

we are anxious to share with the Commonwealth in any reasonable proportion of cost associated with the administration, preparation and guidance of settlement. I think the Premier would say to the House that he is prepared to go much further than that in sharing in a portion of the costs of development if those costs exceed the productive value at the time of occupation. This State's attitude, too, could be very safely expressed by our wish to approach the matter in a national way. We do not wish to approach it in a Western Australian way. We wish that every soldier who enlisted, no matter from what State, if he desires to settle in this State, shall have the opportunity to do so, but that the States with the greatest potentialities for land settlement and development should get the maximum consideration. Above all, our greatest desire is to scrutinise very carefully some of those simple fundamentals I have stated, so that if anyone has to suffer, whether it be the State finances or the State taxpayers, the returned men should suffer least of all.

Members: Hear, hear!

On motion by Mr. McLarty, debate adjourned.

House adjourned at 9.50 p.m.

Legislative Assembly.

Tuesday, 26th September, 1944.

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

QUESTIONS (4).

TRAMWAYS.

As to Staff Shortages and Holidays.

Mr. NEEDHAM asked the Minister for Railways:

(1) How many employees of the traffic branch of the tramway service are overdue for annual holidays—

- (a) The number of males.
- (b) The number of females.
- (c) The period overdue in each case?

(2) How many employees have left the service since the 1st January, 1944—

- (a) Males,
- (b) Females?

(3) To what extent is the service understaffed?

(4) What representations, if any, have been made to the military or manpower authorities, or both, to obtain releases sufficient to make up the shortage in staff?

(5) With what result?

The MINISTER replied:

(1) (a) Seven for two years; 199 for one year.

(b) Five for one year.

(c) See (a) and (b).

(2) (a) 100.

(b) 72.

(3) 61.

(4) The Deputy Director-General of Manpower has been written to and the position explained. A list of motormen, trolleybus drivers and motorbus drivers who it is requested should be released from the Forces to meet the present situation has been supplied to him.

(5) The matter is receiving the consideration of the manpower authorities.

TROLLEYBUSES.

As to Duplicating Wires.

Mr. NORTH asked the Minister for Railways:

(1) Is there any difficulty at peak periods in operating trolleybuses due to one not being able to pass another?

(2) Is a duplicate set of wires impracticable?

The MINISTER replied:

(1) No.

(2) Yes.

COLLIE COAL.

As to Production and Stocks.

Mr. GRAHAM asked the Minister for Mines:

(1) What was the average production of coal in Western Australia during the last five years?

(2) What is the present annual output?

(3) What stocks of Western Australian coal are normally on hand?

(4) What quantity of Western Australian coal is at present on hand?

(5) What is the extent of shortages, if any, that have occurred during recent times?

The MINISTER FOR EDUCATION replied:

(1) Average annual production of coal in Western Australia during the last five years (1939-1943) is 553,251 tons.

(2) Output from Collie mines 1/1/44 to 31/8/44 totals 363,239 tons.

(3) and (4) Only day to day requirements as mined. It has not been the practice in the past to store Collie coal as it deteriorates unless specially protected.

(5) Additional coal, if available, could generally have been utilised during the past two years, as fuel of all descriptions has been in short supply.

MEAT SUPPLY.

As to Quality of Frozen Mutton.

Mr. NEEDHAM (without notice) asked the Minister for Agriculture:

In view of the Minister's statement in the House last week to the effect that frozen mutton would have to be consumed in large quantities in this State during the summer months, what guarantee can he give regarding the quality of mutton the public will be expected to consume?

The MINISTER replied:

I anticipate that there will be ample quantities of mutton available to meet all the needs of the consuming public of this State; and as regards quality, with a view to any guarantee that I might give, I arranged with the Controller of Parliament House a week or two ago to use for an extended period quality mutton which has been in store to be dehydrated; and all members of this House, and all those who have had meals here during the last ten days have eaten nothing but mutton of dehydration quality. I am assured by the Controller that this mutton is not only economical in use but, so far as he is concerned, has been of excellent quality.

ANNUAL ESTIMATES, 1944-45.

In Committee of Supply.

Debate resumed from the 19th September on the Treasurer's Financial Statement and on the Annual Estimates, Mr. Marshall in the Chair.

Note—Legislative Council, £2,265:

MR. WATTS (Katanning) [4.36]: The speech which the Premier used to introduce the Budget was, I suppose, the shortest of its kind heard in this Chamber for many years. I am not without a measure of sympathy with the hon. gentleman as regards the need for that, because the short Budget that he has had to introduce makes no provision for the levying of taxation. A Budget which contains no provision for the levying of taxation is uninteresting, to say the least, because it does not afford any scope for imaginative flights either on the part of its mover or for that wealth of criticism which can usually be expected with regard to proposed taxation. This Budget, in my view, is something like an apple-pie without apples, rather than an interesting production. Taxation proposals in times past have been the subject of many discussions in the Chamber; and the fact is that their omission is no fault of the Treasurer, but the fault of circumstances which at this time are rather outside his control. So we are obliged to suffer the consequences of those circumstances, and to submit to speaking on a Budget which is incapable of stirring up in us those jovial or other feelings which we might have experienced had we been faced with some proposal for a substantial increase or perhaps, a more unusual occurrence, for some reduction in taxation. We are faced with neither.

The control of that side of our financial affairs is for the time being vested in another authority; and all that we can do is to accept the proportion of the collections made which is handed over to us in pursuance of the uniform taxation laws; and we can make application to the Commonwealth Grants Commission for a further allowance if we feel that the amount which has been allotted to this State is not reasonable and equitable in the circumstances. The first statement of the Treasurer was a tribute to the Forces of the United Nations—the British Empire and its Allies—for the extremely favourable circumstances which now exist in regard to the war. In all that the hon. gentleman said on that head, I join with him. We are, I consider, this year in a very much better position than we found ourselves in a year ago. We have to pay a tribute to the organisation that has con-

trolled the Forces, to the Executive officers, and to the men engaged for the bravery and courage which sustained them through a series of extremely difficult campaigns, which latterly have been brought to such a successful conclusion, giving us the brightest hopes of an early termination of the hostilities which have shaken the world for the past five years.

