

cast upon the Federal Government to create a geological department, something on the lines of that in the United States, and to endeavour to give us the best geological knowledge the world produces so that we may demonstrate what great mineral wealth we possess. It must not be thought that Western Australia is worked out in the matter of minerals. Both as regards minerals and metals, for which there is world-wide use, we have unlimited quantities. Our principal mines are gold mines, but there are many useful minerals and metals that could be mined equally profitably and would play a great part in the economic life of Western Australia. We went before the country with a sound and progressive policy. We are fully seized of the seriousness of the position in this State. Side by side with a full regard for our obligations we desire to humanise work and industry, make the home brighter, and endeavour to give to every boy and girl in the State such equal opportunities in life as will make for responsible citizenship, to the end that we may all share in brotherly union the great heritage and gifts we possess.

On motion by Mr. J. H. Smith, debate adjourned.

*House adjourned at 9.23 p.m.*

## Legislative Council,

*Thursday, 14th August, 1924.*

	Page
Personal Explanation: Hon. A. Lovekin and the Empire Settlement Bill ...	321
Questions: Sandalwood Licenses and Permits ...	322
Address-in-reply, ninth day ...	322

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

### PERSONAL EXPLANATION.

*Hon. A. Lovekin and the Empire Settlement Bill.*

Hon. A. LOVEKIN (Metropolitan) [4.35]: I desire to make a personal explanation, Mr. President. Dr. Saw in this House the other evening—

The PRESIDENT: I would like to remind the hon. member that his personal explanation is not to be a complete reply to Dr. Saw's speech.

Hon. A. LOVEKIN: No, Sir. Dr. Saw said he would give any sum I liked to name to any charity I liked to name if I could show that Colonel Amery, in dealing with the Empire Settlement Bill in the House of Commons, rather bragged that he had made a good deal. Dr. Saw further said that nothing was to be found to support my statement. I now desire to point out what is to be found.

The PRESIDENT: Anything in the nature of an explanation is admissible, but I do not know whether the hon. member is quite in order in taking up a challenge.

Hon. A. LOVEKIN: Dr. Saw stated that what I had said was not to be found.

The PRESIDENT: If the hon. member wishes to make an explanation, it will be in order.

Hon. A. LOVEKIN: I just desire to correct the hon. member somewhat. What I said is to be found in "Hansard" of the 1st August, on page 21, 1922-3 Volume. These are my words—

I am referring to this, because whilst Sir James Mitchell comes home and tells us what a magnificent deal he has made, Colonel Amery also takes credit for having made a magnificent deal.

And the other night I said that Colonel Amery rather bragged about the deal he had made. The passage that I wish to quote to support that, is to be found in the British Parliament "Hansard" Debates, 1922, page 578, and it is exactly the same as appears in our "Hansard" on page 21, word for word as I quoted it. Here is the passage from the British "Hansard"—

Mr. Amery then said the real difference lay in the fact that in one case they would have them (the unemployed) still with us, still unemployed, increasingly less employable, a permanent burden on the country and a weakness to the nation. As it was, they were to-day on productive work, many of them on the way to become their own masters, supplying us with goods we needed, and buying our goods, trading under laws which gave them a preference over the goods of foreign nations.

Hon. T. Moore: But you would not call that boasting.

Hon. J. Duffell: It is skiting, though.

Hon. A. LOVEKIN: In view of what follows, I think it is boasting. He goes on to say—

They were now considering at that moment the Western Australian scheme, under which Western Australia agreed to settle 75,000 people for £6,000,000, provided that the Commonwealth and the United Kingdom contributed a sum equivalent to one-third of the interest for five years. This would cost over a period of seven or eight years £600,000; in other words, 10 per cent. of the total expenditure, or only about £8 per settler.

For about £8 per settler Colonel Amery gets the benefits referred to in the paragraph I have just read. These very words appear exactly in the British "Hansard," and I maintain they show that Colonel Amery did rather boast or brag, or at any rate take credit for the magnificent deal he had entered into, getting rid of these people for £8 per head.

#### QUESTION—SANDALWOOD LICENSES AND PERMITS.

Hon. J. CORNELL asked the Colonial Secretary: 1, How many persons held licenses to pull sandalwood at the date the regulations restricting the sandalwood output came into force? 2, How many now hold similar licenses? 3, How many have been registered under the new regulations? 4, How many now hold licenses similar to those held prior to the new regulations coming into force? 5, How many are now registered and hold permits to pull sandalwood who, prior to registration, were not so licensed?

The COLONIAL SECRETARY replied: 1, 213. 2, None. 3, 824. 4, None. 5, The number of persons holding orders to remove sandalwood from Crown lands at the present time is 308 (including 147 prospectors). No record exists of persons who have held licenses in past years, and consequently it is not possible to state definitely that any of those who now hold orders to pull sandalwood on Crown lands have not previously held licenses.

#### ADDRESS-IN-REPLY.

##### *Ninth Day.*

Debate resumed from the previous day.

