

(b) As to Announcement by Prime Minister.

Hon. F. J. S. WISE (without notice) asked the Premier:

Pursuant to that question, I now ask the Premier the following:—

Since many matters vital to Western Australia will be discussed at the Premiers' Conference, will he endeavour to have an announcement made, through the Prime Minister, of the matters for consideration at the impending Premiers' Conference?

The PREMIER replied:

I am prepared to ask the Prime Minister whether he will give publicity to the items on the agenda.

MEAT.

As to Blackmarketing.

Hon. A. R. G. HAWKE (without notice) asked the Premier:

In view of the report of Mr. W. S. Kelly in connection with the meat trade in Western Australia, and especially that portion of the report dealing with the existence of extensive black marketing, does the Premier intend to call upon the Minister for Prices to resign his portfolio, or, alternatively, does he intend to transfer that portfolio to some other Minister?

The PREMIER replied:

The answer to both questions is "No."

ADDRESS-IN-REPLY.

Seventh Day.

Debate resumed from the 10th August.

MR. GRAYDEN (Nedlands) [4.50]: I believe it is customary for members who speak to the Address-in-reply debate to congratulate you, Sir, upon your re-election to your high office, but in tendering my congratulations I do so not only because it is customary but also because I believe you will uphold and maintain the dignity and tradition associated with your position. I also congratulate the Chairman of Committees upon his re-election.

I think it only fit and proper that I should take this opportunity of paying a tribute to my predecessor in the Nedlands seat, Sir Norbert Keenan. He is a man of high principles, whose mind was big enough and whose heart stout enough to translate his principles into action, and he was known and respected by every member of this Parliament. He has rendered great service to the people of Nedlands and this State. I think the Government should further recognise his great contribution to the advancement and welfare of this State and its people. For my own part, I know of no better example to follow during my political life than that of Sir Norbert Keenan.

It is often the custom during this debate for members to deal with problems peculiar to their own electorates. I do not intend to follow this practice. There are many problems affecting the State as a whole which are far more vital to the welfare of the people of Nedlands than some purely local problems, and I think that the interests of my electors are best served by concentrating on these vital problems.

Apart from the international situation, the gravest threat to this State today is the appreciation of the Australian pound. I believe this Government should strongly represent to the Commonwealth Government the dangers that appreciation would have for Western Australia. The great bulk of this State's economy is centred around the pastoral, agricultural, dairying and mining industries and anything that damages these industries affects almost every person in this State, for almost all of us are dependent directly or indirectly upon those industries.

If the Australian pound is appreciated to parity with sterling it will mean a tremendous cut in the incomes of those directly engaged in the export industries. It could also mean that our newly-established manufacturing industries would be exposed to a blast of oversea competition. For instance, do you think, Mr. Speaker, that the Chamberlain tractor factory would be able to compete with imported tractors whose landed costs would be cut by 20 per cent.? Would our dairying industry be strong enough to carry on with a 20 per cent. drop in its export income? Our wool and wheat industries could, perhaps, carry on satisfactorily even with appreciation, but who will guarantee that the present high prices of wool and wheat will continue for more than a couple of years? Appreciation would, at first glance, benefit all our importers as they could sell their goods at a lower price and so achieve a larger turnover. But is this necessarily so?

Take the motor industry, for instance! At present it is enjoying a record turnover of new vehicles. Most of those cars and trucks are being sold in the country. If those who live on the land have their incomes severely cut, will they be able to afford so many new vehicles, even at a lower price? It must be remembered that the cut in the net income of, say, a wheat farmer will be more than 20 per cent. For the purposes of illustration, let me assume that it costs the farmer 8s. to produce a bushel of wheat which sells today at, say 15s. If his cost of production remains the same, his net income on these purely hypothetical figures would be cut by almost 43 per cent. by appreciation to parity with sterling.

