr. McCallum has publicly stated he will not have members of Parliament in his office, at any rate not with the object of pleading for farmers. For myself I do not mind that one little bit. But I object strongly to it on behalf of my farmer friends. It will generally be realised that there are many farmers, as among other people, who have not the faculty to construct and submit their own cases, whilst many of

them have not the time nor yet the money to enable them to travel to Perth to pursue their troubles here.

Mr. Stubbs: The Agricultural Bank Commissioners would not receive them if they did.

Mr. DONEY: I do not know quite what attitude the commissioners would adopt towards them.

Mr. Stubbs: They would be told they must go to their district office.

Mr. DONEY: I do not think the commissioners would actually refuse to see their clients. So far as I know, the officials of every other department or Governmental activity, permit members to discuss with them the affairs of such of their constituents as may be in trouble. Generally speaking, the very best of relationship exists between members of Parliament and those departmental officials. I fail to see why farmers of all people at this very critical juncture should be denied a privilege open to all other sections of the community. The practice adopted by the commissioners is unfair and very plainly indeed is undemocratic. I do not say that the practice of members constantly appearing as advocates for their constituents is a good one. I might even be prepared to say that it is not. On the other hand, it has been the accepted practice in this State, and has been such for as many years back as I can remember. When Mr. McCallum was a member of this House he subscribed to the practice. He now says that in keeping members of this House at arm's length, he is observing the wishes expressed by members when dealing with the Agricultural Bank Bill in Parliament. What a tale that is! I have a very clear recollection that when the Bill was under discussion, what was objected to was not interference by private members, but by members of successive Governments. Mr. McCallum will not have to turn up the pages of "Hansard" to ascertain the facts. He will remember them. Just lately, too, Mr. McCallum has declared that he will take no notice whatever of public meetings. How else are the people in the mass, when they have grievances, to express them other than by the time honoured method of public meetings? Mr. McCallum is a professed democrat. I believe he is democratic, but it seems to me that he will not rub shoulders with Demos on any account. That is one aspect of his character that I cannot make out at all.

This prompts me to wonder whether his two colleagues concur in all Mr. McCallum's "won'ts." He won't do this; he won't do that. Mr. McCallum still imagines that he is Mussolini, whereas actually he is a public servant. I do not intend, when mentioning Mussolini's name, to cast a slur upon Mr. McCallum. I would not feel aggrieved at all if anyone made the mistake of calling me Mussolini, because that gentleman has some particularly fine traits in his make-up but, unfortunately, he has at the same time, like Mr. McCallum, also some very disturbing weaknesses. I do not want the House to think that I dislike Mr. McCallum. Quite to the contrary.

Mr. Needham: Then why apologise so much?

Mr. DONEY: My remarks do not constitute what I would call an apology.

Mr. Needham: What else?

Mr. DONEY: I do not regard them in that category. My remarks represent a friendly sort of explanation in case people are led to misunderstand my real intention, which is merely to refer to matters that, in the public interests, should be aired. I would say clearly that I have a very deep liking for Mr. McCallum, and he knows it very well. I believe before long, when Mr. McCallum has mastered the intricacies of his very difficult task, he will forget all those "won'ts" of his and will realise that politicians and public meetings are, after all, only vehicles of public opinion, and as such should be co-operated with. Now I come to a matter that was referred to by an early interjector, namely the question of how our public money can most wisely be expended. I am not for a moment pretending that I have the wisdom or the experience to give advice on this subject, yet there are one or two things that occur to me as being worthy of mention. I have heard it said that government is finance. I do not think I have ever heard anyone say that government is bad finance, but if ever I do hear a man say that, I will be ready to agree with him. I have always been given to understand we were supposed to spend public money where it is most urgently needed, where it will do most good, and where it is calculated to yield the best financial returns. In my opinion the Government have in respect of public expenditures lost their sense of relative values, and I turn to page 2 of the Premier's printed pamphlet of December, 1932, to show that

the hon. member agrees with me. He said—

They—

That is the Commonwealth Government, but his remarks would apply equally to any State Government. He said—

They cannot have any proper appreciation of the relative importance of industries within the Commonwealth; if they did, they would say, regardless almost of the financial position of the Commonwealth Treasury, that the farmers of Australia must be kept on their holdings, for the national solvency depends on those primary producers being able to carry on.

The Premier: I say it now.