Hon. T. MOORE (Central) [4.41]: At the outset I desire to congratulate Mr. Drew on his return to this Chamber. After having sat in this House and led it for many years, he was absent when I entered the Chamber; but I then found that Mr. Drew had the respect of every member. By his actions he had proved that his word was his bond, and I know that in that regard many of the old members, if not all of them, welcome his return. Further I desire to congratulate Mr. Hickey on being made an honorary Minister. I feel quite sure that in occupying that position Mr. Hickey will do justice to it and also to this House. I likewise desire to congratulate the new members on their elevation. I feel that in the time ahead of us, while we may have arguments, we shall ever remain good friends. Regarding the great change that has taken place since we last met, let me say that that change was not unexpected. Indeed, many people prophesied that a change would result from the gen-

eral elections. Arguments have taken place here as to what brought about the change. Some members have taken it upon themselves to say that they largely contributed to the defeat of the Mitchell Government. I will allow them to believe that they did play a part. I am aware that some grave charges of mismanagement and bungling were made by certain hon. members of this House against the late Administration, and I believe that to a great extent those charges were well-founded. But, after all, what is past matters little. It is the future we have to look to; and I am quite certain that the present Government do not contemplate that an easy task awaits them in taking over the reins of Government to-day. Financially, while an improvement was effected last year, we are still very poorly off. The whole trouble in the British world to-day is due to the fact that the whole of the British people are being overwhelmed with interest bills, which are ever and ever increasing. That fact drags down the people. If the interest bill continues to grow, the result must be finally to destroy the people. No one believes that the system of loans and interest which has existed for so many years can continue for ever. The production of the world will not stand it.

Hon. J. W. Kirwan: The capacity of the people to pay is continually growing.

Hon. T. MOORE: But it is not in keeping with that which is taken from them year after year. All the previous speeches on the Address-in-reply have dealt with the necessity for developing the State. Undoubtedly development is needed in all our young industries. Much attention has been given by hon. members to the development required in our agricultural areas. In that direction much has already been done, but while in the past we allowed people to go into the unknown and build up homes for themselves, and then followed them a few years later with a railway, that is a bad system. One of its results is that many people have more land than they can use, or at all events more land than they are attempting to use for the benefit of the country as a whole. Therefore a Closer Settlement Bill is absolutely indispensable. Such a measure was introduced into this Chamber the session before last, but I say candidly that if it had passed it would have been of no use. It was an utterly useless Bill for closer settlement, and I believe that in truth it was mere camouflage. When the next Closer Settlement Bill comes along, I hope the Council will at all events give the measure proper consideration, not the kind of consideration extended to the last Bill, which had very short shrift indeed. In this State it is quite necessary that we should put

more people on lands adjacent to railways, not be for ever following them up with railways, as in the past. In the Pemberton district the proposed railway is to cost £12,000 per mile. It is rather a big job to continue settling people at such a price.

Hon. J. Ewing: It is certainly a big price.

Hon. T. MOORE: Another thing bearing on the development of our railways must be taken into consideration: In this State much more super is necessary than in the other States. So, in the future development of our lands super will play a greater part than ever. No acre of land in this country can be profitably worked without super. In the Eastern States the land, at all events for the first few years, was worked without super.

Hon. J. Cornell: It was worked in the days when there was no super.

Hon. T. MOORE: In those days they got very fine crops, whereas here we cannot attempt to carry on without super. The great thing we have to look to, then, is cheap super. In spite of the fact that the railways have been carrying super to the farmers at the lowest possible rate, the farmers have not got their super any cheaper than have the farmers of South Australia. The men engaged in the manufacture of super are all working under a Federal award, so we cannot say it is because the men in this State are getting more than their fellows in other States; they are getting the same. But the super manufacturers are pocketing the difference arising from the cheap carriage of super.

Hon. J. Duffell: You are quite right.

Hon. T. MOORE: If the superphosphate firms do not give our farmers the concession they are entitled to, I will advocate, as another State trading concern, that we should go in and build up superphosphate works; because in that one thing alone lies the future development of our agricultural lands.

Hon. A. Lovekin: And the same thing will happen as happened with the timber mills.

Hon. T. MOORE: So long as we do as well with super as we have done with timber, I shall be perfectly satisfied.

Hon. J. Cornell: But the cocky will not get it any cheaper than he does at present.

Hon. T. MOORE: The hon. member is thinking of what happened under the late Government. I am pleased to think that we have in charge of the mining industry a man who knows all about it. Quite a lot of people believe that our mining fields are worked out and so do not look forward to any future development. I believe that much development must take place. Within the last few weeks £3,000 or £4,000 worth of gold has been found within a few hundred yards of the main street of

Cue. In view of this, we can well imagine the possibilities of our immense auriferous belt.

Hon. J. Cornell: The same thing happened almost in Hannan-street, Kalgoorlie.

Hon. T. MOORE: I commend Mr. Troy for his attitude when asked by the people of Yalgoo to erect a State battery for them. He said he would not do anything of the kind but that he would agree to carry free on the railways 1,000 tons of their ore for a trial crushing. The carriage of that ore as back loading would cost the country practically nothing, while the Minister's attitude serves to let the people know that the Government will not erect a battery unless there is justification for it. With gold prospectors who know their work and are being well kept and supplied with the best possible equipment, we have much to look forward to from our mining industry. As for lead mining, there are in the Northampton district plenty of shows that, with capital, would bring to the country an immense amount of money. It is strange that lead mining should be treated altogether differently from gold mining. There is always plenty of money for gold mining, yet there are altogether better possibilities of securing big returns from capital invested in lead mines than from the discovery of gold.

