

Legislative Council,

Tuesday, 16th August, 1932.

Address-in-Reply, second day Page: 14

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

ADDRESS-IN-REPLY.

Second Day.

Debate resumed from the 11th August.

HON. J. J. HOLMES (North) [4.47]: First of all, I would like to refer to the gracious act on the part of His Majesty the King in sending the message that was read during the opening ceremony in connection with this Parliament, with the reception of which, I think, the Council should be well pleased. It furnished striking evidence of His Majesty's interest in this outpost of Empire. I am sure I express the opinion of all hon. members when I say that our best wishes are that he will long be permitted to reign over us. I next desire to comment upon your re-election, Mr. President, to the proud position you occupy in this Chamber. You have discharged the duties entrusted to you with marked ability, with credit to yourself and advantage to this Chamber. I cannot proceed further without mentioning the loss we sustained through the death of the Hon. Arthur Lovekin. I endorse everything that the Leader of the House said at the opening ceremony. Personally I have lost one of my best friends. The Council has lost one of its best legislators, and the State has lost one of its best citizens. Mention has been made of the loss through death suffered by the Legislative Assembly and I cannot pass by that phase without making reference to the death of Mrs. Cowan, who did so much for the women folk of this State. I was one of three members who were opposed to women entering Parliament. I think there were three in this Chamber—Mr. Hamersley, Mr. Miles, and myself. I do not think there was any opposition to women members in another place. The question was discussed on the eve of a general election, and I cannot say whether that made any difference. In due course I was asked to take the chair at one of Mrs.

Cowan's meetings, and I told the audience the exact position. I told them that if they decided to return a woman to Parliament, they could not find a better woman than Mrs. Cowan. I regret the absence from the House of Mr. Glasheen, who has retired from politics on account of ill-health. I know Mr. Glasheen very well, and I do not think we had a more earnest man or a man imbued with a greater desire to do good for the people as a whole. Some of our friends fell by the wayside during the recent election—Sir William Lathlain and Mr. Kempton. This is merely history repeating itself. If we go back two thousand years we read of the people breaking down branches and shouting "Hosanna," and a few days later crying "Crucify him." Sir William Lathlain and Mr. Kempton were not returned, and in my opinion they were crucified. I welcome the new members—Mr. Bolton, Mr. Piesso, Mr. Moore and Mr. Clydesdale. Mr. Moore has sat in this Chamber before. I am prevented from giving just due to the Labour Party in this State, because they use it against me on other occasions. If they used my remarks fairly, I would not mind, but they use extracts that suit their purposes, and consequently one is prevented from saying all he would desire to say. Let me give an instance. On one occasion I said, "Robbed of the Trades Hall influence, Mr. Collier, I believe, is the nearest approach to a statesman we have." The Labour Party went around the country and told the people what I had said about Mr. Collier, but in doing so, dropped the vital words "Robbed of the Trades Hall influence." Consequently one has to be careful. The best I can say of Mr. Moore is that I welcome him, but I am sorry that his predecessor is not here. Mr. Clydesdale has already taken a step in the right direction. He has made a trip through the northern part of the State and has come back a convert to the need for doing something there. Mr. Bolton has been returned, a man full of energy and, I should say, full of confidence. He did very well last Thursday in moving the motion for the adoption of the Address-in-reply, but when he spoke about abolishing Parliament and appointing six men to run the country, he suggested an impossible proposition.

Hon. H. J. Yelland: He is a unificationist.

Hon. J. J. HOLMES: What we want to do is to make the Parliamentary job unpro-

fitable for men other than those who wish to give their best services to the State. If we do that, we shall not be troubled with too many members, but we shall have members of the right class.

Hon. A. M. Clydesdale: Like yourself?

Hon. J. J. HOLMES: No. Members will bear me out when I say that, from my place in this House, I forecast the difficult position in which we find ourselves, as far back as 10 or 15 years ago. But what is the use of saying "I told you so." Two men went up to the temple to pray. One prayed, "Lord, I thank thee that I am not as other men are. I fast twice in the week, give to the poor," etc. The other man prayed, "God, be merciful to me, a sinner." I have no desire to put myself on a pedestal, but I would be perfectly justified in advancing proof that I forecast 10 or 15 years ago the difficult position in which we now find ourselves.

Hon. E. H. Harris: Are you going to make another forecast to-day?