Mr. DONEY: With this sentiment I cordially agree, but I want to contrast with it the fact that the Government's principal expenditures, despite what the Premier has said, are elsewhere than in the farming areas. I am not saying that the farming areas have been totally neglected, but I do say the largest expenditures have been made in areas other than the farming areas during the last couple of years. It has seemed to me that the Government's principal expenditures and worries are over the reclamation of the Perth foreshore; over the Riverside Drive—I think that is the name given to that projected work—over the big Canning dam; over irrigation in the South-West; over the Stirling-Highway; and over service reservoirs for the metropolitan water supply.

The Minister for Justice: Where do you think the money for the Stirling Highway comes from?

Mr. DONEY: The Stirling-Highway is a charge against the Metropolitan Traffic Trust, but I take the point that surely, in a time of national emergency, there should be some machinery in the Treasury for transferring from one account to a more needy account the amount of £90,000 to be expended on that highway.

The Premier: Will the Leader of the Nationalist Party, your better half, agree that it is all wrong?

Mr. DONEY: I do not suppose he will agree, but the Premier will remember that what I am giving now are my opinions, not those of the Leader of the Nationalist Party.

The Minister for Justice: You would take traffic fees collected in the city to spend in the country?

Mr. DONEY: That is the natural objection to the line I am taking up. The only excuse I have for suggesting that that money be transferred from an account which is in healthy condition to another account which

requires money, is the state of national emergency in Australia.

The Premier: Do you suggest the people of the metropolitan area should not have a water supply? Ask your other half.

Mr. DONEY: Now the Premier is answering an assertion I have never made. I have never suggested that the people in the metropolitan area should go without an adequate water supply, but I suggest it is highly improbable that at a time like this, when money is so urgently wanted in the agricultural areas, this water question should become suddenly more urgent than it was before.

The Premier: You would say the people down here should go dry.

Mr. DONEY: No, I am not so extreme as that.

The Premier: The hon. member is criticising the Government for expenditure on the Canning dam. Does he mean to say the city should not have a water supply?

Mr. DONEY: I did not say that. What I said was that the Government's principal expenditure and worries seem to be upon those works. I do not think that could be controverted. Certain of those projects may be desirable.

The Premier: Is the Canning dam justifiable?

Mr. DONEY: I do not know sufficient about it to know whether it is justifiable, but when it comes to the drain referred to by the member for Maylands (Mr. Clothier), I am quite prepared to admit that on health grounds the Maylands drain and the big sewerage and drainage project the Government have entered upon are justified. My principal complaint is in respect of jobs like the Stirling-Highway, and the reclamation of the Perth foreshore.

Mr. Cross: And what do you think that costs?

Mr. DONEY: I believe it is costing £1,000 per month.

Mr. Cross: It is not.

Mr. DONEY: Well, I am giving my opinion that the reclamation is costing the Government £1,000 per month.

The Premier: Is the Stirling-Highway the policy of the Government?

Mr. DONEY: I cannot say; the Premier must know. But if I allow that it is the policy of the Government, what does that matter? There are other jobs of far greater urgency than that, and surely it is the duty of the Premier to attend to those other important works before attending to the less

important works here. If the Premier puts up the plea that there is money available from the Metropolitan Traffic Trust for Stirling-Highway, I say even that is no excuse for spending the money for that quite unnecessary purpose.

The Minister for Justice: How else could they spend that money without breaking their trust?

Mr. DONEY: Although there is an Act requiring the Government to spend one-half the revenues of the Metropolitan Traffic Trust upon certain specified roads in the metropolitan area, surely it is possible—and I imagine the Premier would do this in other circumstances—to amend that Act so as to permit the transfer of that sum to some other place where it is wanted far more urgently.

The Minister for Justice: Do you know where that money comes from?

Mr. DONEY: Yes. I have indicated that it comes from the accumulated receipts from traffic license fees.

Mr. Thorn: He wants to know where it is going.

The Premier: He does not want to know anything. He is just wandering around.

Mr. DONEY: I am aware of the manner in which the Premier has treated certain members on this side of the House. I have become accustomed to his strange remarks. I have another item in my list, an amount of £70,000 spent upon a new school at East Perth. I contrast that with the really big efforts I have made over an extended period to get, in one instance, £30, and in another instance £50, from the Government to assist the farmers of Toolibin and Dardadine to build their own schools. It is conceivable that the £70,000 was urgently needed for a school at East Perth, but I question whether it was as urgently needed as I daresay are a hundred smaller schools I could name in the farming areas. I am not objecting to any of these expenditures at all provided it can be shown that the works have been put in hand in order of their urgency, having regard to the requirements not only of the city, but of the country. Regarding expenditures here, there or anywhere, I do not wish to be unreasonable at all. I like to feel a pride in the capital city of the State; I like beauty as expressed in architecture and as expressed in the proper aesthetic utilisation of our open spaces in and about the metropolitan area or elsewhere, but I can

think of no consideration that can give the metropolitan jobs I have enumerated priority on grounds of vital urgency over the purchase and erection of wire netting in particular. What have the Government to say to that? Can the Government at this moment think of a more vitally necessary expenditure than that for the purchase of wire netting to render the rabbit and emu pests a little easier of control.