Hon. E. H. Harris: Which would you sooner put your money into?

Hon. T. MOORE: Into lead mining. Again, to develop our lead mines we need a treatment plant. The lead ores of Northampton are being sent overseas for treatment in Belgium. In a country like this, that is altogether wrong. If private capital will not erect smelters, the State must see to the development of the industry.

Hon. J. Cornell: Did not the Belgians undercut the Fremantle works?

Hon. T. MOORE: If private companies in this State cannot compete with Belgium, I am surprised to hear it. Of course, if the price of treatment locally is so high that our mining companies can profitably send their ores to Belgium, there is something radically wrong.

Hon. A. Lovekin: If you want to help mining, you must alter the taxation Acts.

Hon. T. MOORE: Again, for the development of the northern part of the State it is necessary that something should be done. An attempt should be made to open up the Irwin coalfield. From one bore put down we know that we have there a 12-ft. seam of coal. While the calorific value is not quite equal to that of the Collie product, still there may be a lot of other better coal in the vicinity. I hope the Government will do something to see what we have in the Irwin coalfield, for success up there would mean much to the railways.

Hon. F. E. S. Willmott: And would save 550 miles of haulage.

Hon. J. Ewing: Are those mines being developed at all?

Hon. T. MOORE: Some slight effort is being made to raise some coal. Of course, that question is wrapped up in the question of the purchase of the Midland Railway. Attempts have been made in the past to purchase that line. To-day if that line were in the hands of the Government much land development would take place along the greater part of its length. Between Mingenew and Mullewa there is a large expanse of beautiful country, yet it is all held up because the Midland Railway is in the hands of a private company. I hope the Government will find it practicable to purchase that line. We have in the vicinity of Geraldton an immense area of country that is at present held up. It cannot be said that Geraldton will ever be fully developed agriculturally if we leave things as they are at present. If a young man of Geraldton wants to go on the land, he cannot hope to get land in his own district. To develop the only piece of Crown agricultural country in that district a line is required to open up the area between Yuna and Mullewa. Having that once settled, the only other land we could look to would be that freed by the bursting up of large estates. The Government are going on with the harbour scheme at Geraldton, and it behoves Parliament to see that that, and the other out-ports of the State, are developed in order that all may become large towns. That would be a very great improvement on the existing system of sending everything to Perth. A good tract of country in the Central province is that lying east of Dalwallinu and running for miles to the southward. That country could be opened up by a very small outlay on a railway line; because up there lines can be constructed for about one-quarter of the cost involved in building a railway in the South-West. The present Government have been in office but a few months and, as I say, they have a hard time ahead of them. Money is very scarce. The whole of the money provided in the recent past is wrapped up in group settlement, which has been devised for the settlement of those who come from other shores. It is not possible to use any of that money for the settlement of our own people. Still, I hope the Government will be able to make provision for the development, not only of the South-West—which I hope to see fully developed—but the whole of the State. In the years to come, doubtless, Western Australia will be one of the great States of the Commonwealth. What hurts us most to-day is the Federal octopus. We have in the Federal Parliament nothing more nor less than an octopus extending its suckers in every direction, gathering all it can from us. Federal taxation is out of all proportion with what we are receiving from Federation. This State gets no relief whatever. I hope the people in charge of the Commonwealth Treasury benches will realise what they are doing: they are taking all they can from us, and in that way strangling

us. In this great State we have only 350,000 people. Recently I visited the North-West. In consequence I realise that if this State is to be expected to develop the North-West, we require special treatment. One has only to travel the State to realise the great task ahead of our people. After all, we are in charge of the State but are not in a position to develop it. The Federal Government should give us a special grant if they wish to see the North-West developed. Population up there is decreasing. That is a sad state of affairs to be encountered in the very part of the State where most we require population, where trouble is likely to arise. Instead of getting an increase in population in the North, we find people who used to be there have come or are coming away. If no effort be made to stem the tide, it may be that in a few years we shall find the North-West owned and controlled by the Japanese. It has been said that the Japanese are practically in possession of Broome. That statement, according to all European Broome citizens, is perfectly correct. The Japanese have come in as silent invaders and taken charge. Even the pearls, we understand, go away. The farmer who gets an income from producing wheat is taxed, but the pearler who obtains pearls often escapes because the wealth represented in them goes to the little brown men in Japan. We see what is happening in connection with the Asiatics who are allowed to live and work in the North-West. It is an appalling sight to see in a school up there 60 children, most of them comprising at least 19 different castes, only 10 of them being white children.

Hon. J. Cornell: The coloured man is a peaceful penetrator.

Hon. G. W. Miles: Fully 80 per cent. of the children of the Darwin school are coloured.

Hon. T. MOORE: I wish it were possible for members to see for themselves what is happening in the North-West. It is a great shock to one who believes in a white Australia to see that it is threatening to become black.

Hon. A. Lovekin: We are powerless to do anything.