Hon. J. J. HOLMES: Yes. I urge upon the new members—this does not apply to Mr. Clydesdale or Mr. Moore because they are not robbed of the Trades Hall influence—I repeat, I urge Mr. Bolton and Mr. Piessie to realise from the outset that this is a non-party House. The danger I have feared for many years is the making of this Chamber a party House. If members desire evidence of the fallacy of making a party House of this Chamber, let me point to the Federation. The trouble with Federation is that the Senate has been made a party House. The framers of the Constitution provided for six Senators for each State. The two large States were given six Senators, and the four smaller States were given six Senators each, the expectation being that the 24 would hold the 12 and that justice would be done to all the States. Those members go to their constituents as representatives of the Nationalist, Labour or Country party, as the case may be, and they return to Canberra and walk into a party House. That is the blot on Federation, and it would be a blot on this State if we did not retain this Chamber as a non-party House. So much for my advice to new members. I must not pass without reference to the Chief Secretary, who fortunately is back with us, though not perhaps as well as we could wish him to be after his recent illness. My remarks will be fairly general and I do not intend

to attack any Government in particular, except to say that all Governments since the Wilson Government are responsible for the difficult position in which we find ourselves to-day. For the Chief Secretary, I shall make my criticism as light as possible, but still there are points which must be brought out. The task of leading this House is too much for one man. In another place there are six Ministers, each of whom introduces his own Bills after having studied them and after having conferred with the departmental authorities. Those Bills are then sent to this House to be dealt with by one Minister. Why should we not have two Ministers here? How is it that a successor has not been appointed to Mr. Keenan? The present position is ludicrous. I hope members will not think I am aspiring to office, because there are some things one can accept and some things one cannot accept. Why there is not another Minister in this House, I am at a loss to understand. Another place controls the position, and there are so many aspirants for the vacancy that no appointment has been made because someone might have been offended. I stress that the work in this House is too much for any one Minister. Any increase in the total number of Ministers would be opposed by me. There should be one less in the other place, and another Minister here. In pre-Federal days we had six Ministers—a Premier at £1,200 a year, and five Ministers at £1,000 a year. When we federated we parted with the army and navy, the Customs and the Post and Telegraph Departments, but notwithstanding that, we have seven Ministers—we did have eight—six Ministers each drawing £1,500 a year, and the Premier drawing £1,700. Those figures are less the reduction made last year. All those departments have been transferred to the Commonwealth, and still we have additional Ministers at a higher salary. It is this and other expenditure that has run us into the position with which we are at present faced. I am opposed to any increase in the number of Ministers, but a second Minister should be appointed in this House. I cannot refer to the Governor's Speech without directing attention to the fact that during the last six months no fewer than four Ministers have toured the North-West, a most unusual experience. We have occasionally had a visit from one Minister. Yet, strange

to say, I cannot find any reference in the Speech to the North-West. One would think that the North-West had disappeared from the map, or been handed over to the Federal authorities, or something of the kind. I shall not refer further to that aspect, because a committee have been appointed to deal with proposals for the development of the North. I have no desire to trespass on the committee's preserves, but I felt impelled to mention the lack of reference to the North after all those Ministerial visits. I gather from the Speech that we are to receive a grant of £500,000 from the Federal Government this year. I was opposed to Federation. I said that we would be the tail and the other States would be the dog, and I was not far wrong. I am opposed to the giving of periodical grants to the State. If a disabilities grant is justified, it should be made permanent. The Premiers of Western Australia, South Australia, and Tasmania are all in the same position; they are everlastingly approaching the Federal authorities for a disabilities grant. So long as that continues, so long shall we have extravagant Treasurers. It is just the same as the experience of a father who has an extravagant son. If the son knows that when he gets into difficulties he can go to headquarters and get what he wants, he will be extravagant. Provision for a disabilities grant should be made permanent or should not be conceded at all. The South-West irrigation scheme is referred to in the Governor's Speech. As far as I can learn, there is a miniature Suez Canal being constructed somewhere near Harvey, where there is being cut a drain about 16 miles long. I have yet to learn how wide or how deep it is to be. At any rate, I hope the mistake will not be made there that was made in other instances where the drains were dug below the sea level and where, instead of draining the lake into the sea, the sea was drained into the lakes.

Hon. W. J. Mann: Where was that?

Hon. J. J. HOLMES: At Busselton and at the Peel Estate.

Hon. W. J. Mann: You have been misinformed.

Hon. J. J. HOLMES: Was there not also some trouble at the Abba River?

Hon. W. J. Mann: You have been misinformed again.

Hon. J. J. HOLMES: If I am not mistaken, the same position arose at Herdsman's

Lake. I know that also happened at Peel Estate.

Hon. W. J. Mann: Your facts are wrong.