The Premier: Most important are the rabbits at Moora.

Mr. DONEY: That is no answer to my statement. I gave the Premier time to make an interjection, but he did not offer one. I emphasise the fact that the most vitally necessary expenditure at this moment is for wire netting, and there is not a single interjection.

Mr. SPEAKER: I remind the hon. member that interjections are disorderly.

Mr. DONEY: I take it that the House accepts my point of view in that regard. There are other urgent expenditures. There is the provision of sustenance on a fair scale to farmers. I wish the Premier or the Government would give some attention to that matter. There is the question of transferring settlers from away down on the south-eastern fringe of the wheat belt to the best of the abandoned farms in close proximity to railways. There is the question of the purchase of sheep for wheat farms that have lost their value as purely wheat farms. I think the Government will know precisely what I am referring to there.

The Premier: The hon. member knows that the rabbit menace along the Midland railway, about Moora, is greater now than it has been in past years. I mean in that section of the State.

Mr. DONEY: I am only too glad to admit that that is probably so. I think too that the same comment, unfortunately, might be applied to almost any part of the State. Running in double harness, if I may so express it, with the wheat and wool industries are the railways. I am still referring to the unnecessarily large expenditures in the metropolitan area. I presume it strikes the Minister for Railways as it strikes me that the expenditure of public money in Perth and the suburbs, including of course Fremantle, yields precious little to the revenue of the railways. As against that, let me point out that money spent on works in rural areas does yield to rail-

way revenue, and at an early date, very considerable sums indeed. I have not heard the Minister for Railways express himself on that point, but I should like to emphasise that railway revenues do appreciate very materially from that source, and of course there is the added benefit that it assists in maintaining railway staffs at their full strength.

The Minister for Railways: I do not know that railway capital expenditure has been incurred in the city.

Mr. DONEY: I am putting it as an argument in favour of larger expenditure on public works in the country that a large portion of the money so expended is translated at an early date into railway revenue, whereas money similarly expended in the metropolitan area yields practically nothing to railway revenue.

The Minister for Railways: We do not want to take money from loan in order to increase the railway revenue.

Mr. DONEY: It is not a question of taking the money from loan for the purpose implied by the Minister. I am suggesting expenditure from loan funds, not on purely railway projects, but on other works in the country and I am suggesting that from such work there comes to the coffers of the railways a very big proportion of the amount outlaid.

The Premier: Have you in mind neglected works in the country that ought to be carried out?

Mr. DONEY: I admit that I have not gone to the trouble of preparing a list of works that ought to have been constructed. I have been thinking not so much of neglected public works in the country as of directions in which public money might have been spent and the rehabilitation of the farmers been materially furthered.

The Premier: In what way?

Mr. DONEY: Well, ten minutes ago I indicated four or five directions in which such money could have been spent. Now I should like to call the attention of the House to a letter which appeared in the "West Australian" on the 9th August signed "Johnnie the Groupie." I wish to warn members not to be misled by the suggestion of flippancy conveyed by the pen name, because, before one reaches the name, he will have waded through a column of very sound, practical sense: practical, too, I might add, despite the fact that the writer

stresses the psychological aspect of his troubles. His views are applicable to Agricultural Bank clients in all parts of the State. The Commissioners particularly ought to digest the wisdom of the writer. This writer seeks to make the point that the psychological reactions against harsh laws create the costliest troubles the Government have to face. He instances the short-sighted and inequitable Versailles Treaty, for instance, as having given rise to Hitler and all the hatred, mistrust and bloodshed for which Hitlerism stands. He considers that legislation should be in line with the people's inherent conceptions of fair play, in which view he is correct. He draws the conclusion that any law that chafes the average sense of fair play produces in its turn a condition more costly and serious than the one already in existence. From the general he passes to the particular, and says that in between the period of the holding of the Royal Commission and the actual appointment of the Commissioners came the Agricultural Bank Bill. It was explained, he says, by Ministers and members of Parliament from every platform, that the main feature was the possibility of an adjustment of the farmers' position, and the harsher features of the Act were explained as being necessary for the handling of the defaulting element. I feel that that pretty accurately interprets the attitude of the House towards the Bill in the course of its passage through this Chamber. I think the House did regard Section 50 as being a power to be held in reserve for the policing of extreme cases. Unfortunately the strict wording of that clause gave to the Commissioners the right to interpret it as the rule and not the exception. In fairness to the Commissioners, it must be realised that they are harsh not from choice but from necessity. It will be obvious to members that the Government and the farmers have very much in common. It may be said of the Government, as can be said of a majority of our farmers, that it is only just now setting up in business for itself. Western Australia is about the last of the Colonies to do this. The writer goes on to ask for wise statesmanship rather than sharp accountancy. Unfortunately these two desiderata named by him, although apparently not related, have a great deal in common so far as the Treasury is concerned. Like the