Hon. T. MOORE: We are in charge of the industries of the State. It is strange that no one knows what is taking place. Instead of a white population up there we are getting a brindled one.

Hon. G. W. Miles: In the past the laws of the country have been forcing the people out of the North. We have to pay rates that are 50 per cent. higher than they are in the South.

Hon. T. MOORE: The population of the State is a mere handful, 350,000, but it is asked to develop this great country, including the North-West, without the assistance of the Commonwealth Government that has so much money. We are merely struggling to make ends meet. We hear all kinds of

arguments as to whether this Government or that Government has in the past looked after our finances. Some have shown better results than others, but be that as it may our finances do not permit of our developing the State as we would wish. No effort is made to develop the North except in a spasmodic way, such as through the useless attempts to grow cotton at Carnarvon and Derby. There was no chance of growing cotton in the places where the attempt was made. Nothing is done to start a stream of people to the North, and stem the tide represented by those coming from the North. We should make representations to the Commonwealth Government, who have a surplus of £10,000,000.

Hon. G. W. Miles: And the Imperial Government should assist us.

Hon. T. MOORE: They may say that it is the duty of the Commonwealth Government to do so. We should certainly get the necessary assistance. Unless strong representations are made to the Federal authorities we shall not be doing our duty to the State.

Hon. A. Lovekin: We are contributing the money that would do it.

Hon. H. SEDDON (North-East) [5.5] I, too, wish to congratulate the Leader of the House upon his acquisition of office. I assure him that I will support him in any measures that he might bring forward that are in the best interests of the people. I have read with interest the policy of the Labour Government as outlined in the Lieutenant-Governor's Speech. There are many important problems awaiting our attention. I was sorry to hear the drastic criticism of Sir James Mitchell. It gives one the impression that there is a certain amount of truth in the saying: "The evil that men do lives after them, while the good is often interred with their bones." If we looked more considerably and dispassionately upon the achievements of Sir James Mitchell we would realise that he has done a great deal not only to open up new territories, but for the good of the general development of the State. A few years ago he adopted a policy that was deemed to be a risky one at the time, but has since been justified. I refer to the opening up of wheat lands in the drier areas. As a result of that policy thousands of acres have been settled, and cultivation has been carried on in parts of the State that were previously considered unsafe for the purpose. The breeding of wheats suitable for dry cultivation has extended the area of land that can be taken up year by year. It is this kind of scientific research that is bringing wealth to Western Australia. The object of Sir James Mitchell's scheme in the South-West was to open up land that had previously been closed, and also to bring about the production of those commodities that hitherto have been imported. There has already been a tremendous increase in production in this re-

spect. In 1914 90,000 lbs. of bacon were produced, and in 1922 1,600,000 lbs. of bacon were produced in this State. In 1914 five and a-half million gallons of milk were produced, but in 1922 we produced nearly 12,000,000 gallons. In 1914 nearly half a-million lbs. of butter were produced, but at present we are producing 2,700,000 lbs. I quote these figures to show that his work has been successful, in that we are now producing a considerable quantity of our own requirements in these commodities. In the course of the recent campaign the Premier made use of a statement that has been endorsed by all those who support him. He said that finance is Government and Government is finance. He laid stress on the fact that a big deficit has been growing up year by year. I see nothing in the Speech, nor have I heard anything since, to indicate in what direction it is proposed to move for the reduction or the wiping out of the deficit. It seems that there is an idea that it would be better to fund the deficit and make a fresh start.

Hon. A. Lovekin: That does not mean wiping it out.

Hon. H. SEDDON: The idea of funding is to put us in a position of clearly distinguishing where we are. The funding of the deficit does not, of course, wipe it out. We are well behind already. Unless we can arrive at an entirely different method of handling our finances than has been adopted in the past, the burden will continue, and there will be no real remedy for the position. There is no doubt that the deficit will be a burden upon the people for many years. The great difficulty the State is facing is due to the large area we have to handle, and the small population we have to do it with. Not quite 50 per cent. of the people are engaged outside the metropolitan area, and the burden is pressing on them a great deal. We have to maintain the necessary services for them. That makes the size of our public service out of all proportion to our population. If our population in the country districts increased tenfold the services would still be about adequate to deal with those districts. This makes our position appear worse than it is. It shows the urgent necessity for getting our people into the out-districts to assist in primary production, and in making the services pay better than they are doing. The greater part of the policy of the Government is industrial. The point that concerns me is whether that policy will tend to remedy the present underlying evils of our industrial system. Reference has been made by Mr. Gray to what I said in regard to the 44-hour question. He has an idea that I am opposing it and that I am conservative in my views. I said that if the 44-hour week is going to result in decreased production the effect on the worker will be worse than if he were working 48 hours. I quoted certain figures to prove that statement. Mr. Gray made reference to the Ford factories. I am glad

he did so. The methods employed by Mr. Ford have been a revelation to the whole world. His attitude towards his employees has set an example to other employers. Mr. Gray used that illustration in support of the 44-hour system. Mr. Ford, when starting his shop, worked his men two shifts of 10 hours each.

Hon. E. H. Gray: Not now; he has progressed to that extent.