Hon. J. J. HOLMES: The hon. member will have his opportunity to speak later on, and he can correct me. I had something to do with the Peel Estate and saw there modern machinery which was purchased at a cost of thousands of pounds for the purpose of cutting drains through the big sandhills. Magnificent machinery it was, capable of lifting tons of sand and throwing it back out of the way. As far as I can learn—perhaps I am wrong again—that machinery is still at the Peel Estate, and the men employed at Harvey are now using shovels and barrows to carry out drainage work. I would not mind even that if they filled their barrows, but I have noticed that some went on strike because they were asked to put seven shovelful of sand into each barrow instead of five. Then again, there must be an army of tally clerks standing by to see that each man put in his seven shovelful of sand. Is that kind of thing to go on? Is that the way in which we are going to get out of our difficulties? Our only salvation is to develop our primary products—wool, wheat and minerals chiefly, and dairy products as well. Railway freights play an important part in connection with our production for export, or even home consumption, and I shall have something to say about railways and Collie coal before I resume my seat. Then there is the Arbitration Court harassing industry. I shall have something to say about that also. Primary production must be encouraged. With all our years of high protection—20 or 25 years of it, the position to-day is that 97 per cent. of Australian export products are primary products and only 3 per cent. secondary products. Let me first deal with wool. Without hesitation I can say that the wool we produce is the best in the world, but the present position is that the producer gets about two-thirds of what it costs him to grow it. Then take wheat. Two years ago the Australian wheatgrowers were urged to grow more wheat, and that was followed by Federal promises that were never fulfilled. What did Western Australia do in response to that request? In 1929-30 our total wheat harvest was 39,000,000 bushels and in 1930-31 we produced 53½ million bushels, an increase of 14½ million bushels. How much did the farmers get for it? In 1929-30 they received £8,200,000 for the harvest, and in

the following year, when the State produced 14½ million bushels more than it did in 1929-30, the farmers received £6,650,000. In other words, they produced 14½ million bushels more than they did in the previous year, and got for it £1,555,000 less.

Hon. A. M. Clydesdale: Can you suggest a remedy?

Hon. J. J. HOLMES: In this House we begin at the bottom and work up. The hon. member will learn all about that. Who stood up to the task set them in response to the appeal to grow more wheat? The people on the land. Who stood the loss? Again the people on the land. I have no hesitation in saying—and I know something about it—that we can grow wheat in this country as economically as it can be grown in any other part of the world. We have cheap land; we can clear it cheaply; we have an ideal rainfall, and ideal harvesting conditions, climatically. Our agricultural appliances are better than those to be found in other parts of the world, and that is not an exaggerated statement. When I saw some of McKay's latest machinery operating the other day, I said, "How is it that the maker of this machinery has not been knighted for what he has done for agriculture in Australia?" We have the best agricultural machinery in the world, but the trouble is that when we get our wheat to the railway siding, the parasites assume control and do not leave it until it gets into the ship's hold at Fremantle. We are urged to grow more wheat in order to save the country, but the people producing the wheat are beginning to find out that they are urged to increase their production so that more sops may be provided for politicians in the thickly-populated areas.

Hon. L. B. Bolton: With my proposal of six men to control the State, you would not have that.

Hon. J. J. HOLMES: How are we going to get those six men? Would the hon. member abolish this House? I urge the hon. member as a new arrival in this Chamber to put up a practical and not an abstract proposition such as that to which he referred. Coming back to the parasites who handle the wheat on its arrival at the siding. As we know, coal is the basis of all transport. We cannot have dear coal and cheap railway freights. The men who produce the wheat work six days a week from daylight to dark and sometimes seven days a week. They finish when they deliver the wheat at the siding—I do not think they are allowed to

stack the wheat because that is the union men's job. The railway men work 44 hours a week, though I think the Arbitration Court decided recently that they should work 48. The men who produce the coal at Collie are on a better basis still. They work five days a week, each day being of seven hours, or 35 hours a week. We should tackle matters that we can control and try to get the cost of production down to bedrock. Instead of *doing our own job*, we send ambassadors to Ottawa to get prices advanced. It is a much more difficult problem to get prices up than to get our costs down, but still we are shoving the responsibility on to the other fellow. It is our job, however, to tackle the question of reducing the cost of production. Another matter to which I would refer is that we have men occupying high positions going around this country, not only Western Australia but the other States also, telling the people that we are around the corner. They know as well as I do that we are not around the corner, that we are nowhere near the bottom yet. Hon. members will know all about it inside 12 months. I claim that those men should know better, and that they have no right to mislead the public.

Hon. T. Moore: You are a champion pessimist.

Hon. J. J. HOLMES: They have no right to mislead the public. Their clear duty is to tell the public the truth. Sooner or later the public will know the truth.

Hon. C. B. Williams: They know it now by the number that are out of work.

Hon. J. J. HOLMES: I told the manager of a bank the other day that unless we faced the position of putting the primary producer in the way of growing commodities at a profit, the whole fabric would go. And unless we produced wheat, wool and minerals at a profit, bank managers would not be worrying about their clients, but would be worrying about jobs for themselves. Does the hon. member know that our interest bill amounts to £1,000,000 per week? Does he know that 6½ million people have to bear this? Has he attempted to work out how it has to be paid? No. He contents himself with interjecting when a man is trying to point out the position. To come back to the cost of coal in this country. Members have probably read all about the "tin hare stunt" in New South

Wales. I say the coal stint in Western Australia is the nearest approach to the tin hare stint in New South Wales that I am aware of. The railways of this State consume 85 per cent. of the coal produced in Collie. They pay 19s. per ton for it at the pit's mouth, and 12s. 6d. per ton is paid for the coal used at the East Perth powerhouse. To that, 11s. per ton is added for hauling it from Collie to the centre of distribution. That makes the price of Collie coal for our railways 30s. per ton.