I desire again to comment on the difficult position in which members are placed in discussing the Estimates by the absence of the Auditor General's report. In the course of my remarks last year I said that I would be disinclined in future to discuss the Budget Estimates unless the Auditor General's report for the year immediately past was laid on the Table of the House. In pursuance of that attitude, I communicated with the Treasurer some weeks before the session opened, seeking to know what could be done in the way of producing the Auditor General's report; because to the average person his report renders an understanding of the budgetary figures, both of Estimates and of past expenditure, very much easier to grasp. What is more, we are entitled to have the report of the Auditor General, who is the officer of Parliament and not of the Government, available when the Estimates are being discussed. The Premier was good enough, however, to go to some trouble and obtain from the Auditor General his views, which he communicated to me. These show that various difficulties—mostly shortage of staff—have prevented the report from being tabled before the Budget was introduced. Because I am not unreasonable, I accept this explanation as being sufficient in all the circumstances of the case and I withdraw from the idea of taking no part whatever in this debate. Nevertheless, that does not minimise the difficult position in which members—particularly on this side of the House, or those at least not fully acquainted with the affairs of government—are placed. The position remains the same, and it seems to me that, so far as the printing of the report is a difficulty, some better arrangements could be made than have been made.

We have another of these printing difficulties in regard to "Hansard." We do not get now until Wednesday the number which formerly we received on Tuesday. Printing difficulties are primarily the reason for this

delay. It is most unfortunate from the point of view of members, because they are unable to peruse, when the House re-assembles for the ensuing week, the speeches which Ministers made in introducing Bills the preceding week. Members are, therefore, compelled very often to carry on the debates on those Bills without any possibility of reading what the Minister said, and it is not easy to grasp what he said, as will be readily recognised while the speeches are actually delivered. I know perfectly well that "Hansard" has been good enough to provide some members with duplicate copies of Ministers' speeches prior to the adjournment, but these do not assist to any extent other members of the House. One looks at the Commonwealth Government Printing Office and finds that the turn-out from that department is very substantial. There is no apparent delay. There is apparently in that office no shortage of the staff which is essential to enable the work to be done with reasonable expedition. I cannot, for the life of me, understand why the Commonwealth should not assist the State Parliaments to acquire sufficient manpower—no doubt the shortage of manpower is war-caused—to enable this work to be done within a reasonable time. I do not know whether representations have been made on this subject to the Commonwealth manpower authorities; if not, such representations should certainly be made, because we shall only be putting ourselves in this respect in an inferior position to that of the Commonwealth, though the functions of this Parliament are just as important as are the functions of any other Legislature in Australia. I trust that some effort will be made in the very near future to remedy this state of affairs.

I am glad to see some improvement in the estimation of the revenue and expenditure for the year just passed compared with the previous year, 1942-43. I commented last year that the revenue had exceeded the estimate by £750,000, and that the expenditure had exceeded the estimate by £698,000. This seemed to me to be fairly wide of the mark, and I think the Premier interjected that a 5 per cent. error was not so bad. I seem to have some recollection of that in the course of last year's discussion. True, £750,000 in a revenue of £13,000,000 is not much greater than 5 per cent.; never-

theless, reducing it to a percentage figure does not remedy the fact that £750,000 excess revenue and £698,000 excess expenditure are a different proposition when put in that way. I tremble to think what would have been the position had the expenditure been exceeded in anything like the manner that happened and had the revenue not responded so freely to the overtures of the Treasurer. He would have found himself in a most difficult position.

Mr. Doney: Five per cent. is high.

Mr. WATTS: Yes, as my colleague, the member for Williams-Narrogin, points out. For the financial year just closed the excess revenue was only £453,000, while the excess expenditure was £416,000. The excess revenue was down approximately £300,000 and the excess expenditure, £280,000 odd. Therefore, it was a better estimation, although the discrepancy still is substantial. The Treasurer told us how gratified he was at the increased revenue of £12,000 from stamp duties, and I took the opportunity to ask, by interjection, how much of that was due to the stamp duties on third party insurance policies. I venture to say that not less than £4,000 of that extra £12,000 has been taken from the taxpayers of this State in a manner which was never intended, and in a manner which indeed was definitely promised by the then Minister for Works would not take place. The collections, of course, were made before the 30th June last and the policies were stamped before that date, because motor licenses fall due for renewal on the 1st July. The insurance companies were preparing and issuing third-party insurance policies before that date and there were, in addition, the comprehensive policies of those who held the latter from the end of May onwards. The great majority of the new policies were issued before the 30th June in order that the licenses might be taken out in due time.

There are about 60,000 motor vehicles in the State, and all third-party policies in respect of these had to be ready by the 1st July in order that the vehicle licenses could be obtained. I understand that approximately 30,000 of these vehicles were previously covered by the ordinary comprehensive policy, and the requirements of the Act and/or the insurance companies have made it necessary for all the owners to take out third-party policies in addition, which

was not intended, with the result that half-a-crown has had to be paid on each of the 30,000 policies, which represents approximately £4,000. I have no hesitation in saying that I am surprised that no legislation has been introduced in this House either to rebate the stamp duty on those extra policies, or alternatively to alter the amendment to the Traffic Act which made third-party insurance compulsory, to provide, as we intended, that one policy should be sufficient when a comprehensive policy is held.

The Minister for Works: A Bill is under consideration.

Mr. WATTS: I am glad to hear that. It is a most improper state of affairs that this extra money, which represents a substantial percentage of the premiums being paid, should be required from those policy-holders as additional expenditure.

The Treasurer mentioned the increased collections from land rents. He referred to the payment of arrears that had taken place and the payments in some cases by conditional purchase lease-holders who desired to take the freehold and had paid up the amount due in advance. This is highly convenient from the point of view of balancing the Budget, but I think that most members of the Committee will agree that this continued payment of land rent into Revenue, instead of into a trust account, or towards a reduction of capital or loan expenditure on developmental work associated with land settlement, is wrong. I made some comment on this question during the debate on the extension of the appointment of the Commissioner of Railways. I am inclined to submit very earnestly to the Treasurer that some steps should be taken before land rents revenue, as it is called, begins to come to hand and while there is still some prospect of fresh land settlement in Western Australia, to make some provision for a fund of that character. It would deprive the Treasurer of a certain amount of revenue per annum, but he would at least have the satisfaction of knowing he was amortizing some of the liabilities that exist on some of the non-axle-grease-paying railways which have been thrown out for developmental purposes, and as a result of which a substantial portion of the land rent has become payable.

The Premier: There is the Sinking Fund.

Mr. WATTS: The Sinking Fund payments may have some effect, but not on the

financial position of the Commissioner of Railways, because up to the present he has not received and for some considerable future time he will not receive any benefit from these transactions, as he will continue to be charged with the interest on the full amount of the obligations incurred, including the capital cost of such developmental lines as those I have mentioned.