farmer, the Government have no cash reserve. They must necessarily, therefore, suffer guidance by a purely accountancy assessment of its public affairs. It may be said that, like the farmer, the Government possess assets of normally high value, based on values prior to the depression. Because of the depression, however, and falling values, we have been forced to over-borrow, with the result that the Commonwealth Government, in turn, are forcing us to accept only just sufficient to keep us alive as a separate governing unit. A common conception of an Agricultural Bank farm is again that of a trading unit, that similarly has over-borrowed, and continues to exist on the dole until some power outside the State allows agricultural and pastoral products to assume their rightful value in the world's markets. The Government are really nothing more than an Agricultural Bank farm upon an extended scale. The Government complain that the Commonwealth Government invade their richest fields of taxation and take their revenue. The farmer similarly would agree that life has been made a misery for him by the Government doing the same thing with his income. It is a matter of the lance-corporal passing on the kick he receives from the colonel. For the benefit of the House, may I read the concluding paragraphs of the group settler's letter?

Mr. Hawke: Did you read the letter which appeared two days before from "A Satisfied Settler"?

Mr. DONEY: I did not see it; otherwise I might have made quotations from it, as the hon. member can do when he rises to speak.

Mr. Cross: Is this an anonymous letter?

Mr. DONEY: I will quote the concluding paragraphs—

Now the question arises, and this is the crux of the situation. Is the Agricultural Bank a thing in itself or a part of the State's machinery for the advancement of the State?

That is a pertinent question in view of the state of things about which we are complaining with respect to the Agricultural Bank. He goes on to say—

If it is a thing in itself then the powers vested in the Commissioners have no justification whatsoever; such powers would be feudal in their application. If it is a part of the State machinery, and that we must assume, then the general welfare of the State must be considered quite apart from the immediate petty requirements of the bookkeeping department. And lesson number one in Psychology for Commissioners is to remember that we are very sincerely and profoundly a democratic

people, comic strips and sneers notwithstanding. Anything savouring of dictatorship and aloofness must keep within the boundaries of private concerns. Public matters are public matters. Scrutiny and fair comment and even censure is the right of the public.

The group settlement scheme is far more than the questions of the few thousand settlers involved. It was part of a great Imperial gesture; within it is the question of the liability of a nation to populate its unused lands. Within it, too, is the question of liability of society to the individual in the case of such wide experiments. Wise statemanship and not sharp accountancy is needed.

It is not very difficult to see precisely what the writer is aiming at. I make no apology for having quoted from him at greater length than is my custom.

Mr. Wansbrough: By whom is it signed?

The Minister for Justice: By another "Johnny the Groupy."

Mr. DONEY: I am glad the Minister has saved me trouble. "Johnny the Groupy" it is. I recommend to every member of the House who is interested in the question on which the man writes, to procure the newspaper and either take the cutting or at least read it. I hope that in some way the substance of this settler's letter will find its way to the desk of the chairman of Agricultural Bank Commissioners.

MR. TONKIN (North-East Fremantle) [8.51]: I wish to join with those members who have congratulated the mover of the motion for the adoption of the Address-in-reply. I thoroughly enjoyed the comparison drawn between the financial positions of the various Governments by the member for Brown Hill-Ivanhoe (Mr. F. C. L. Smith), and I agree with the conclusions to which that hon. member came. The Deputy Leader of the Opposition went to considerable pains to show that the statements made by the hon. member were illogical; and, to a lesser degree, the member for Williams-Narrogin (Mr. Doney) endeavoured to do the same. However, if I may be permitted to use a metaphor, the Deputy Leader of the Opposition and the member for Williams-Narrogin are in for quite a sizzling when the Premier puts them upon the spit and subjects them to the fire of his criticism.

Mr. Doney: We are rather anticipating that ourselves.