Hon. W. J. Mann: The price has been reduced now.

Hon. E. Rose: Yes, it is not that price now. It was, 12 months ago.

Hon. J. J. HOLMES: The price has been reduced by 2s. 6d. per ton. So we get 16s. 6d. per ton plus 11s. haulage, or 27s. 6d. per ton. And the power house coal at 12s. 6d. can be calculated on the same basis. Originally a lot of that power house coal was dumped at Collie. Later we paid 4s. 6d. per ton for it at Collie, whereas we are now paying 12s. 6d. per ton less 2s. 6d. for it. The railways have to pay 27s. 6d. per ton for Collie coal, as compared with Newcastle coal at 32s. per ton. Newcastle coal has been sold recently at 27s. 8d. f.o.b. Fremantle. It costs 4s. 4d. in landing charges, which makes it 32s. as against the 27s. 6d. for Collie coal. The comparative value of coals, as supplied by the Railway Department, shows that one ton of Newcastle coal is equal to 1½ tons of average Collie coal. Apart altogether from the difference in price, there is the cost of handling a ton and a half of coal instead of a ton, and the cost of hauling a ton and a half instead of a ton. For every half-ton of extra coal hauled, the railways haul half a ton less of merchandise. We find that the railways take approximately 300,000 tons of coal per annum, and the tramways about 100,000 tons, so hon. members can work out for themselves what the coal industry is costing the State. On a rough estimate, the railways pay for coal at least £100,000 per annum in addition to what they should be paying. If we work it out on an actuarial basis, including the cost of hauling and handling, and the inclusive cost of the extra coal required, £150,000 per annum would be nearer the mark.

Hon. E. Rose: The railways will have to reduce the freight on coal.

Hon. J. J. HOLMES: The railways do not haul the coal from Collie for nothing. They say they cannot haul it for less than they are charging now. Surely the hon. member does not suggest that because the railways charge 11s. per ton for hauling coal from Collie to Perth it represents a profit to the State! At all events, if it is a profit, it is not reflected in the annual report of the Railway Department.

Hon. E. Rose: The freight on coal from Newcastle to Albany is cheaper than the freight on coal from Collie to Albany.

Hon. J. J. HOLMES: To-day we have this cry brought up by members that we should buy commodities produced within the State.

Hon. C. B. Williams: Do you not believe in that?

Hon. J. J. HOLMES: To a given point, yes; but it can be overdone, as it has been in respect of Collie coal. We have the Minister for Railways complaining that the pastoralists up North are buying Eastern States goods—presumably because they are of better quality, are put up better, will keep better, and probably the price is better. But does the Minister for Railways tell us that in 1930 the traders of this country used 55,000 tons of Collie coal less than they did in the previous year? Of course he does not—nor does he tell us the reason for it. I will tell the House why; it was because he and the Collie coal people have made the price of Collie coal so high that it is not profitable for anyone to use it unless he really has to.

Hon. E. H. Gray: What has taken the place of Collie coal?

Hon. J. J. HOLMES: Apart from the Government railways, what better customer could we have for Collie coal than the Midland Railway Co.? Their engines are suitable and their run is but a short one, thus escaping long exposure of the coal, as when it has to be carried all the way to Meekatharra on the State railways. Why does not the Midland Railway Company use Collie coal? Simply because, as the result of the combination which has forced up the price, it does not pay the Midland Railway Company to buy Collie coal, but pays them better to buy Newcastle coal. Yet because some individual buys a tin of jam from the Eastern States and sends it up North, the Minister for Railways opens out on the subject.

Hon. C. B. Williams: If we brought cattle from the Eastern States, the North would go out of existence.

Hon. J. J. HOLMES: Mr. Rose knows something about Collie coal.

Hon. C. B. Williams: And he knows something about cattle too.

Hon. J. J. HOLMES: I would draw his attention to the Railway Commissioner's report, which points out, in 1931, that Griffin coal had been used by the railways. The Royal Commissioner reported that it was worth only 15s. 9d. per ton, as compared with other Collie coal at 19s. per ton. But at the time the report was written, the railways were taking 400 tons per week of Griffin coal, not at 15s. 9d. per ton, but at 19s. per ton. The Royal Commissioner's report estimated the comparative value of Griffin coal at 15s. 9d. as against 19s. for other Collie coal.

Hon. E. Rose: What test had he made?

Hon. J. J. HOLMES: He was a Royal Commissioner who knew his job.

Hon. J. Ewing: He did not finish his job.

Hon. J. J. HOLMES: He pointed out that the railways had been using 400 tons per week of Griffin coal at 19s. per ton and that it was worth only 15s. 9d. per ton.

Hon. E. Rose: What did he say about the other mines?

Hon. J. J. HOLMES: We all thought he would make a comparison between other Collie coals and Newcastle coal.

Member: Is there not a contract between the Railway Department and the Collie proprietors and the miners?