It must always follow that, provided his production costs remain the same, the cut in his net income would exceed 20 per

cent. if the Australian pound were appreciated as I have indicated. Of course, to some extent, his cost of production would tend to fall. The cost of his tractors, trucks, cars, petrol and oil would probably be appreciably lower. But might not the tariff rate on the cars, trucks and tractors, be increased to protect our newly-established or coming industries? The farmer's freight charges would not be lowered, the cost of his super. would not be lowered, and it is unlikely that the cost of the labour he employs would be lowered; so that it could not be expected that his cost of production would be lowered proportionately.

I should say the appreciation of the Australian pound to parity with sterling would mean at least a 25 per cent. cut in the net income of the wheat farmer, the dairyman and the pastoralist. The advocates of appreciation claim that it will reduce the cost of living. Insofar as they say it would reduce the inflationary pressure of our export income they are on safe ground, but there are other less disruptive ways of overcoming that difficulty. However, appreciation could not be expected to reduce directly the price of many commodities that are and must be included in the budget of the average working man. To be sure, barring tariff increases, the price of all imported commodities would be lower. But how many imported commodities are included in the "C" series index? There are none! There are not even many articles manufactured from imported materials in the "C" series index.

Now, the basic wages of Australia are determined largely on the capacity of industry to pay and the cost of items that are included in the "C" series index. In the event of appreciation our manufacturing industries would be faced with much heavier oversea competition and, with the cuts in the incomes of the primary producers curtailing the home market, it is doubtful whether the industries' present prosperous condition, and thus their capacity to pay, could long continue. On the other hand, there would be little direct decrease in the items of the "C" series index. There is a possibility that the basic wage would be lowered to some extent, though that would be at the grave risk of creating unemployment.

Heavily as appreciation would hit the dairying, pastoral and wheatgrowing industries, a heavier blow would fall on the mining industry. Indeed, to goldmining, it would be a death blow. Let us examine briefly the state of the goldmining industry today. Although it received a temporary boost through our parallel depreciation with sterling last year, its costs have caught up with it. The 1949 production of gold was 16,560 fine ounces less than in 1948. Production in the first half of this year was 31,142 fine ounces less than in the first half of

1949, and this with the higher price this year due to depreciation. As far as gold is concerned, it is not enough merely to prevent appreciation. Some positive action must be taken to improve the position of the industry. More encouragement should be given to prospectors, who should receive an allowance bearing some relation to present-day costs. There should be more extensive and intensive geological surveys.

This State was virtually founded upon gold. It was gold that caused our population to quadruple during the nineties. It was gold that helped us to shelter from the economic blizzard of the early thirties. Gold has long been a cornerstone of this State's economy. It has produced £310,000,000 worth of wealth. Excluding manufacturing, it is still our third largest industry. We simply cannot afford to have it destroyed. This Government must continue to state the case for the goldmining industry to the Commonwealth Government in the strongest possible terms. The Government must also prevail upon the Commonwealth to lift its legislation which is retarding the development of other mineral resources in this State.

For instance, we have the case of manganese, which is being mined at Peak Hill. Manganese is prevented by Commonwealth law from being sent out of Australia; therefore it must be sold in Australia, and the only purchaser in Australia, is the B.H.P. Ltd., which pays a price for the ore far below that which is paid oversea. This means that Commonwealth legislation is operating to the very great benefit of the B.H.P. Ltd., and to the detriment of this State and the people working the deposits.

I have dealt with mining today because I believe it is of tremendous importance to the State; in fact, I venture to prophesy that the future of this State will be based on mining, not only for gold, but also for all minerals. It will be balanced by a corresponding increase in our industrial and agricultural production. I base this premise on the fact that the best market is a home market and, if we exploit our mineral resources, our home market will be greatly expanded by a large increase in our population. Our agricultural and manufacturing industries will enjoy the natural advantage of an expanded home market as compared with Eastern States and oversea competitors. These industries would tend to increase step by step with our mining industry. I do not claim that mining will show a greater monetary return than, say, woolgrowing, but I do say that it will employ, directly and indirectly, more people, and that its return will be more evenly distributed. I believe that mining is of such importance to this State that the title of Minister for Mines is almost synonymous with that of Minister for Industrial Development.