Mr. TONKIN: Were it not that I might be stealing some of the Premier's thunder. I would be tempted to have a tilt at those hon. members myself. It is indeed strange that we are now being blamed for having

accomplished something which it was previously said we were unable to do. I vividly remember, when trying to prevent the member for Murray-Wellington from winning that seat, that an argument used against Labour was that its credit was too low, that it could not borrow money, and that therefore, as a depression was upon us and additional funds were needed, it would be suicidal to put into office a Labour Government. If I remember rightly, it was stated that Mr. Colebatch would be going to England, and that his prestige was particularly high in Great Britain, so high that he would be able to make arrangements for money to be borrowed by Western Australia. It was further said that, as a result, there would be any amount of loan money available if a National or a National-Country Party Government were returned. Unfortunately the people listened to that story and returned an anti-Labour Government, who on their own admission were unable to borrow money. Since they have been defeated and we have taken control, we have been able to borrow money.

Mr. Doney: You are overlooking the fact that Western Australia has passed through a depression.

Mr. TONKIN: What is more, we have known how to spend borrowed money properly, something the previous Government did not know. It appears, therefore, that Labour's credit is much better than the credit of hon. members opposite. The Governor's Speech refers to the buoyancy of the mining industry. All hon. members, I venture to say, are pleased to learn of the prosperity existing in mining. But valuable as is the production of gold, if it were possible to discover the presence of mineral oil in Australia, and particularly Western Australia, it would be a joy indeed. I hold that up to the present not sufficient encouragement has been given to prospecting for oil. Section 120 of the Mining Act provides for licenses, but from inquiry at the Mines Department I have ascertained that there are only 14 licenses current. This fact suggests that not very many people are endeavouring to discover mineral oil in Western Australia. I wonder whether hon. members realise the great importance the discovery of mineral oil would be to this country. In "The West Australian" of the 8th February last there appeared a fine leading article dealing with the subject. It was headed "Petroleum," and I have gleaned the following facts from it. The article mentions that the private

wealth in motor vehicles in Australia per head of population exceeds that of any other form of property excluding land and improvements and live stock. Western Australia being mainly an agricultural and pastoral country, it is remarkable that the wealth in motor vehicles should be greater than our wealth in agricultural and pastoral products, and greater than our wealth in mining property, including plant and machinery. It is an astonishing fact, too, that one man in every twelve of our population—that is on the average, of course—is the owner of a motor vehicle. That vast fleet of motor vehicles is now running on one product only of petroleum, namely, petroleum spirit. Thus hon. members can see what a vast quantity of that liquid is required in Western Australia. Over the last half-dozen years, the average quantity of petroleum spirit imported into Australia annually was 190,000,000 gallons. Another 12,000,000 gallons of lubricating oils were also imported annually. To that must be added 325,000,000 gallons of petroleum and its products annually for the last six years. The cost was £5,000,000 per annum. It must be evident that petroleum and its products are being used for purposes other than the propulsion of motor vehicles.

Mr. Patrick: Is that the landed cost of petroleum?

Mr. TONKIN: Yes. Petrol, of course, is the source of horse power in our factories. As the member for Yilgarn-Coolgardie (Mr. Lambert) said to-day, its use is becoming increasingly popular. I think members will agree that it is a commodity indispensable to the life of the Australian community. We have adopted its use so extensively that it has now become indispensable. It is computed that one man in every twelve in Australia derives the source of his labour and income from petroleum. It is rather a coincidence that one man in every twelve should own a motor car, and that one man in every twelve should derive the source of his labour and income from petrol.

Mr. North: One person, or one man?

Mr. TONKIN: One man in every twelve. All this petroleum is imported from lands beyond the seas, and the major portion of it from lands outside the Empire. Just picture what the result would be if something happened to shut off our supplies! There would be an appalling dislocation of every phase of activity in Australia. We

have adopted the use of petrol so universally that if our supplies were cut off, we have such a small quantity in storage within our borders that we would soon witness a great dislocation in industry. The only safeguard against that is to discover a source of supply within Australia. There is justification for every inducement to encourage prospecting for oil. The present Mining Act provides for a reward for the discovery of oil in payable quantities. I believe a reward should be provided for the discovery of oil seepage or oil-bearing formation. We should be prepared to reward any person who can discover the indication of the probable existence of oil, because we must encourage prospecting, so very little of that work being undertaken at present. Section 123 of the Mining Act gives protection to the person discovering mineral oil in payable quantities by making provision for granting to him a reserve. I think the Act should be amended to extend that protection also to the person discovering any indication of the presence of payable oil. Section 137 of the Act makes an acknowledgment of that principle because it provides for granting a reward to the person, not being the licensee or his agent, who discovers any indication on land the subject of the license. If we are prepared to guarantee a reward to a person who is not a licensee for the discovery of the indication of the presence of oil on another person's land, I think we should extend the principle to granting a reward to the person who holds the license for prospecting on that land, and I suggest an amendment of the Act in that direction. I understand it is very unlikely that the presence of payable oil will be discovered without boring, which is a very costly process. If the prospector discovers any indication of the presence of payable oil, and he has not sufficient money to start boring operations, immediately his discovery becomes known some powerful company steps in, does the boring and the original prospector loses the fruits of his labour. We should protect the latter, and therefore I suggest that if a person merely so much as finds indications on the surface that would lead people to believe the existence of oil was probable, such person should be afforded the necessary protection until such time as he has been given an opportunity to test it out. I believe this is a direction in which the Common-