I hope that the Minister for Education will give us some information on the next item upon which I intend to touch, as that information was absent from the Treasurer's speech. One finds that the estimate last year for school fees was £4,150, whereas the actual revenue was £10,725. The estimate for the coming year is £10,000. That represents an increase of approximately 150 per cent. over the estimated figure for last year, and not having any information as to the source from which the extra money came or in respect of what charges it was paid, one is reduced to asking whether the fees have been increased, or whether there is a very much greater number of persons paying them, or for what reason the amount is increased.

The Premier: Some came from the Commonwealth for training Military and Air Force personnel.

Mr. WATTS: That would be a sufficient explanation, but we have not been so informed, and one is naturally prone to inquire as to the source of additions of money of this kind in a department such as Education when we are working on a basis of a free educational system which most of us are inclined to preserve in its entirety if we can.

The question of education brings me to a consideration of the University. It is high time some system was arrived at so that the appropriation by Parliament for University purposes may be put on a proper basis in order that we may know from year to year what the obligation is likely to be in respect of it and that it may not be a mere question of a subsidy if and when the University, either because of increased costs or some other undisclosed reason finds itself with an overdraft or a shortage of funds. The actual expenditure for 1942-43 was £42,935. The estimate for last year was £34,700.

The Premier: That was an accumulation of debt for three or four years that we had to wipe off.

Mr. WATTS: I gathered that, but the position is that the actual expenditure was £42,000, and again the estimate for the coming year is only £34,500. So that for two years now in expenditure there has been £7,000 or £8,000 in the University account more than the estimate, yet again for the coming year the estimate is £34,000. Further, we find that under miscellaneous charges there is a sum of £5,700 apparently to be superimposed on the £34,500, making the total £40,000 odd.

The Premier: That is making provision for the Bill we propose to introduce.

Mr. WATTS: I see. I am hoping that the finances of the University will be put by this Parliament on some definite basis, so that there will be a fixed proportion which will cover all the charges of the University that are likely to be an obligation of the Government to meet for a considerable time to come, and so that both we and the University will know what is the maximum and proper amount this institution should receive to enable it to function in a satisfactory manner.

There is one item in the Treasurer's speech that he dismissed in two lines. That reminded me of a speech that I once heard a former Governor-General of Australia, Lord Gowrie, make. He was expressing regrets that there were many subjects on which a Governor-General could not touch. He declared it had been said of Governors-General that the best parts of their speeches were those left unsaid, and the Treasurer's speech reminded me in some respects of that. I refer to the loss of £56,000 incurred by the State Shipping Service. That was dismissed in two lines. It was simply a statement of fact, and there was no explanation given for it.

The Premier: There was the loss of a ship.

Mr. WATTS: Yes, a ship went down. No explanation was offered as to why this £56,000 was lost, nor has the Premier suggested in the Estimates that there will be any loss this year. So, presumably some exceptional reason, that has not been explained to us, accounts for the loss made last year. If I were of a suspicious mind, which this afternoon I certainly am not, I should come to the conclusion that the prospective losses on the State Shipping Service have been left out in order that

the Premier might present an estimated surplus of revenue over expenditure of something like £1,500, as he has done. But there probably is some very sound reason why that loss was incurred last year and is not estimated this year.

In the course of his speech the Premier made much of the services rendered to the Commonwealth by the railways for defence purposes. These services, he said, had been given to the Commonwealth at much less than the civilian rates. That, of course, may be commendable as being of some assistance to the Commonwealth war effort. Had the Commonwealth finances shown any indication of being treated with particular care in any way it might have been a very substantial contribution. But it appears to me simply to mean that the Commonwealth has been saved money by the cheap rates charged by the West Australian Government Railways, and has expended those savings by extensive provisions elsewhere. I think it would not have made the slightest difference to the Commonwealth finances if a proper amount had been paid for the railway services provided by this State, in which case our railway figures would be in a much better position than they are.

The Premier: We are doing that with all our public utilities, such as the railways, harbour works, etc. We give the Commonwealth authorities reduced fees.

Mr. WATTS: As I say, care and caution in Commonwealth expenditure have not been particularly noticeable. There has been quite rash expenditure in other departments which I need not dwell on at the moment. It has been the subject of criticism in the last two or three weeks. Our State Government has a tremendous railway deficit. The Commissioner of Railways' report shows a very strong inclination to recommend increased freights and fares for the civilian population, and I say it is reasonable that the defence traffic should be carried at approximately the same figures as the civilian traffic in these circumstances.

The Premier: The Prime Minister's comment was that it was shocking that the States should have a surplus and the Commonwealth a deficit of £50,000,000; and could we not do something about it?

Mr. WATTS: The small surplus this State has achieved in the four years that it has shown a surplus is as nothing by

comparison with the deficits that the railways have made during the same period. Had our railway service contributed in any way towards the surplus, as I believe the railway services in other States have done, then I would hold the same views in that regard as the Premier appears to hold. But here we have operating a railway system which, financially, some people view as catastrophic. The Premier is working on a very narrow margin as far as surpluses are concerned. The total surplus for the four years would not make up a half year's loss on the railways. In these circumstances I suggest that the attitude of the Prime Minister, if that is his attitude, is not justified.

The Premier: He was complaining about the money put into reserve for belated repairs.

Mr. WATTS: If he made a little more study of the railway services in Western Australia and had the opportunity to ride in our railways more often than he does, he would realise that if this provision were not made the state of our railways in the post-war period would be likely to be most unsatisfactory. In fact, that is putting it very mildly. If that provision were not made we would not have a railway worth the name.

The Premier: That is the Prime Minister's attitude towards surpluses.

Mr. WATTS: I am not here this afternoon to criticise the Prime Minister. Our position is quite clear in connection with the financial arrangements that have been made for the defence traffic, having regard to the circumstances of the financial position of the railways. The Premier also referred to some increase in technical education. This is another subject on which members were most interested to hear from him, but it was like the Governor-General's speech that I mentioned. I presume that at the end of the Estimates, where I find the Minister for Education comes in, we shall be told something more about it. At the moment being ignorant I can neither criticise nor commend.