Hon. H. SEDDON: Before he reached the position that enabled him to make these concessions, he had to establish his works, and obtain the capital necessary to instal up-to-date machinery. The improved conditions of Mr. Ford's enterprise are the result of increased output. I would point out to Mr. Gray and the Labour Party that, while there is every need for improved conditions for the worker, these conditions depend on the improvement in wealth production. Mr. Ford's success was due to the fact that he made efficiency and output his first considerations. After that he went into the question of the welfare of his workers.

Hon. J. Cornell: That was after he became a millionaire.

Hon. E. H. Gray: He is still making enormous profits under the 44-hour week.

Hon. H. SEDDON: Because Mr. Ford is able to employ the best machinery to enable him to do it. He was not able to do that until he had made his output so high that he could put in the new equipment out of his profits. In this State we are short of capital. Until we can get it we cannot give the better industrial conditions that obtain in other countries. It is all a question of improved output. When I have spoken to employers in this State I have always obtained the same reply, "It is not the wage we are paying but the result we get that matters. If we get results the wages are a secondary consideration." I am with Mr. Gray in his desire to improve the conditions of the workers. I am convinced that the best conditions we can give them will make for the highest efficiency. We have first, however, to get capital, and until we get it we shall have to go slowly. There is one rather glaring instance of inconsistency that can be laid at the door of the Labour Party. While the Labour Government put into operation immediately the 44-hour week in the Public Works Department, we find nurses in our hospitals working 54 hours on day shift and 60 hours on night shift per week.

Hon. J. Cornell: They do not belong to any organisation.

Hon. E. H. Gray: That must be remedied. We do not stand for that.

Hon. H. SEDDON: I am glad to hear it. Nothing has been done to remedy the conditions for the nurses.

Hon. E. H. Gray: We are continually trying to alter the industrial conditions.

Hon. H. SEDDON: Mr. Gray referred to the conditions under which women were work-

ing in the mines in England in 1862. He pointed out that they were working 12 hours a day. Here, in 1924, the nurses are working from 50 to 60 hours a week. One of the first actions of the Government was the reduction of some workers' hours from 48 to 44 per week and yet they overlooked the fact that the nurses are working such hours as I have indicated.

Hon. E. H. Gray: They are not under the control of the Government.

Hon. H. SEDDON: This is an exhibition of such inconsistency that I am surprised at it.

Hon. E. H. Gray: But the hospital boards control the position. It is not controlled by the Government.

Hon. H. SEDDON: If it is not, what is? The fact remains, however, that while the hon. member narrated the conditions and wages operating in 1862, he overlooked the conditions operating in Western Australia in 1924. The next point I wish to deal with is the all-important one relating to finance. A great deal has been said on the matter already, but I do not think it has yet been made quite plain how serious our position really is. We have a public debt of £59,000,000. We pride ourselves on the fact that we have a sinking fund, established to meet those obligations as the loans fall due. It will be interesting to know, however, that of that 59 million pounds about 23 million pounds do not bear a sinking fund. That statement was made by the then Treasurer in 1923, in a return as follows:—

Particulars—Public Debt, 1923.		£	£.
Public Debt carrying Sinking Fund	...	...	34,892,009
Public Debt, no Sinking Fund—			
(a) Local Inscribed Stock	...	845,192	
(b) Debentures	...	168,300	
(c) Inscribed Stock, London	...	8,082,703	
(d) Issues under Treasury De-			
ficiency Acts Sinking			
Fund not commenced	...	3,884,810	
(e) Treasury Bills carrying no			
Sinking Fund	...	5,446,320	
(f) Commonwealth Advances	...	5,167,920	
			23,593,845
Total Public Debt	...	...	£58,485,854

That is a serious state of affairs that very considerably militates against our boast that we have a big sinking fund to meet those obligations.

Hon. J. Ewing: That provision will be made later on.

Hon. H. SEDDON: That is the point I wish to refer to. Under the General Loan and Inscribed Stock Act it is provided that a sinking fund of a minimum of one-quarter per cent. shall be established and also that the sinking fund shall not come into operation until four years after a loan has been raised. It is because of the large loans that have been floated during the last four years or so that there is the big disparity between those provided for, and the loans not provided for by way of sinking fund. Much of that loan expenditure was due to the financial necessities arising during the

war period. In order to meet the difficulty the Government issued bonds to cover the deficiency. Those bonds did not carry any sinking fund, but the original intention was that they should ultimately become part of the public debt and should be redeemed subsequently when loans were floated. The unfortunate thing is that that policy has not been carried out, and the bonds have been renewed from time to time, so that a dangerous position has arisen. When considering the subject of the finances it should be our endeavour to have them placed upon a sound basis and the question arises whether the application of the sinking fund provision should not apply earlier than the four-year period. We have indulged in a considerable amount of borrowing which, in my opinion, has reached a dangerous limit. I will adduce evidence on that point in a moment. It is desirable that we should go more slowly with our borrowing. Another question arises as to whether the provision of a quarter per cent. sinking fund is sufficient to meet the redemption requirements of loans. Some of our loan money is being sunk in assets that deteriorate rapidly. I would instance electrical machinery such as that installed at the East Perth power house. That depreciates rapidly, and 20 per cent. is not reckoned to be an out of the way allowance. That plant has been running for a long time and the wear and tear is considerable.