wealth Government could well be called upon to assist. They have assisted the State in sending out prospectors in search of gold-bearing country. As I think the discovery of oil would prove of even more importance than the discovery of gold, the Commonwealth Government should assist in that direction as well. With regard to the question of reproductive and non-reproductive works, I do not know whether I am out of step with most other members, but apparently I am, because I have heard from both sides of the House since I have been in this Chamber, repeated statements that only reproductive works should be carried out during a period of depression. I do not hold that view at all, and I very much doubt whether members who have stated their views so often, have given much thought to the subject. There are two types of public works that can be carried out—reproductive and non-reproductive. I put this question to members: When is it the correct time to carry out works that are not reproductive, and when is it the correct time to put in hand works that are reproductive, granted that works of each description are of definite economic value and necessity?

Mr. North: The difficulty is to find reproductive works.

Mr. TONKIN: When should a Government put in hand reproductive works and when works that are not productive, Members will probably say that we should carry out non-reproductive works only when trade is buoyant and industry is expanding. I claim that that is absolutely the wrong time to do it. I shall give reasons for that. I will first set out the position in theory, and then I will give practical examples. We will consider we are putting in hand a work during the time of a depression that is world-wide. We should consider putting in hand reproductive works. If it is a time of depression, the work will be carried out cheaply. Interest rates will be low; wages will be low; prices will be low, and so we can secure the necessary material cheaply. Thus the job will be done much more cheaply during a period of depression than when trade is buoyant. In those circumstances, we get a cheaper reproductive job. We put our principle into operation, spend our money in wages and purchasing material. This additional purchasing power enters into the lifestream of the community like new

blood. Trade is given a flilip; industries commence to expand. But as there has been a considerable slack or lag in industry, because of the period of depression, the additional purchasing power is not at once apparent. It will first take in that slack, or lag, in industry, and it will be some time before the full effects are felt.

Mr. Doney: If you were to make use of that money to put new blood in the agricultural industry, the effects would be more pronounced.

Mr. TONKIN: If it were to put new blood into the hon. member, it might be of advantage, because he needs it.

Mr. Doney: And I might be able to agree with that statement, too.

Mr. TONKIN: In the circumstances I have indicated, industry is beginning to feel the benefit of the new money that has begun to take up the slack, or lag. Immediately we reach that position, we put on the brake if we have done work that is reproductive because we levy upon the community to pay for the work. Assuming it is sewerage work that is undertaken, after 12 months we start to levy the people to pay for the operations, and that has the effect of putting the brake on the motion we originally started. The first trades to suffer will be the luxury trades. Men will be thrown out of work from those activities because of the decreased expenditure. Then other industries will be affected, and so we find that the beneficial effect which we started by the introduction of our work has been completely nullified and the Government are still charged with the responsibility of finding sustenance or work for the large army of unemployed. Now let us take the second position; take reproductive work during a period of good trade. What is the position then? Money is dear, wages are high, cost of material is high and so the job will cost us more. It will be a dearer job than if it were put into operation during a period of depression. But seeing that it is a time of trade buoyancy there will be no slack or lag to be taken up, and so the effect of this new money will be felt immediately in the community, with the result that trade expansion will begin right away. Industries will begin to boom, work will be found for the unemployed and they will leave Government employment and be absorbed into private industry. That will relieve the Gov-

ernment of considerable financial responsibility, but will cause things to boom as the result of additional purchasing power. Revenue will rise, there will be greater earnings on the railways, and because of increased incomes there will be a greater receipt from income tax. So, not only will Government responsibility be lessened, but State revenue will increase, and so the Government will benefit both ways. Because it is a reproductive work, on will go the brake as soon as the Government levy the people to pay for this reproductive work. It is very desirable that the brake should go on at that time, because under our capitalistic system a financial crash is inevitable after every trade boom. Therefore if as a result of using reproductive work a brake is put on the industry and its momentum is checked, when the crash comes the fall will be ever so much lighter than it would have been if we had not slackened the pace of industry. So it is a distinct advantage to use reproductive work when trade is buoyant.