The Premier referred to the effect of the change in the methods of finance being responsible for Western Australia owing less than it did two or three years ago. That statement requires considerable discounting. Were it not for the fact that developmental work has been held up because of war

conditions there would definitely be no reduction whatever in the national debt, or the State debt, so far as Western Australia is concerned. It is as clear as day that the position would be as it was in the previous years, namely that there would be no decrease in the State debt of Western Australia. It would be increased by the normal loan expenditure that takes place from year to year, and there would be no greater contribution than there has been to the Sinking Fund and, as a result, we would have a greater debt per head than in 1939. There has been no substantial change in the financial methods. What are the methods now adopted? Taxation, loans and bank credits! The temporary absence of State control over taxation has, as I said, left the Budget like an apple-pie without apples—a somewhat drab and uninteresting document. The other two methods have been used in this country to the fullest extent possible. Some people say that the loans department has been used too freely and the bank credit department not freely enough. I do not propose to enter into an argument on that aspect, but it is quite clear that the only change of any substantial nature is that greater use has been made of bank credit than was made prior to the war, and greater sums have been raised by loans and taxation, but the system has not changed one iota.

The amount of work to be done after the war—and here I shall for a moment trespass on the Loan Estimates that have not yet come before us, but I am dealing with an item mentioned by the Premier in his speech—will, presumably, increase the loan indebtedness of this State very quickly, and any changes that can be made in the methods of finance should be aimed at minimising our obligations in that regard. One very interesting item mentioned by the Treasurer is that the Commonwealth Bank and/or the Commonwealth Government have agreed to the funding of the depression deficits at a rate of interest of one per cent., with the sinking fund at one per cent. That means that for the payment of two per cent. we are to obtain relief from capital indebtedness to the extent of one per cent. per annum. If that state of affairs could be achieved in regard to developmental loans, and if loans for developmental expenditure, which must take place after the war, could be arranged in the same way, then we should

be making some progress in regard to changes in our financial system.

It would simply amount to this: The finance that would be available to the State would, broadly speaking, represent the cost of administration of the authority which supplies the money. The one per cent., I presume, could be taken as a figure which would cover, and not much more than cover, the administration expenses in respect of the money advanced for developmental purposes. If that could be done in connection with the funding of a substantial amount such as £6,000,000 with respect to the indebtedness incurred during the depression years, surely it could be done in regard to at least a substantial part of the cost of the work which will have to be put in hand—or which we hope will be put in hand—when the war ceases, to secure the improvement and development of conditions in Western Australia and elsewhere in the Commonwealth. If loans for developmental work in the future could be obtained at one per cent., as it seems reasonable to believe, that would immensely reduce the problems of finance, which would be coped with much earlier. It would have that effect more quickly if a reasonable amount for sinking fund were included, in which event the people would at an earlier period meet their financial obligations. If steps were not taken in that direction then at the end of the 57-year period referred to by the Premier, because of the borrowing that will have taken place in the meantime, with interest rates high enough or at any rate as high as in the past, we would find ourselves with a substantial load of new indebtedness to be carried on in much the same way as for many years past, even if the sinking fund payments, which have been arranged in respect of the 57-year period, mean that the indebtedness will be amortized or substantially amortized by the original date contemplated.

Alternatively, if we are to proceed with these loans and borrow money preferably, I suggest, on the terms that apply to the funded debt, in order to carry out the works required, Western Australia will have to spend a considerable sum. I say that because there will have to be large works carried out and these will require a great deal of money. All of us desire that work to be done as quickly as is practicable. I hope a strong effort will be made to acquire

the raising of post-war finance at an amount of interest substantially similar to that which was mentioned by the Premier with regard to the funding of the 1933 indebtedness. The member for Mt. Marshall is not here, but if he were he would be interested regarding the £5,000 additional for the eradication of grasshoppers. That was referred to by the Premier, but I find that the amount provided on the Estimates is not £5,000 additional but £4,000 less. I gather that from last year's figures. The position last year—there may be some reason for it which has not yet been explained—was that the Estimates contained an item providing for the expenditure of £18,000 but only £5,000 was spent. Therefore, the expenditure was £13,000 short of the amount estimated. Now we have provision for £10,000 on the Estimates, which is £8,000 less than the provision on the Estimates last year.

Mr. Seward: What about the farmer with his turkeys?

Mr. WATTS: The member for Pingelly reminds me of a paragraph that appeared in "The West Australian" a few days ago with regard to the farmer in California who kept 26,000 turkeys, which had rid the country of grasshoppers that had provided the birds with their evening meal for four or five months in the year.

The Minister for Lands: They have no foxes in that locality.

Mr. Seward: Yes, they have.

Mr. WATTS: I do not know if that suggests what would be a practical proposition for Western Australia. If it were practicable, I can see in the present state of the turkey market that the presence of even the item on the Estimates providing for an expenditure of £10,000 on the eradication of grasshoppers, would be rendered unnecessary. However, I have been led away from the straight and narrow track I intended to follow by the ingenious remark of the member for Pingelly. Are there indications this year that we will be able to spend more or less than the amount that has been estimated? Because it seems to me an unwise procedure to place a large sum on the Estimates for expenditure at any given time, when there is little or no indication that it would be practicable to spend it.

Another matter that occurs to me is the absence of any information from the Premier as to the amount that is to be granted

to local authorities for the establishment of country libraries. I cannot find any mention of that matter in the Estimates. I looked through the details regarding Literary and Scientific Grants and Miscellaneous Services, but in none can I find reference to any such provision. We who sit on the Opposition side of the House are interested to learn what amount will be available for distribution by the Committee, or on the recommendation of the Committee, to the various local authorities for the provision of libraries. I personally hope that the amount will be substantial enough to enable that work to be undertaken, because I think the response that will be secured from the local authorities will be considerable.

The Premier: How many local authorities will participate in the scheme?

Mr. WATTS: I take it, then, that the Premier cannot specify any amount at this juncture for that reason. I am hopeful that the response on the part of local authorities will be very considerable. I venture to assert that it will be greater as the years go by. I take it that they will not be able to assess their own intentions specifically for the first 12 months or so.

I hope that when such local authorities as wish to participate in the scheme submit their proposals, the response to their requests will be a little quicker than the response that has been made for financial assistance or for the taking over by the Government of financial responsibility on behalf of the infant health centres. It is now some five months since the deputation waited on the Minister for Health asking that the financial responsibility for the infant health centres should be taken over by the Government. Speaking for myself, I was present at the deputation and I must admit that I could not altogether see eye to eye with the main speakers on that deputation. I was only present with, as it were, a watching brief, but it seemed to me that what was wanted was rather an increased payment by the Government in order to assist in defraying the extra expense that the association, or the branches of the association, has been put to regarding the staff and more particularly with regard to travelling expenses.

The Premier: I would rather help people that help themselves than take over the full liability.