Hon. A. Lovekin: There is a big obsolescence fund in connection with those works.

Hon. H. SEDDON: That is a desirable precaution to take, too. It is necessary for the Government to consider whether a quarter per cent. sinking fund is sufficient to meet requirements and to replace the asset when its life expires. Mr. Stewart raised a point regarding the 247 engines that we have which are antiquated. According to the returns furnished by the Commissioner of Railways, no less than 30 per cent. of the locomotives pass through the repair shops every 12 months, and in spite of that our rolling stock is in a pretty bad way. Many engines are coal eaters and water consumers and they are inefficient.

Hon. E. H. Gray: How do our railways compare with those elsewhere?

Hon. H. SEDDON: In other countries the difficulty is met by making allowances against depreciation and then the engines are scrapped much earlier than is the case in the Government service. Inefficient engines are still used, although they should have been scrapped long ago.

Hon. J. Cornell: The department is using an ordinary shunt engine on the trip from Bunbury to Perth.

Hon. H. SEDDON: Yes. The use of inefficient plant occasions a heavy charge on the railway expenditure, which would represent more than would pay the interest and sinking fund on the cost of a new engine. There is another reason why I desire a reconsideration of the sinking fund provi-

sions. It has been said that a higher sinking fund would tend to restrain borrowing. There are many danger signals out indicating the necessity for caution with regard to borrowing. An article appeared in the Press recently in which the fact was stressed that the exchanges were about 3 per cent. against money brought to Australia, and that that position had largely been caused through borrowing in the Old Country. There is another factor. During the next two or three years no less than 145 millions of Australian State loans have to be converted. Of that amount Western Australia, fortunately, is responsible for a small amount, but some of the other States have to convert large sums. New South Wales has to raise 47½ millions for the redemption of loans by the year 1926; Victoria has to raise 32¼ millions, Queensland 32 millions, and South Australia 18½ millions. Western Australia comes next with £9,800,000, which it is necessary to raise in order to meet loans falling due. Tasmania has the smallest amount to raise, namely, 5¼ millions.

Hon. A. Lovekin: And on top of that there are the Commonwealth loans that have to be dealt with.

Hon. H. SEDDON: In addition to which a considerable proportion of the Commonwealth loans will have to be renewed in Australia.

Hon. E. H. Gray: That is a legacy of the war.

Hon. H. SEDDON: That is true, but the fact remains that that financial legacy has to be met. With such serious conditions operating, no one, I believe, will question the wisdom of the establishment of the Australian Loan Council, which was created recently in order to restrain and control borrowing by the States. That was a wise move, for it will keep interest charges down and will restrain what I might call the unregulated expenditure of loan money.

Hon. J. Ewing: Do you think they should control our expenditure?

Hon. H. SEDDON: I believe we should control our own expenditure. The fact of the Loan Council having been established, however, must be regarded as desirable, and in view of the serious position of the financial world, its establishment may make financing easier. It may prevent a financial crash such as was witnessed in 1892. Steps taken in time may avert the crisis.

Hon. J. Ewing: Would you allow them to have control over our development?

Hon. H. SEDDON: It is a matter for mutual agreement.

Hon. J. Ewing: It is a serious matter.

Hon. H. SEDDON: It is better to take steps to protect ourselves now than to be forced into a position later on that might mean something like Black Thursday did in Victoria. I do not wish to be misunderstood. I am not at all pessimistic as to the resources of Western Australia, nor yet as to the powers of the people to meet their

obligations. The time has come, however, when our policy should be entirely directed towards increasing the production per head and increasing the national efficiency. If we take these steps now we may perhaps be the one State to avert the financial crisis that appears to be almost inevitable.

Hon. J. Ewing: You are giving great powers to the Loan Council.

Hon. H. SEDDON: Our loan moneys have been spent largely in agricultural development. That is a wise policy. The point has to be recognised, however, that production from that development is comparatively slow, though sure. The increase of production, however, is not in proportion to the loan money expended. Take the statistics for the last three or four years. In 1919 the production represented 22½ million pounds, and in 1922 it decreased to 21.8 million pounds.

Hon. F. E. S. Willmott: That is not bad for 350,000 people, a large percentage of whom are in the metropolitan area.

Hon. H. SEDDON: I am not disparaging the splendid work that has been done. I am merely pointing out that our production does not increase in proportion to the loan moneys expended. In 1922 our production was 21 millions. The loan expenditure during the same time effected an increase in the Public Debt. In 1919-23 it increased from 47 millions to 59 millions, or 29 per cent., but production in 1921-22 was below that of 1920. At the same time we can compare our figures relating to land development. In 1920 we had 7½ million acres under cultivation or which had lapsed from cultivation and had been devoted to grazing, and in 1923 we had 8½ million acres. Thus land development increased by only 14 per cent. whereas the loan expenditure increased by 29 per cent. The population figures are also interesting and demand attention. We have to take the Commonwealth figures because the State figures are not available. The Commonwealth figures are taken from the 1911 census results. They show that 15 per cent. of the population at that time were engaged in primary production and that primary production was responsible for 80 per cent. of our exports. It must be remembered that our exports pay for imports and loan charges. Expressed in other words, this means that one in every five of our population pay £4 out of every £5 paid for our imports and loan charges. The remaining four pay only 5s. each towards meeting our liabilities. In 1921 under 15 per cent. of the population were primary producers and they contributed 85 per cent. of our exports. In other words one in every seven had to pay 85s. out of every 100s. towards meeting our liabilities. The remainder paid only 2s. 6d. each. Thus the figures show that

the number of individuals living on the primary producers increased, and in addition were producing less than in 1911.