Let us examine briefly the importance of our known—and I stress the word “known”—resources of minerals in the vast stretch of territory from Hall’s Creek to Ravensthorpe. There we have a wealth of important minerals and there is undoubtedly a far larger reservoir of mineral wealth as yet undiscovered. We already know of deposits in this State of the following minerals in large quantities:—Gold, coal, copper, tin, silver-lead, zinc, iron, manganese, arsenic, antimony, bismuth, lithium, beryllium, zirconium, tantalite, tungsten, felspar, asbestos, mica and magnesite, and there are others. Some of these deposits have not yet been exploited because they lie in areas that have not been opened up. Some may never be exploited, but there are many that, with a little encouragement, will be.

May I in conclusion direct attention, particularly during the speeches on the Address-in-reply, of the Government to some words uttered by the famous American statesman, Benjamin Franklin, who said—

We must not, in the course of public office, expect immediate approbation and immediate grateful acknowledgment of our services, but let us persevere through abuse and even injury. The internal satisfaction of a good conscience is always present, and time will do us justice in the minds of the people, even of those at present the most prejudiced against us.

HON. E. NULSEN (Eyre) [5.9]: With other members, Mr. Speaker, I desire to congratulate you on your reappointment to the Chair. It is a very high position and I am sure you will fill it as impartially as you did in the past. Notwithstanding my high appraisal of the office, I would sooner see you on the floor of the House so that we could hear from your original mind something of the very important questions that are affecting not only Western Australia, but also the whole world.

I have heard you deal very effectively with financial problems and I have read some of the books with which I know you are well acquainted, books containing matter that gives much food for thought. Since you were elevated to the Chair, however, we have missed such speeches, and I regret that we are at present deprived of the initiative that led you to bring these matters before the notice of the people.

The member for Murchison will not now have your help and co-operation, but will be playing a lone hand and possibly fighting a losing battle. Perhaps it will not be a losing battle because financial arrangements are now far in advance of what they were 30 years ago and we have examples in other parts of the world where definite progress has been made,

but full credit has not been given to those places because of existing financial interests. However, I hope the time will come when you will return to the floor of the House and again give us some of those fine contributions.

The Minister for Lands: You are looking a long way ahead.

Hon. E. NULSEN: I am not sure of that. More likely the Minister is endeavouring to see too far ahead from the angle of his own side. After the present Government has had another three years of office, I think Ministers will feel only too glad to hand over the charge of affairs to another Wise administration.

I welcome the 10 new members who have been returned to this House. When I say 10 new members, I mean 10 who were not here during the last three years. There are really eight new members who have not previously sat in Parliament, and the other two are the member for Middle Swan and the member for Darling Range, who were formerly members, so Parliament is nothing new to them. However, it is new to the other eight members. I am pleased that Bunbury has returned a member of the same political complexion as those who had long represented the district until three years ago. We also had the good fortune to secure the return of our candidate to the Geraldton seat and, as I have mentioned, the member for Middle Swan is with us again. Thus we made three gains at the last elections.

I intend to deal with matters affecting my electorate because it is a big one and a very important part of the State. It is now known as the electorate of Eyre. I regret that the name Kanowna has been discarded because that at one time was prominently associated with the history of the Eastern Goldfields. When I represented Kanowna, my district had an area of nearly 215,000 square miles, but the area of the new district of Eyre has been greatly reduced. I am very grateful to my electors who returned me with such a huge majority. I regret having been compelled, through no fault of mine, to part with so many good friends in the areas of Yarri, Linden, Morgans, Laverton, East Porphyry, Murrin, Widgiemooltha and Higginsville, as well as other places, but, in the circumstances, one cannot have one’s own way. Widgiemooltha and Higginsville have also been taken out of my electorate, and again I am sorry to lose my friends there, although they have been handed over to a very good member in the representative for Merredin-Yilgarn.

The top part of my old electorate has gone into Murchison which is now a huge electorate. I think there is only one province bigger than it. I do not know how the member for Murchison is going to get around and serve his people on his present salary. I think it will cost him that