Mr. WATTS: That is something like my own point of view regarding the matter. If the Government assumed the whole responsibility, it would mean the removal of the incentive and enthusiasm that exist among the infant health centre committees, the members of which would feel they were no longer required. At the same time I think there is apparent need for an increase in the amount paid by the Government. My aim is not to preach to the Premier as to how much the payment should be, but rather to urge that an early decision be arrived at in response to the request of the deputation. There is no indication on the Estimates to show that any money at all is to be found along those lines. As I said earlier, it is five months since the deputation waited on the Minister and it is now a matter of weeks since I received, in answer to a question I submitted in this House, the reply that the matter would be attended to in due course. That is not a very satisfactory state of affairs, and for that reason I have considered it necessary to make some remarks on the question, hoping that an early decision will be reached so that these people may know what their future prospects will be.

On page 43 of the Estimates I find that expenditure as may be necessary owing to war conditions has been estimated at a figure of £165,000, or £16,500 greater than last year. We have not any information as to the need for the increase and at this stage of the war it is difficult to understand why the estimate should be greater.

The Premier: More people enlisting and more payments on their behalf for superannuation and other things.

Mr. WATTS: More people enlisting still!

The Premier: Yes.

Mr. WATTS: I should have thought that all the people who are likely to enter the Armed Forces, and in whom the Government is interested, have already done so and that the Government would be looking for some of them to return, in view of the deplorable conditions in which some of our departments have been placed owing to the absence of manpower, departments which in normal times do very valuable work. However, my remarks stand until we get some further information.

There are many matters that could be discussed on the Budget, but in my opinion may better be discussed on the Loan Estimates, particularly as the Loan Estimates

will be introduced after the Premier's next visit to Canberra. From that conference he will doubtless come back fortified with information as to the problems that lie ahead and what the State obligations are likely to be.

The Premier: What!

Mr. WATTS: There will be all sorts of problems and we shall probably know more about those problems, including post-war housing and soldier settlement, than we do at present. So I think I can leave those subjects safely till the time when the Premier introduces the Loan Estimates, and we can discuss them in the light of fuller and more reliable information than is available today. But I am interested in the wheat distillation plant in the South-West. I understand that it has not yet functioned; I understand, too, that even if it does start towards the end of this year, the supply of wheat that will be available to it is most uncertain. After all this long delay—I think it is something like two or 2½ years since we heard about the project—no manufacture has taken place, and we are getting to a stage when, even if the plant can be brought into full production, it is extremely unlikely whether this product, if it proves to be as costly as has been represented to me, will be required by the public.

Mr. Seward: And this was the one State where there was a surplus of wheat.

Mr. WATTS: This is the one State where, in all the war period, we have had a great deal more wheat than it was practicable for the railways to handle and for Co-operative Bulk Handling, Ltd., to dispose of; this is the only State where the project was launched and where nothing has been produced; further, it is the only State where there was a sufficiency of wheat available for the production of power alcohol which, as I have said, is unlikely to be wanted for a long time after hostilities cease. This will be due to the considerably higher cost and to the competition that will undoubtedly arise from the companies and persons concerned in the distribution of petrol, who will assuredly do their best to bring their product on to the market. I know that legislation could be passed to stipulate that a blend must be used. That may or may not be desirable, but my great point is that Western Australia, in this regard, seems to have been sadly neglected. We have had this plant in embryo, in imagination and in other

stages for approximately 2½ years, and yet so far we have not succeeded in turning out one solitary gallon of power alcohol.

The Premier: The latest estimate is the end of December but, if we then absolutely want the wheat, it should not go into the distillation of power alcohol.

Mr. WATTS: Apparently there is a combination of circumstances operating in this case.

The Minister for Works: The Colonial Sugar Refining Co. is constructing a plant for the Commonwealth Government.

Mr. WATTS: That probably explains the long delay.

The Premier: That does not explain the delay.

Mr. WATTS: It might explain a lot of things. I should like to ask the Minister for Industrial Development what has become of the Industrial Development Committee, which was appointed by him and upon which Mr. Patriek, the former member for Greenough, sat as a member. Apparently no step has been taken to replace him, and consequently I conclude that the committee has not functioned. The appointment of that committee was the outcome of a debate in this House urging the advisability of members of Parliament being concerned more in the researches being conducted by the department and necessary development in the State, and I can only assume that, as no steps have been taken to fill the vacancy in the intervening ten months, the committee has not functioned.

Another point I wish to refer to is the absence from the Premier's speech of any proposal for the development of the North-West. I intend to assume that he will cover this matter also when the Loan Estimates are being considered, but my purpose in bringing the matter before him this afternoon is to ensure that he does so, if he will do so. Members on this side of the House have an interest in the North-West, and we hope he will be good enough to satisfy it. I can find on the Estimates only the ordinary items of maintenance and that a sum of only £200 is to be made available to the Minister for the North-West for the particular services his department has to attend to. Two hundred pounds is a ridiculously small sum, and this being so, I assume that further reference to that part of the State—a most important part of the State—will be made

when the Loan Estimates come up for review.

The last item I desire to mention is one which, in my opinion, demonstrates the non-co-operative attitude of certain Federal departments consequent on the National Security Regulations in regard to the mining and industrial development of Western Australia. In one instance I have for some time past been engaged in negotiations with the Minister for Industrial Development in regard to the manufacture of bricks in a country town. Anything I may say in this regard must not be taken as criticising in any way the action of the Minister or his department. That hon. gentleman has, I think, done everything that is reasonably practicable for him to do to encourage this small industry. The man in question, I understand, was formerly a brickmaker in my town before the war. He went into the Forces and was discharged therefrom in order that he might go shearing, an occupation which in his early days he had followed. Being desirous of making use of a brickmaking plant which he had—not a machine brick-making plant, but a plant for making wire-cut bricks—and had operated successfully before the war, he made application to the Department for Industrial Development to be allowed to manufacture half-a-million bricks. The department gave him every assistance. A price was fixed which was satisfactory to all parties, and steps were then taken to have this man released from his shearing contracts and to obtain the necessary labour. The Department of Industrial Development through its director, after an inquiry into the circumstances, expressed the opinion that there would be no difficulty in, to use the words of an official letter, "clearing the line in regard to the matter."