Hon. E. H. Gray: It will even up next season with the high prices of wheat.

Hon. H. SEDDON: It is rather interesting to see how the population fluctuates. Of the 15 per cent. engaged in primary production in 1911, 40 per cent. were engaged in agriculture, 7.8 per cent. in pastoral industries, 10 per cent. in forestry and 33.9 per cent. in mining and quarrying. In 1921, 54 per cent. were engaged in agriculture, 9.8 per cent. in pastoral industry, 11 per cent. in forestry and 18.4 per cent. in mining and quarrying. There were 18,000 persons engaged in mining and quarrying in 1911, and just over 9,000 in 1921. That is where the loss occurred. I introduce these points to stress the effect of the economic policy of both the Federal and State Governments on the real work of production in Western Australia. Reference has been made in the Governor's Speech to the desirableness of establishing secondary industries. In Australia we have a very high protection policy. Without it our secondary industries could not exist. Wages compared with other countries are high. I am not finding fault with high wages provided it is possible to get an output to balance them. Our fuel is dear. Our plant is far inferior to that used in the massed production in other countries, and we have not the technical training and leadership necessary to enable our industries to function efficiently. Therefore competition outside Australia is impossible. Our secondary industries are limited to the market that exists in Australia, and through being limited, any question of developing them beyond a certain point is not practicable. Take flour mills, of which we have several in this State: I was told by a miller the other day that one flour mill could supply the whole of the requirements of Western Australia. There is another effect upon primary production that is not always evident. Primary products have to be shipped abroad. This requires a considerable amount of tonnage and shipping freights are like railway freights. If the shipping companies can get loading both ways they can quote a more favourable rate than if they have loading only one way. By restraining imports, shipping will be thrown out of balance, because more tonnage will be leaving Australia than will be required in the opposite direction and the freight for wheat and wool and other primary products will consequently be increased. One of the oldest economists emphasised the point that a country should first develop those industries to which it is best adapted and that the development of supplementary indus-



tries would follow as a matter of course. We have to realise that primary production pays our way and the best line of action the Government can take, in view of the serious financial position, is to concentrate their efforts on increasing production and efficiency. The raising of the wheat yield by one bushel per acre would mean an increase of millions in our wheat crop per annum. The improvement of our flocks to the extent of 1 lb. per acre would mean the importation of much additional wealth and that is the greatest requirement of the State at present. One industry that reflects the result of the adverse economic conditions is mining. That is demonstrated in the decline of the mining population. Our mining exports are small in bulk, but in 1902 84 per cent. of our total exports was gold, while in 1921 it was only 13 per cent. This shows the important part that mining plays in the advancement of the State. The Government are adopting a wise course in endeavouring to foster the mining industry. Not sufficient recognition has been given to the fact that the ex-Premier realised the necessity for assisting the industry and did assist it very generously by way of reducing the water charges to the Kalgoorlie mines. That resulted in a reduction of 1s. 3d. per ton in treatment costs on the Golden Mile.

Hon. J. R. Brown: And put a lot of men out of work.

Hon. H. SEDDON: I do not know that it affected production.

Hon. J. R. Brown: Immediately the mines got the reduction they reduced the staff.

Hon. H. SEDDON: The reduction of staff was due to the fact that costs were continually increasing. We had an instance of that the other day in the closing down of the Ivanhoe mine. It was pointed out that owing to the heavy losses made and the high cost of treatment, there was no option to reconsidering the position. Another point arises there; the closing down of that mine meant that 25 per cent. of the men engaged in gold mining in Kalgoorlie were thrown out of work. They were engaged in the production of primary wealth. Now they are employed on relief work and, so far from producing primary wealth, are actually consuming it. That has aggravated the position. In 1923, 75 per cent. of the gold production of the State came from the Kalgoorlie goldfields. Of the men engaged in gold mining, 50 per cent. were employed on the Kalgoorlie field. Kalgoorlie is the centre of mining and the Government have recognised the need for fostering the industry and endeavouring to improve the position. The amount of work being done in our enormous mineral area is decreasing rapidly and the number

of men employed in outside fields is out of all proportion to the number engaged in gold production in Kalgoorlie. The number of men searching for and opening up new ore bodies has fallen considerably. Of the 50 per cent. employed outside Kalgoorlie only 5 per cent. were engaged in work that may be regarded as opening up and discovering new ore bodies. The continuance of mining depends upon the discovery of new ore bodies and this emphasises the seriousness of the position into which the industry has fallen. It has been suggested again and again that a Royal Commission should be appointed to inquire into the industry and the Government have now indicated that they intend to do so. Mining costs at Kalgoorlie are very much higher than are those on goldfields in other parts of the world. Various reasons have been adduced, but there is great conflict of opinion and evidence regarding the conditions prevailing at Kalgoorlie. The only way to settle the question once and for all is by appointing an expert technical mining man to thoroughly investigate the position and state clearly what the conditions are. If that be done, no matter what fee had to be paid him, it would be money well spent, because it would demonstrate clearly what conditions are desirable to further the development of the ore bodies. I was pleased to hear the Minister announce during his visit to Kalgoorlie that the State Government intend to follow the Federal Government by making allowance in mining taxation. The Federal Government propose to allow any money paid by way of dividends to stand against the money expended by way of capital, and until the capital has been repaid, dividends are to be regarded as a return of capital.