Hon. J. J. HOLMES: Yes, the price was to have been 19s. per ton less the reduction in the wages of the miners. But those wages were reduced nearly a year ago and there is a conference sitting now, nearly a year after the event, to decide what reduction is to be made in the price. But if you take 2s. 6d. off the price of Griffin coal, and 2s. 6d. off the price of coal from the other Collie mines, you still get the difference in value of the coal, as set out by the Royal Commissioner. As I have said, the price of coal controls the cost of production, and our primary products cannot carry the present imposition. The coal question is the biggest menace we have to face. The railway people tell us that a ton of Newcastle coal is equal to a ton and a half of Collie coal. We want this expert Commissioner's report—we have not had it yet—as to the value of the best Collie

coal as compared with Newcastle coal. Turning again to the 44-hour week worked by the railway men although the Arbitration Court said they should work 48 hours, I find on page 42 of the Railway Commissioner's report that the long service leave for the year ended 30th June, 1931, cost £80,000, being £20,000 for the salaried staff and £60,000 for the wages staff. Do members realise that?

Hon. C. B. Williams: What is wrong with that?

Hon. J. J. HOLMES: I can understand the salaried staff being entitled to long service leave, for I believe they are frequently called upon to work overtime without remuneration, whereas the wages staff are paid for all overtime worked. Yet in face of that, the long service leave for the wages staff cost the Railway Department in that year, £60,000 as against £20,000 for the salaried staff.

Hon. C. B. Williams: Would you have us repudiate that liability?

Hon. J. J. HOLMES: I would advocate the repudiation of anything that had been done behind the back of Parliament. What I have said applies only to the railway staff. Members of the tramway staff are also granted long service leave. For the year ended 30th June, 1931, the salaried staff cost the tramways £700, and the wages staff £1,900, a total of £2,600.

Hon. A. M. Clydesdale: Divided amongst how many men?

Hon. J. J. HOLMES: The hon. member knows. In these days of depression, and economies that we hear so much about, when the wheatgrowers work seven days a week, we find these men enjoying long service leave, presumably because they have votes. For the year ended 30th June, 1931, long service leave cost the Electricity Supply Department £250 in the case of the salaried staff, and £900 in the case of the wages staff, a total of £1,150. We now come to the Fremantle harbour where another Customs house has been set up. I make no apology for the figures I quote. The report of the Fremantle Harbour Trust to the 30th June, 1931, which should have been laid on the Table of the House, was not presented until this afternoon. I had therefore to go back to the report for the year 1930. During that period the revenue of the Harbour Trust from all sources was £560,000, and the expenditure £250,000. the sum of

£310,000 being carried to net revenue account. I have a recollection of a Loan Bill being before us recently, providing, amongst other things, for reconstruction work at the Fremantle harbour, and yet for the year 1930 we find on the balance sheet a sum of £310,000 being carried down to the net revenue account. Let us assume that the harbour cost $2\frac{1}{2}$ million pounds—that is the approximate cost—and that interest has not been provided. The money was borrowed many years ago and the interest would not average more than about four per cent. We can then put £100,000 aside for interest, and there is still left £210,000, which has by a process of bleeding been taken from the primary producers. I asked one big shipping firm for particulars as to what it cost the average wheat ship to get into and out of the Fremantle harbour. When I got the figures I could not believe them to be correct. I said I knew of one ship which had gone out loaded with wheat in bulk, but after four days sprung a leak and was obliged to return to Fremantle. I thought that might have been the ship referred to, but it was not. The ship about which I got the particulars came into Fremantle to lift 8,500 tons of wheat. The in-and-out charges imposed by the Fremantle Harbour Trust amounted to approximately £350 for pilotage, berthing, etc. The berthing dues came to £154 alone, and the Commonwealth light dues to £116. The towage amounted to £20 10s., pilotage to £36, mooring to £2 10s., and then there were tonnage dues and so forth, making an actual total of £354 13s. 1d. This was imposed by the Fremantle Harbour Trust at the expense of the primary producers. I now come to the other section of people who handled that wheat. The loading of that wheat was done with the most modern bag handling appliances in the Southern Hemisphere and the quantity consisted of 8,500 tons. To handle this wheat cost about £1,200, which, added to the £354, made a total of over £1,550. For the use of their appliances the Harbour Trust received an additional £200, and £1,000 went in wages for the men who put the wheat into the ship. Apart from the cut the railways obtained out of that consignment of wheat, it cost £1,550 to get the ship in and out of the harbour. Despite all these charges, the growers are told to produce more wheat. How long will this continue, I should like to know? I have been seeking information

in connection with bulk handling. The best point that has been made so far is that bulk handling will mean cutting down the charges at the port of Fremantle. Because the ships will get quicker despatch the wheat will be handled at a lower rate. I can imagine the attitude of the Treasurer with this second customs house at Fremantle. If it is found that the lay days of the ships at Fremantle are fewer under the bulk system than under the bag system, it will not be long before the charge for the reduced number of lay days is brought into line with the number under the bag handling system. One of the best points that has been made in favour of bulk handling is in connection with the reduction in costs at the port of Fremantle. There is, however, no guarantee that this reduction will continue. As soon as the Treasurer wakes up to the fact that this revenue-producing customs house at Fremantle is not supplying the Treasury with the funds that it did before, the price will be adjusted accordingly and the primary producer will again be called upon to pay.