The whole of the circumstances were then put before the Department of War Organisation of Industry, and there the difficulties commenced. Between that department and the Manpower director it was found not to be possible to release the man for the work, or to provide him with any staff, or to allow the manufacture of bricks in a country district until after the war, because it was not the intention of the officials concerned to approve of the erection of brick buildings—other than chimneys—in country districts until after the

war. If that is to be the position we will find after the war—because an industry even of this kind cannot be re-established and set up under about six months—a hiatus during which no bricks will be available for necessary buildings whether for the erection of homes, of schools, or school additions, or anything of the kind. As I have said, I put the facts before the Minister for Industrial Development. He has been most sympathetic and co-operative and no doubt results will be achieved from his further efforts. Had it not been for the non-co-operative attitude of the department in question, I have no doubt that within the next few days the work would have been well in hand. If the Department of Industrial Development is satisfied that the work should be put in hand more consideration should be given to its point of view at this stage in the war situation than has been given by the Commonwealth department to which I have referred. I presume that Mr. Taylor is acting under instructions, and because I believe that is so I feel that the fault lies with the Department of War Organisation of Industry under the National Security Regulations.

I have also to refer to another small matter of much the same kind. Some time ago there was a somewhat humorous reference to the manufacture of axe-handles in country areas. I am not now speaking of the country town to which I referred then but to another one. This is an instance of sheer stupidity on the part of the Board of Area Management of the Ministry of Munitions. The person I am speaking of, an ex-farmer, determined to undertake the manufacture of axe-handles which are practically unprocurable, particularly in the country districts, and he himself made two machines for the purpose of cutting those requisites. He also went to the South-West of this State and acquired some eight tons of suitable timber—I understand it was young karri. He set about the task of producing the axe-handles and putting in his machinery, and he also engaged two employees. His idea was to turn out 8,000 handles in a year. For these he had a ready market within a reasonable distance of the place at which they were to be produced. The price fixed by the department concerned was 2s. 6d. retail and the handles were to be sold by whole-

salers to retailers at a price that would enable them to be disposed of to the public at 2s. 6d. He was quite agreeable to that arrangement and was prepared to start work immediately, and indeed had practically begun to do so. Being a poor man he could ill afford the money he had to lay out, but he also acquired some funds from other sources. It was necessary for him to work on the policy of small profits and quick returns. He wrote to the department asking if there was any procedure to be followed in regard to the release of axe-handles, as he wished to obey the law. Under date the 12th September, the Board of Area Management wrote to him as follows:—

Reference is made to your letter of the 9th inst. regarding procedure for the release of axe-handles.

For your information, it will be necessary for you to advise this office on the 15th of each month of the number of handles available for distribution.

This office will then make allocation to the various merchants concerned and issue releases accordingly.

No distribution is to be made without sanction from this department.

In view of these instructions this unfortunate poor man, who started to make axe-handles on the 12th September, finds that from the 15th September to the 15th October he can effect no sales because there is to be no distribution of that commodity. On the 15th October he has to make a return to the department showing the number of axe-handles he has available. He then has to wait until he is told where to send them; he has to despatch them to their destination, and to wait at least a fortnight and probably 28 days before receiving any payment. He then has to continue making more axe-handles until he puts in the next return on the 15th November, by which time he will not have any money left. Upon receipt of the communication of the 12th September, he dispensed with the services of the two men whom he had employed for only some 24 hours. He explained the trouble to them and told them they would have to go.

This was the reasonable attempt of a poor man to earn an honest living by providing something that was not in existence but was urgently required by a number of people, but the attempt has been reduced to absurdity by ridiculous interference of the nature I have described. I have brought

this matter before the Minister for Industrial Development, and I know that in this case, too, he is sympathetic. I have myself taken all the steps I can to have the position put right. I am told that the same attitude is to be found in regard to many attempts by the Government to build up small industrial centres in Western Australia. I am also told it is practically impossible to obtain supplies of certain products in Western Australia notwithstanding that such supplies are obtainable in the Eastern States.

The Minister for Works: That is not so in all instances.

Mr. WATTS: Not in every instance. Things that should be made in Western Australia are imported into this country, and when complaints are made about articles being brought to this State that could be manufactured here it is stated that we must not interfere with the free flow of interstate trade. That is another reason why Section 92 of the Australian Constitution may be found to require some attention at our hands. Anyway, I leave the matter at that stage. I shall save my further remarks for the Loan Estimates, in the meantime expressing the hope that the Premier will realise his expectation of a surplus of small amount and that he will not find, this time, that his estimate has been £250,000 wide of the mark.

MR. McDONALD (West Perth): I do not propose to proceed to any detailed analysis of the Budget presented by the Treasurer to the Committee. There is not much to analyse. We are now a remittance State, getting a certain amount per year to carry on with as far as taxation is concerned. The only variations in our revenue are those associated with our State Trading Concerns and our Public Utilities, plus small variations in territorial income. So any Budget relevant only to the amount we receive and the amount we pay out is not vitally interesting. There may be indications of whether or not the various affairs of the State are carried on effectively. The deficiencies of State Trading Concerns and Public Utilities in the present Budget do not show much variation from the returns which have been issued by them in previous years. What I was disappointed with was the failure of the Treasurer and the Govern-

ment to give us any idea of where we are going. There appears to be almost an atmosphere of resignation to what Mr. Forgan-Smith once described as "our vassal position" in relation to the Commonwealth. It seems to me that at this time we should be justified in forming some ideas as to what we want. I have said this before, and I say it again.

One thing about the Commonwealth authorities is that they do make up their minds what they want, and are prepared to do big things even if that does mean virtually abandoning the present Commonwealth Constitution and substituting another constitution. Whether we agree with them or not, we have to hand it to them that they do make up their minds on a long-sighted policy. They know what they want, and they set out to get it; but we in this State do not seem to do so. Of all the States except Tasmania, I suppose, we have suffered most from the war; or, to put it in another way, we, with perhaps Tasmania, have derived the least advantage from the war. Whether we have been too patriotic in our dealings with the Commonwealth or not, our railways have not been treated like the railways of the other States. Last year the Treasurer told us that the Queensland railways finished up with a surplus of something like £5,500,000, and the railways of other States have done very well out of the war. I do not propose to inquire whether the fact is due to patriotism or a lack of business acumen; whether we have been comparatively badly treated or whether there are some other factors which would account for the circumstances that our railways still show that they are operating under critical financial conditions. The fact that we have had so little advantage from the war—if I can use such a term in relation to the war—the fact that during the war period the other States have been able to build up reserves in their railway systems and also to show very substantial surpluses, whereas we have not, appears to me to make it all the more incumbent on us to determine to rectify the balance, or at all events to maintain something like equitable advantages in the post-war period. What is concerning me is that I am not certain how far we have made up our minds to do that.