Mr. North: We shall have to see if we cannot stop the crash next time.

Mr. TONKIN: Now let us take the example of doing non-reproductive work during a period of good trade. The money will be dear, wages will be high, the cost of material will be high, and that will mean that our work of a non-reproductive nature will be a dearer job. That is a matter of great concern, because this is a job for which the people are not to be asked to pay immediately, it is not reproductive and therefore if it is a dearer job it should cause the Government grave concern, for we should work on the principle that big jobs which are not reproductive should be done at a time when they can be done most cheaply. If we do them at a time of good trade, there are the high wages, the dear money and the high cost of material, and because of those factors the cost of the job will be greater, and so a non-reproductive work will be dearer than it should be. The initial effect will be the same as that of a reproductive work. There is no slack or lag to be picked up, and so the effect of this new money will be felt immediately. Trade will expand, men will be absorbed in private industry. There will be this difference, that because this is not a reproductive work, when this expansion takes place it will continue. No circumstance will need to operate to put a brake on the expansion. Charges will

not be levied on the people, and so the expansion will continue, the pace will be accelerated. That is because advantage has been taken of a trade position already good, and buoyant trade will be made still more buoyant. Private manufacturers seeking large profits will manufacture more goods maybe than they should do at the time. They will over produce, and so we reach the time when we get the inevitable crash, and the result will be devastating. Now let me take the final example. But before doing that, it will make it clear in the minds of members if I give a simple illustration. Suppose we are driving in a motor car fully loaded and gradually gathering speed while approaching a very bad portion of road. If the driver puts his foot on the accelerator he will get extra speed on a motor car already going at a fast pace. What is the result? When we strike that rough piece of ground we bounce over it and the passengers get a bad time. Probably we go close to an accident. That is exactly what happens when we do work of a non-reproductive nature at a time when trade is buoyant; because we do not put any brake on the expansion of industry, but we put on the accelerator and get the same result as I have illustrated by the incident of the motor car. Now let us take the final example, which brings us to present time conditions. I am advocating that non-reproductive works should be done during a time of depression. Now money is cheap, it was never cheaper, wages are low, prices are low and so we can get our materials cheaply. Therefore this non-reproductive work can be done more cheaply at present than at any other time, which is a distinct advantage, because the work is non-reproductive. When we start the work and pay wages and buy material we set additional purchasing power into circulation. That gives a flip to industry. But because it is a period of depression there is a lag to be taken up before we feel the real advantage. That is taken up and because the work is not reproductive we do not charge the people. So we put no brake on the expansion. Therefore the expansion continues, men leave Government employment to go into expanding private industries, and that relieves the Government of cost. Income increases and the Government get increased income tax. The railways get increased earnings and so the State revenue rises as expenditure decreases. There is a distinct advantage. That im-

provement will continue until such time as the whole of the lag or slack is taken up. Private industry gains the necessary momentum to carry it over the depression, and it will no longer be necessary for large expenditure on Government works in order to provide employment for men out of work. That is the theory. Let us see how it works out in practice. Members know that France was the last country to experience the depression; they may also know that while we were commencing to feel the depression, industries in France were expanding. The reason was that the French Government were spending vast sums of money on work which was not reproductive. It was a time of trade boom for France, and because the work was non-reproductive, industries went on expanding. Nothing was done to check the momentum; the momentum increased, with the result that France ran short of labourers. Men were obtained from Belgium and Holland, and even from Great Britain. There were insufficient workmen in France to do the work, namely the non-reproductive work. No brake was put on trade; it continued to expand, and the result of that policy we see to-day. The crash has come, and it has been found necessary to impose severe wage cuts on employees. France has now had to do what other countries did earlier, but France will have to do it to a much greater extent because of the mistake that was made. At the International Labour Conference in Geneva this year, Harold Butler, the Director, delivered a very fine address on this subject, a subject to which he has given deep study. He emphasised the importance of public works of a non-revenue producing nature as a device for stimulating economic activity and hastening recovery. He said—

It seems that in order that public works will be substantially effective as a means of combating the depression, three requirements must be met—(i) the works must be undertaken on a large scale; (ii) they must be financed by loan, not taxation; (iii) they must be associated with general expansionist monetary policy.

That will appeal to the member for Claremont. Public works done under those conditions seem to have proved very successful in Japan and Sweden. The figures I am about to give should prove that argument. In Japan, expenditure considerably expanded. In 1933-34, it was 365 million yen, compared with 205 million yen in the previous year. Those sums were raised mostly by borrowing.