Hon. W. H. Kitson: If no harbour charges at all were imposed, would that affect the price of wheat in this country?

Hon. J. J. HOLMES: Yes. We can grow wheat as economically as can be done in any part of the world. We deliver it to the railway siding, and when we have got it there we have finished with it. It then becomes the unionists' job. The Industrial Arbitration Court is another thing that is hampering industry. It was first established in New Zealand, whose bad example was followed by Australia. New Zealand has since had to abandon industrial arbitration, and I say the day is not far distant when this State will also have to abandon it. There is nothing else for us to do. No one knows that better than those labour members who have made a study of the situation.

Hon. C. B. Williams: That is utter nonsense. You know nothing about it.

The PRESIDENT: Order!

Hon. J. J. HOLMES: The Arbitration Court is a menace to our industries and has been for a long time.

Hon. C. B. Williams: You know nothing about it.

Hon. J. J. HOLMES: We used to give our children 6d. a week pocket money. They may have been able to spend 9d. by borrowing from the other fellow; it did not take

them long to reach a dead end. So it is with the Arbitration Court. We have been fixing rates and conditions on a false basis. The only basis to use is that which the industry can carry. We have fixed the rates and conditions on what it costs to live, irrespective of whether the industry can carry the burden or not. We know how our industries have been ruined by being called upon to pay fabulous wages under impossible working conditions. This was done in much the same way as the boy getting 6d. a week was able to borrow an extra 3d. from his fellows. All this has been done on borrowed money. I said ten years ago that we could never get any reform in this country until our credit had been stopped. Our credit has not yet been stopped. It has been stopped overseas, but has not been stopped by the Loan Council or the Commonwealth Bank. If I view the position correctly, within the next 12 months our credit in Australia will be entirely stopped.

Hon. G. W. Miles: The sooner the better.

Hon. J. J. HOLMES: Those who are in control of the Commonwealth Bank have to see that the institution is kept solvent. They cannot go on lending money. There must come a time when the States will stand still in the matter of loans. Where shall we get the money from then? It will have to be earned before we can get it. When we have to earn before we can spend we shall get down to bedrock and will begin to get back to solvency. There is any amount of capital in Australia to-day, but there are very few avenues, with the exception of gold mining, into which people will put their money for the development of primary industries because primary production has been made unprofitable.

Hon. C. B. Williams: Is that the fault of the Australian people or its politicians? You are very absolute.

Hon. J. J. HOLMES: The basis of the trouble is the adult suffrage of Australia. The fact that the politicians of Australia have bowed and scraped to everyone who had a vote has brought us to the position we now occupy.

Hon. G. Fraser: Is the hon. member speaking from his own experience?

Hon. J. J. HOLMES: Industries have been ruined by the conditions imposed upon them, and by the expenditure of loan money to pay absurdly high wages. Now that the loan money is not available, in-

dustry is paralysed and we find ourselves in our present position.

Hon. C. B. Williams: Nothing of the sort.

Hon. J. J. HOLMES: We certainly are producing gold.

Hon. C. B. Williams: It is not Australia's fault that the price of our primary products is so low.

Hon. J. J. HOLMES: It is Australia's fault that the cost of production is so high.

The PRESIDENT: I would point out that the Hon. Mr. Holmes has the floor.

Hon. J. J. HOLMES: The hon. member represents what is known as a sheltered industry. Gold is now at the highest price ever known.

Hon. C. B. Williams: The world wants gold but not wheat.

Hon. J. J. HOLMES: Am I, or is the hon. member addressing the House?

The PRESIDENT: I must insist that Mr. Williams shall not interrupt the hon. member.

Hon. C. B. Williams: His remarks are not worth listening to. I will, therefore, go out.

Hon. J. J. HOLMES: The hon. member evidently does not like the truth. We have gold at a high value, plus exchange and plus a bonus. But when we get down to bedrock, no industry is worth developing if it has to be kept going by bonuses. We must bring our costs of production in tune with the world's market, or else go out of the industry. What does the Arbitration Court do? It harasses industry; it enforces rates now without regard for the power of the industry to carry on at a profit. The Arbitration Court bases rates of wages on the cost of living instead of on what industry can economically bear. Even Labour representatives know, I think, that the day of industrial arbitration is gone: yet on picking up a newspaper the other day I found that the two assessors, as I think they are called, the employees' representative and the employers' representative in the court, have been re-appointed for a further term of three years. Still, that difficulty can be overcome when we abolish the Arbitration Court. I understand that when an office is abolished, the agreement or appointment ceases to exist.