The Minister for Lands has taken his share in the work of rural reconstruction,

and in framing those reports in which we read of a policy for the future of Australia. What I would like to hear—no doubt the Minister for Lands has it in view—is a direct policy for our State. However, in view of the Minister's activities for the whole continent, apart from Western Australia's rural reconstruction for the future, I have every confidence that the hon. gentleman will not fail as soon as possible to present a policy of rural reconstruction particularly adapted to, and calculated to protect, the interests of our own State. But in other respects we seem to have had an absence of policy statements. I hope the Treasurer and other Ministers will tell the Committee something of their hopes and something of their fears with regard to this State. We sit here—and other members have voiced something like the same feeling—but beyond measures that are brought forward we have nothing substantial to consider in relation to the future of Western Australia. In my opinion the Government can now, and should now, give Parliament and the people of the State a lead as to what we are going to hope for and fight for in the post-war period. Take taxation! This Budget is, to use an old expression, like the play of Hamlet without the Prince of Denmark. It is colourless, and that is largely unavoidable because the Treasurer has no control over taxation.

The Premier: Income taxation!

Mr. McDONALD: There are the gold tax and the entertainments tax. All those things have gone. In return we have a set sum based upon the two years preceding the 1st July, 1941. No doubt that is quite good, but we are just a kind of remittance State at the present time. How are we going to deal with that position? Under uniform taxation legislation the present arrangement, by which the Commonwealth has a monopoly of income tax, is to terminate at the end of the financial year during which the Commonwealth ceases to be engaged in war. By the general interpretation, that will mean the financial year at the end of the war during which the Commonwealth makes its final treaty of peace—it may be years to come yet. Should we endeavour to get it back before? Do we expect, or do we hope, to get it back in any case when the period expires which has been set out in the Commonwealth Uniform Tax Act, that is, at the

end of the financial year during which peace is finally made? What is going to be our position regarding direct taxation? I want to say a few words on this, because it is basic to the whole prospects of our State. If we are to have no power of levying direct taxation, then the reason for the existence of this State Parliament largely disappears. In that case we have to reconcile ourselves to the position of a local governing body with rather more powers than are associated with the municipality or the road board. We have to reconcile ourselves to a body which depends upon a sovereign body—the Commonwealth Parliament—for the amount of money which from time to time it has to expend.

Mr. Seward: Local bodies have power to raise revenue.

Mr. McDONALD: Road boards and municipalities, within limits, have even more power today than we have; they have a taxing power, within a ceiling, in the way of rates, but we have no taxation power at all. This matter is fundamental to our status and to the power of our State Parliament. I desire to say a word or two about this matter because it has been, ever since Federation, a subject of discussion and difficulty; and it is going to be in the future a subject of difficulty. When we first federated, the States were to get back three-quarters of the Customs and Excise revenue of the Commonwealth. That was in return for the abdication of our right to levy customs and excise. In 1910, by the Surplus Revenue Act of the Commonwealth, that principle was abolished and per capita allowances were substituted. These amounted to 25s. per head of the population, and the States were to get that 25s. per head in substitution for the three-quarters of the Customs and Excise revenue. Then, in 1927, by the State Grants Act of that year, the per capita payments were abolished and the Commonwealth agreed to pay to each State, under the Financial Agreement, an amount which was substantially the same as it had been paying to each State under the per capita arrangement.

At the time this did not seem to be so bad. In addition, the Financial Agreement contained a methodical plan for liquidating the loan indebtedness which had been incurred by the Commonwealth and by the States. But that arrangement by which we gave up, or had to surrender, our per capita

allowances in return for what was virtually a fixed sum, does not look so good today; because, as population increased, we would have received more money under the per capita allowances. As population increases the Commonwealth Government can collect more money by way of revenue; but, as far as I can see, it is not obliged to make the States any additional payment by virtue of the increased State population. If our population in Western Australia doubled, our cost for social services and in many other directions would also be doubled or increased, and the Commonwealth, through its taxation measures, would receive a very much larger income from the increased population. But we would not benefit as we would have benefited under the old arrangement by getting a per capita payment rising in total volume all the time according to the increase of our population.

The Premier: The increase we get is an increase of the sinking fund payment on money borrowed.

Mr. McDONALD: If we like to borrow more, we can get more out of the Commonwealth; but, after all, that is a very left-handed way of drinking ourselves into prosperity, so to speak.

The Premier: The Commonwealth grants are continually going on.

Mr. McDONALD: They go on, and that again is a compensatory feature, but based on no principle and leaving us still in the hands of the Grants Commission in the first place and of the Commonwealth Government in the second place.

The Premier: Based on the principle that we have enough money to carry on.

Mr. McDONALD: It is based on the principle, under the Grants Commission's ruling, that we are to be given sufficient to ensure that we do not fall below the general standards of Australia. In other words, we are paid according to our needs. Should it not be that we may be entitled to something more, that is, entitled to share in prosperity with increased population and increased production, instead of being merely paid sufficient to keep ourselves, so to speak, economically respectable, as appears to be the present situation? This matter is, as I said, fundamental to our position as a State and a Parliament, and it has been the subject of difficulty in the past and will be so in the future. It is still unsolved. A Royal Commission was appointed by the Common-

wealth shortly after the last war and it made these recommendations for a permanent solution of the financial relationship between the Commonwealth and the States—

(a) An allocation of subjects of direct taxation between the Commonwealth and the States should be made.

(b) The power to impose income tax should be exclusively vested in the Commonwealth.

(c) The power to impose other existing forms of direct taxation, land, probate or succession, entertainments, should be exclusively vested in the States, subject only to the overriding power of the Commonwealth in case of war.

The Minister for Lands: Such wonderfully remunerative taxes as the sales tax were not thought of.

Mr. McDONALD: Precisely. The Commonwealth, which has a monopoly of sales taxation, would be still better off. In the meantime, and for a ten-year period, it was this Commission which made the following interim recommendations:—

(1) An agreement between States and Commonwealth as to their respective fields of direct taxation for ten years.

(2) The States should exclusively occupy the fields of land, probate and entertainments taxation, any such restriction to cease automatically in the event of war.

(3) That both Commonwealth and States, during the currency of the agreement, should retain the right to impose income tax, but that income tax assessment acts and their administration should be uniform.

(4) As a means of facilitating the financial adjustments which will become necessary under the scheme, especially in the early years of its operation, the Commonwealth grant such financial assistance as may be deemed to be reasonable to any State or States upon such terms and conditions as may be mutually agreed upon.