Similarly, in Sweden: in 1933-34 the budget was deliberately unbalanced for the purpose of financing non-revenue producing public works. The money was deliberately borrowed to pay for works which previously had always been paid for by taxation. Advantage was taken of the favourable money conditions. In Sweden, loan expenditure in 1933-34 amounted to 163 million crowns, while in 1934-35 the estimated expenditure was 282 million crowns, an increase of 120 million crowns. The expenditure for 1935-36, however, provides for a reduction to 140 million crowns. What is the reason for that? It is considered that the situation is almost normal, thanks to the policy of cheap money and non-revenue producing public works. Japan is the country which at present has the best employment record.

Mr. North: What about Russia?

Mr. TONKIN: These figures are authentic. I do not know whether the figures for Russia were unavailable, but these figures have been taken from the report by Mr. Harold Butler at the conference, and he would have gone to some pains to ensure that they were correct. In September, 1934, the percentage of industrial workers unemployed in Japan was only 4.9, which was the normal figure in prosperous times. Some members will say that the result was achieved through the extra trade of Japan. They will point out that if we go into the shops in our city we will find on every counter goods made in Japan, and they will be under the impression that the improvement in the unemployment figure was the result of increased trade. Mr. Butler anticipated that argument and said that Japan's share in world trade had risen only from 2.87 per cent. in 1929 to 3.5 per cent. in 1934. Hence the increase in trade was quite small and could not possibly account for the employment figures. Mr. Butler said definitely that the principal cause of Japanese recovery was the expansionist monetary policy, coupled with the programme of non-revenue producing public works. Therefore the issue is whether through large-scale public expenditure financed by borrowing it is possible to get additional purchasing power into circulation and so help to sustain the volume of demand in industry. As Mr. Stanley Baldwin expressed it in the "Daily News" of the 10th July, 1935—

Expenditure on public works could be justified only if it gave such incentive to industry

as would enable the country to bear the financial burden, and at the same time create such momentum as would maintain the volume of employment when expenditure ceased.

Non-reproductive works during a period of depression do exactly that. They meet the requirements laid down by Mr. Stanley Baldwin. The two examples I have given of Japan and Sweden contain ample proof that that is the correct policy to pursue. Public works are economically effective in combating depression only when accompanied by an expansionist monetary policy. I commend the following to the consideration of members:—

To attempt to increase the total volume of buying by promoting public works, while the means of payment are being restricted rather than increased, is a policy of self-contradiction.

If we attempt to remedy the depression by putting into operation works that are reproductive, we shall be doing that very thing. We shall be restricting the purchasing power of the people and thus nullifying any effort towards remedying the depression. Therefore works should be non-reproductive. It is true that we must have some other requirement which is that the work to be done, although it is non-reproductive, must be of real economic value.

Mr. North: Would you approve of the sewerage work?

Mr. TONKIN: That is a very necessary work, but a better time than the present can be found at which to undertake it. At Fremantle a new bridge is required. To construct it would be a large work and a national work. It would provide employment for a large number of men. It is a non-reproductive work. It is the very work to do at the present time. I have shown in theory and proved by practical example that the proper time in which to do work of a non-reproductive nature is when it can be done most cheaply with the greatest benefit to the country. That work can never be done more cheaply than at the present, because wages are low, money is cheap, and the cost of material is low. This important work, which Fremantle requires, and the State requires, can be done cheaply. Of course it is of a non-reproductive nature. Instead of that being a bar to its commencement it should be an incentive to the Government to put it into operation. I hope they will consider the arguments I have advanced upon this type of work. I do not flatter myself

that I have altered the views of many members on the subject of reproductive or non-reproductive works, but the argument is there all the same. If they can refute it I am prepared to listen to their side of the question, but my belief is backed up by the authority of Butler, who has some standing at Geneva and has made a great deal of research into the subject. I thoroughly agree with his conclusions. I hope that when the Government expend money in the future they will realise that the best way to do so is on works of a non-reproductive nature, and that it is in times of depression when such works should be undertaken. I compliment the member for South Fremantle (Mr. Fox) upon his maiden speech. I feel that we have another voice now to assist us to obtain for Fremantle that very necessary work for which we have been clamouring for some time.

On motion by Hon. N. Keenan, debate adjourned.

BILL—BUNBURY RACECOURSE RAILWAY DISCONTINUANCE.

Received from the Council and read a first time.

House adjourned at 9.33 p.m.

Legislative Assembly,

Thursday, 15th August, 1935.

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

QUESTION—MUNICIPAL CORPORATIONS ACT.

Mr. DONEY asked the Minister for Works: Having regard to the inconveniences suffered by municipal bodies owing to the Municipal Corporations Act not