Hon. W. H. Kitson: You do not know much about it.

Hon. J. J. HOLMES: I believe I know something. If I am wrong, I hope I shall be corrected. While the Labour Government were in office, there was before this Chamber a proposal to give the two assessors, or advocates as I call them, pensions. Am I right, or am I wrong? I am seeking information. I believe I am right; I know I am right. I considered it my duty to tell the House that if those two assessors wanted pensions, it was the duty of the Trades Hall to pension one of them and the duty of the Employers' Federation to pension the other, and not the duty of the country. But what are those assessors there for? Of what use are they? I make no reference to the President of the Arbitration Court. He is the man who fills a very difficult position, and I am not going to say a word against him. But there is the employees' representative, and there is the employers' representative, and the State pays them £850 a year each, less emergency legislation. When one goes down to the Arbitration Court, one finds the members of the staff running backwards and forwards from office to office, butting into one another, borrowing pens and pencils and paper to carry over till the 30th June, and so keep the expenditure down. Surely the whole thing is being burlesqued. The State is paying £1,700 a year, less deductions to two men, one to counteract the other, while the staff are running about the same building trying to economise ink, pens, pencils and paper.

Hon. W. H. Kitson: You suggest that one man is sufficient?

Hon. J. J. HOLMES: The hon. member will be able to tell us what good the other two men are. I claim that their advocacy should be on the floor of the court, and that one should be paid by the employers and the other by the employees. If one assessor were paid by the Trades Hall and the other by the Employers' Federation, how long would the appointments last? How long would it then take to discover that one assessor was there to say yes, and the other to say no, each time? It is because the State foots the bill that they are allowed to remain there. All these costs are being piled on to industry to such an extent that they cannot be carried much longer. Now I wish to make a short reference to the financial position generally. Hon. members are aware that two years ago Sir Otto Niemeyer, one of the financiers of the world, was out here.

Hon. E. H. Harris: By invitation.

Hon. J. J. HOLMES: By invitation of the Scullin Government, although it was denied. Then it was agreed that in order to save Australia from bankruptcy Budgets had to be balanced straightaway. I pass over all the various trips to Melbourne and back until I come to the last conference. Presumably we had the political brains of Australia at that conference. The leaders of the parties representing a majority in each State turned up at that conference two years after the balancing of the Budgets had been agreed upon, with a demand for what? Twenty millions of money to balance their Budgets for the current year. The Premiers of the States which two years ago agreed to balance their Budgets assembled in Melbourne recently and asked for 20 millions of money to balance their Budgets for the year ending on the 30th June, 1933.

Hon. W. J. Mann: That is not new; we read that in the newspapers long ago.

Hon. J. J. HOLMES: They asked for 20 millions of money.

Hon. W. J. Mann: That is nothing new.

Hon. J. J. HOLMES: No, but it should be placed on record. Did they recall for one minute that the reckless borrowing and spending of money had helped to bring about the present financial position, had piled up an interest bill of £55,000,000 a year? Did they stop to think that 5 per cent. on £20,000,000 represented another million a year of interest to come from the taxpayers of Australia, and without one sixpence of assets to represent it? Did the Premiers stop to think of that?

Hon. W. J. Mann: I cannot tell you.

The PRESIDENT: Order!

Hon. J. J. HOLMES: Did the Premier of this State stop to think of it? Has our State Premier, who finished with a deficit of £1,500,000 on the 30th June, 1932, sat down to think that the interest on that £1,500,000 represents £75,000 per annum to be found by the people of this State? And that is without saying anything about the sinking fund under the Financial Agreement. Here is another £75,000 annually to be bled from the people of Western Australia, who are already bled white. I repeat, we will get no reform in this country until the Loan Council and the Commonwealth Bank stop our credit. I repeat also that the sooner our credit is stopped,

the better. If the Premiers had been sent back from the last conference and told to carry out their promises of two years ago, then we would see how long the Arbitration Court would last, and how long this State would find £150,000 extra per annum for Collie coal, beyond what we ought to pay. Then we would get the cost of production down. The Premiers would not require to be flying to Melbourne like vultures after a dead carcass: the carcass at all events is nearly dead. Instead of the Premiers returning to their respective States and telling the people that the corner was being turned, they would say that we had to earn, and that borrowing had been stopped. Nobody knows better than the Premiers that no progress at all is being made, and that no progress will be made as long as the Loan Council and the Commonwealth Bank continue to find money. It ought to be made a criminal act for any politician to mislead the public on matters of this kind. What I now refer to is not the other fellow's job. It is our job to put the matter right. We must face it within the next 12 months. I may be called a pessimist. I was called a pessimist and a croaker and all sorts of things 10 to 15 years ago. I am stating the facts as well as my limited capacity will allow me. I tell hon. members that the blow has not come yet, and that in my opinion it will come in about 12 months. We can, I repeat, produce primary products as economically as any part of the world, but we cannot carry all these overhead charges. The public are blaming members of Parliament for the present position of affairs, and I tell the public, business people and all, "You have the Parliament that you asked for. You have not the Parliament that you wanted, but you have got the Parliament you asked for. You wanted money borrowed and begged—I do not say stolen: money obtained by any means, to be squandered on a jamboree." We have had the jamboree. Irrespective of the Commonwealth we borrowed and spent. The boomerang is coming back now, and I think the knock-down blow will be the signal for reform. We have got down to economising on pencils and pins: the Treasury is busy on that job. Yet on picking up this morning's paper I found that four Ministers and eight heads of departments had been down to Waroona for the