So much for the Royal Commission, but I would add a word or two about other views. Professor Mills, who is at present Chairman of the Commonwealth Grants Commission, prior to 1933 made some proposals of his own. One was that the States should transfer some of their activities to the Commonwealth, such as roads and railways, which would relieve the States of a substantial financial burden. The other suggestion made was that the Commonwealth should have the sole right to the taxes on incomes and inheritances, on the understanding that revenue adjustment payments should be made to the States to compensate for their loss. There is a view by Professor Mills, and also by Professor Giblin, which enter-

tains favourably the idea of reverting to the per capita system. It is suggested by them that the per capita system is flexible and meets the position from time to time. I presume they mean it meets the position from time to time with regard to population because it is based on a total sum for each State which would be parallel with the population it has from time to time.

Their suggestion appeared to be that the solution may ultimately be a return to some form of per capita payment which, in view of the contribution being made under the Financial Agreement, would not necessarily be 25s. per head, or alternatively, there might be 25s. per head for any population in excess of the number in each State that existed at the time the Financial Agreement was made. I have referred to these things because this has been the subject of some references by the Leader of the Opposition in the motion already dealt with by the House, and because this is the central problem of the Treasurer now and in the future. It seems to me it is a subject which the House might well study and upon which we might receive some lead from the Treasurer as to what is going to be in the best interests of the State. My own view regarding this matter is that we should take back, when we are entitled to it—and possibly before the legal time comes under the present legislation—our right to tax. We should resume the power to tax that this Parliament had prior to the Uniform Tax Act.

The Premier: We tested that in the High Court.

Mr. McDONALD: Yes, that is so. So far as uniform taxation is concerned, I admit that I was prepared to acquiesce, with some misgivings, in that Bill. I looked on it as a measure which was temporary and which might assist the war effort, for reasons mentioned by the Commonwealth. But I have since felt that the Uniform Tax Act was the first shot fired in the Commonwealth's campaign to unify Australia. At all events, the proposals for the Constitution's alteration on the scale that the Commonwealth suggested have now been at any rate deferred, and we have to look upon our position as States and State Parliaments and what we want, and I suggest we should look forward to the return of our taxing powers as we had them before

as soon as they are prescribed to come back to us under the Uniform Tax Act, and possibly, if that time is delayed very much, we should seek to get that power back earlier, to enable us to make preparations for the post-war transition period.

When we get that taxing power back, I submit the time will then come to entertain seriously the whole question of the financial relationship between the Commonwealth and the States with respect to taxation. Whether we go back to the per capita system or whatever we do is a matter to be decided; but in the meantime I suggest to the Treasurer that the system which will best suit the States and our State as a permanent measure might well be the subject of study and discussion by this House. The Commonwealth makes up its mind what it wants and I think the time has come when we should make up our minds what we want. I pass now to another matter affecting the financial position of our State. As the Premier has said, the disabilities we have suffered through federation and to some extent the disabilities we suffer economically through the war and through the centralisation of industry and war industry in the central States may to some extent be compensated by the Grants Commission. The Commission's grant of £850,000 for this year is a substantial sum, but I want to repeat the views expressed before from this side of the House, which were first brought forward by the member for Claremont, namely, that the Grants Commission, a very valuable body, is not directly concerned with the development of our State and that of the other claimant States. I see no reason why, as the member for Claremont proposed, the scope of the Grants Commission should not be enlarged so that it could recommend to the Commonwealth Government developmental projects for our State and the other claimant States.

The Premier: There is the Secondary Industries Commission which is following, according to what it thinks, a policy of decentralisation of industry.

Mr. McDONALD: I think that body may be a useful one.

The Minister for Lands: You are thinking of something along the lines of the National Resources Board in America.

Mr. McDONALD: The National Resources Reconstruction Board of America has been set up by President Roosevelt, and has been a valuable board. Its reports have

had a great effect upon American policy. It is an advisory body and no one can read it reports, and I have read some of them, without feeling that it is fulfilling an important national purpose. There seems, however, to be such a multiplicity of bodies at present, and they may continue, that we do not know where to look. The functions of these bodies could be combined far more effectively in a comparatively few commissions. The Grants Commission which, for many reasons, has accumulated a vast amount of experience, might well be entrusted not only with the matter of recommending necessitous payments to claimant States, but also with the duty of recommending developmental projects to bring those States more into parity with the stronger central States, and to point out to the Commonwealth Government the disabilities that are hindering the development of the weaker States with a view to measures being taken to bring about their removal.

I think that this State, in order to make satisfactory progress in its secondary industries, should press for the reconstruction of the Interstate Commission. It is 27 years since that commission was held to be, in part, acting beyond its powers through its having been granted, by its Act of Parliament, certain judicial authority. Since that time it has been in abeyance. It was intended, as someone expressed it, to be the eyes and ears of the Commonwealth Government. It was to police the trade and commerce sections; it was to advise the Commonwealth Government as to the impact of the trade and commerce provisions of the Constitution on the individual States, and in particular, on the smaller States. I venture to think that our State has suffered considerably by the omission for 27 years of what was regarded as an important part of the constitutional government of Australia.

Mr. Needham: It was ruled out by the High Court.

Mr. McDONALD: Yes, about 1916 or 1917 because it had, as part of its functions, certain judicial powers. That commission could be reconstituted either as a separate body or with its functions amalgamated with those of the Grants Commission. But if we are to achieve a balance with the stronger States and be protected against the economic

power which they possessed before the war and which they have increased subsequently, then we need the activity of these agencies of the Constitution such as the Interstate Commission. I pass now to say something about our markets. We are confronted by a new situation following the war. On the 1st May this year, Mr. Curtin, our Prime Minister, said in London—

Australia has certain natural surpluses, such as wool and wheat; and Australia knows that it cannot be paid for them unless goods come into Australia. Therefore Australia gives a general subscription to the Atlantic Charter—that trade shall be free in the world.

The Minister for Lands: That is in terrific conflict with the British preference policy.

Mr. McDONALD: I agree with the Minister for Lands, and when we talk about trade being free in the world, as Mr. Curtin did, then we must do so with substantial reservations. I do not propose to deal with the Atlantic Charter, which is a very big subject, but I think it will be found that the principle of the Atlantic Charter will be an objective that will not fully be attained for a considerable time.

Mr. Cross: It is a pious wish.

Mr. McDONALD: I hope it is more than a pious wish. It will not be attained in full for a considerable time, but I do believe that it will influence profoundly our tariff position after the war, and we shall be compelled to make adjustments in order to render some service to the spirit of the Atlantic Charter. What I want to learn from the Premier—and I take it that he must have some knowledge of these things—is whether there has been any degree of settled opinion in Government circles about our position in relation to these matters after the war.

Leave to Continue.

THE PREMIER: I move—

That the member for West Perth be given leave to continue his speech at a later sitting.

Motion put and passed.

Progress reported.

House adjourned at 6.15 p.m.