Hon. J. Cornell: That does not go far enough.

Hon. H. SEDDON: It is a tremendous advance on what prevailed previously.

Hon. J. W. Kirwan: It is a satisfactory instalment.

Hon. H. SEDDON: It is certainly evidence of the fact that both Federal and State Governments are impressed with the seriousness of the position in the mining industry, and are endeavouring to assist the restoration of this important primary industry to the position it once occupied. The statistics regarding State batteries are worthy of notice. The State batteries were provided to assist the development of outlying ore bodies. The revenue from State batteries has declined since 1917 and the loss made each year has increased until at present it amounts to three-quarters of a million. Some of the State batteries during the last six years have worked only 1.5 per cent. of the maximum possible time. The highest results were obtained in 1920 at the Coolgardie battery, which recorded 100 per cent. of the average maximum for the State batteries over the series of six years. The average efficiency of State batteries

with regard to the tonnage crushed has been under 20 per cent. It is evident that with the decline in the number of men engaged in looking for new ore bodies and the decline in the tonnage treated by State batteries, a serious state of affairs exists. While many suggestions have been made for improving the position, we have to recognise that though much money has been spent by the Government to assist the industry, to assist the prospectors and on boring and geological survey, there does not appear to be any plan for co-ordinated action for the development of ore bodies. Discoveries have been announced from time to time and geologists have been sent out and have made a more or less superficial survey. I am not blaming the geologists; they could not do more because the time and money at their disposal would not permit of a detailed survey being made. Fine work has been done by the geologists in plotting out the goldfields, but they themselves admit that it is only superficial. One of the suggestions made at the Mining Conference was that there should be a detailed geological survey, and stress was laid on the fact that such a survey applied to the Kalgoolie field alone would reveal favourable indications and would probably disclose new and large ore bodies. There appears to be need for a policy on those lines. If the Government concentrated their efforts on one portion of the State, arranged for a detailed geological survey, and followed it up by prospecting—

Hon. J. Cornell: If critics of the Geological Department perused the information available they would be silenced.

Hon. H. SEDDON: I am not criticising the department. The work done has been magnificent, considering the time and money at their disposal. The geologists in their reports state that the surveys have had to be restricted and are superficial. Further examination, however, would probably result in the discovery of indications more promising than any of which we so far have evidence. The carrying on of prospecting on a plan prepared by the geologists would be the more scientific way of assisting the mining industry than the desultory method at present being followed. The efficiency of our State battery system would be improved considerably if by means of geological surveys we could indicate the existence of ore bodies.

Hon. J. Cornell: They can only be determined by development.

Hon. H. SEDDON: The point is that the amount of money being spent at the present time, if spent on a plan that makes available scientific knowledge, will increase the output of gold by leading to the discovery and development of new ore bodies. A few more words in conclusion. We all wish to see the State prosper. We all realise the very heavy burden the people have to bear. We realise, too, that many are

doing splendid work in the way of improving efficiency and realise the need for diverting labour into more directly productive channels. The result must mean increased production and wealth for all. It is to our own production that we must look for the years to come if we wish to see the State advance; we cannot always go on borrowing big sums of money. This, of course, is impossible until we have placed ourselves in a better position than that in which we find ourselves to-day. We recognise that there should not exist any antagonism between capital and labour, though unfortunately, at the present time, that antagonism appears to be growing. It is only by capital and labour working smoothly together that we can carry on our activities. If it had not been for the harvest of last year we would be found starving to-day. So the whole advancement of the State depends upon the way in which we conserve the wealth we are able to produce. The more we are able to conserve and store, the more rapidly will the State advance. Therefore to secure that advancement it is necessary that we should concentrate on improved production per head and conserve. I have much pleasure in supporting the motion for the adoption of the Address-in-reply and assure the Government that whatever measures they bring forward, if in my opinion they are in the best interests of the State they will have my best support.

On motion by Hon. J. Duffell debate adjourned.

*House adjourned at 5.50 p.m.*

## Legislative Assembly,

*Thursday, 14th August, 1924.*

	PAGE
Questions: Education Department, Teachers' Salaries	880
Railway Project, Newdegate to Albany	881
Address-in-reply, Ninth day	881

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

### QUESTION—EDUCATION DEPARTMENT, TEACHERS' SALARIES.

Mr. E. B. JOHNSTON asked the Premier: 1, Has the Education Department written to certain teachers holding "B" certificates and employed in Class VII.