opening of a new factory, and I do not think they used the railways to get there. Civil servants are now told that they must travel by rail even if they have motor cars but we find that four Ministers and eight departmental heads when travelling do not use the railways. On asking how these visitors got to Waroona, I was told that it was principally by means of Government cars.

Hon. L. B. BOLTON: No. The company provided most of the transport.

Hon. J. J. HOLMES: We provided transport for the four Ministers and the eight heads of departments. There are other matters that I could deal with. For instance, there is the Workers' Compensation Act, a menace to the industry of Western Australia, that was passed by a House that has become a party House. That was the trouble, and that is the position I wish to avoid in the future. Apart from anything else, we have the present vast metropolitan area extending for 50 miles south, east, and north of Perth, overrun with municipal councils and road boards. The members of those bodies are doing all they can to harass and annoy people, because they have nothing else to do. They are eating up the rate-payers' money. In one road board district between Perth and Fremantle, a poor woman was making jam in order to sell it and so maintain her children. She was visited by inspectors and had great difficulty in convincing them that her premises did not constitute a factory. The Town Planning Commission's officers are going out into the bush and fixing residential and factory areas. I know another instance in one of the road board districts where there lives a man who is a motor mechanic. He can come to my house and repair my motor car, but if he takes it to premises in the bush between here and Fremantle and into a road board area, he is told that he is controlling a factory. I would not mind if the inspectors were putting the position properly before the people concerned, but they are not. I remember the Bill being brought before this House and the discussion that took place on the definition of a factory. The late Mr. Lovekin said that if we were not careful, a woman working her sewing machine in her own home would be covered by the definition. We inserted a provision that at least four persons must be employed before the premises could be considered a factory. Yet these inspectors

are going around annoying people as I have indicated. Because they have no money to spend, they are eating into the rates and annoying the residents. I noticed a striking instance of what is going on throughout the State when I watched some men working last week. There were two municipal employees and a foreman—the foreman had his overcoat on. They were engaged in replanting some trees in place of some that had died. The two men were endeavouring to dig one hole, and the foreman was looking on. Someone else came along later to plant the trees. On the other side of the road there was a big motor lorry—controlled by private enterprise—manned by one man who was loading it with sand and was able to get away in about the time it took the two men and the foreman to dig a hole for a small tree. That is an indication of the extravagance that is going on from one end of the country to the other. The movement is led by members of the Government. We have heads of departments travelling round the country and spending money here, there and everywhere. Then they return to town and urge the office boy to chase around in an effort to economise in pins and nibs, paper and paste. We will never rid ourselves of our troubles until we face the task of reducing the cost of production of the articles we can produce to a level that will enable us to compete in the world's market. When we do that, we can talk about preference for our goods within the British Empire. I support the motion.

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

House adjourned at 6.5 p.m.

Legislative Assembly,

Tuesday, 16th August, 1932.

	PAGE
Questions: State disabilities under Federation ...	24
Wheat carting bonus	24
Group settlers, Denmark	25
Question struck off Notice Paper	25
Sitting days and hours	25
Government business, precedence	25
Bill: Supply (No. 1), £2,225,000, Cont. of Supply ...	25
Temporary Chairman of Committees	57

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

QUESTION—DISABILITIES UNDER FEDERATION.

State Committee's Report.

Mr. GRIFFITHS asked the Premier: 1, Does the report of the State Committee on Western Australia's Disabilities under Federation (1932) show that the State would have benefited to the extent of £1,561,065 annually by being separated from the Eastern States? 2, Does he agree with Mr. H. K. Watson's review of the report when he states that the benefits should be increased by an additional amount of £603,000? 3, Does the State Committee agree with Mr. Watson in his contention that the State would benefit by at least £2,000,000 annually?

The PREMIER replied: 1, The Committee estimated that Western Australia would have benefited by at least £1,561,065 during the financial year 1928-29 if the State had been free to impose the same rate of customs duties on goods imported from the Eastern States as is imposed by the Commonwealth Government on approximately similar goods imported from overseas. 2, I am awaiting a report from the State Committee on Mr. Watson's figures. 3, Mr. Watson's figures are being examined by the Committee.

QUESTION—WHEAT CARTING BONUS.

Mr. BROWN asked the Minister for Lands: Is it the intention of the Government to re-enact the wheat carting bonus for the forthcoming season?

The MINISTER FOR LANDS replied: This will be considered at the proper time.