

hope sufficient money will be provided to enable the work to be completed as soon as possible. Steamers are passing Bunbury because there is not sufficient depth to enable them to berth to load timber and other produce. The depth is almost down to 27ft. 6in. again, and the importance of completing those improvements should be urged on the Government. It will be a good investment because it will obviate the necessity of spending thousands of pounds annually on dredging operations. To show how the trade at the Bunbury harbour has advanced, it is merely necessary to mention that during last year it increased from 23,000 tons to 32,000 tons, or an expansion of 40 per cent. Before the harbour commenced to silt up there was a demand for the provision of cold storage facilities at Bunbury, and at one time the necessary money was on offer to provide those facilities so that fruit and other produce could be shipped from Bunbury direct instead of having to be railed to Perth for shipment through Fremantle. Everyone will admit that it is most desirable that such exports should be direct from Bunbury. It would mean a saving of 3d. or 4d. on every case of fruit, and a similar saving on every box of butter or similar produce. Mr. Hamersley, during the course of his speech, referred to the school teachers and the action they took recently. I also desire to say something about that matter. I attended a meeting of the council of the Royal Agricultural Society to-day and we were informed it was unlikely that the children's exhibit this year would be extensive if, indeed, there was any such exhibit at all. We were told that that was due entirely to the action of the school teachers in refusing to assist the children to display their work. It is greatly to be deplored that a body of men such as the school teachers should take an action of that description. What annoys me and makes me mad is the attempt of the school teachers to dictate matters of policy to the Government. They are claiming higher rates of pay, which, of course, is perfectly legitimate. In these days of catch-as-catch-can and the devil-take-the-hindmost, we all want what we can get, but the action that the teachers have taken is most extraordinary. What right has the School Teachers' Union to dictate the policy of the Government and say what moneys shall be allocated to the Education Department? Presumably all members have read the circular that has been distributed. In

that document the Teachers' Union declare that they are not complaining so much on their own behalf, but mostly because of the small amount of money allotted to the Education Department. What has that to do with them? What right have they to dictate to the Government what money shall be allocated to the Education Department? In many districts the best-off man is undoubtedly the schoolmaster, and good luck to him. But I do get very annoyed when a body of men who, compared with the farming community, are infinitely better off, attempt to dictate to the Government as to the sum of money that should be allocated to their department. I do hope the Government will put these people just where they belong—their right place. I support the motion.

On motion by Hon. E. H. H. Hall, debate adjourned.

ADJOURNMENT—SPECIAL.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [7.47]: I move—

That the House at its rising adjourn until Tuesday the 21st August.

Question put and passed.

House adjourned at 7.15 p.m.

Legislative Assembly,

Wednesday, 15th August, 1934.

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

READING OF NEWSPAPERS IN THE CHAMBER.

MR. SPEAKER [4.32]: I desire to make a few remarks as the result of which I trust I shall receive the assistance of hon. members in giving effect to an opinion I hold. I wish to draw the attention of hon. mem-

bers to the rule of the House dealing with the reading of newspapers in the Chamber. Hon. members must understand that it is not permissible to read newspapers in the House. However, that custom has crept in; and I admit that for a considerable period it has been tacitly permitted. I believe that hon. members will realise the fact that what was a concession in the first place has now become somewhat of an abuse, more especially during recent evenings. While the member for Perth (Mr. Needham) was speaking yesterday, no fewer than nine hon. members were reading newspapers; and seven of those members were absolutely obscured by the journals in their hands. I think hon. members will agree that such a practice is not in the best interests of the decorum and dignity of the Chamber. Hon. members having been good enough to place me in the position of custodian of the order of this House, I regret being reluctantly compelled now to put into force the rule prohibiting the reading of newspapers in the Chamber. I do not think it is asking too much of hon. members, if they are anxious to read a newspaper, that they should read it in the members' room, the corridor, or the library. I make this statement now because I do not wish to have to call any member individually to order. I trust hon. members will endeavour to observe the rule, which is in the best interests of the House. Hon. members addressing the House must of necessity be distracted by a continual rustling of newspapers, such as there was yesterday.

QUESTION—UNEMPLOYED, COTTAGE ALLOTMENTS.

Mr. SAMPSON asked the Minister for Employment: 1, Is he aware that 1,600 allotments have been provided near Sydney for the casually-employed and persons of limited means? 2, Is it his intention, in collaboration with the Minister for Lands, to take steps to make cottage allotments available for unemployed adjacent to populous centres or on land along existing railways, or elsewhere?

The MINISTER FOR JUSTICE (for the Minister for Employment) replied: 1, No. 2, The efforts of the Government are directed to placing men back into normal employment. The question of housing generally is receiving the attention of the Government.

LEAVE OF ABSENCE.

On motion by Mr. Wilson, leave of absence for two weeks granted to Mr. Marshall (Murchison) on the ground of urgent private business.

ADDRESS-IN-REPLY.

Sixth Day.

Debate resumed from the previous day.

MR. BROCKMAN (Sussex) [4.37]: A careful perusal of the Speech of His Excellency the Lieut.-Governor shows that document to be informative as to the past but not as to the future. I congratulate the Government on their efforts to grapple with the unemployment problem, which overshadows everything else. I regret, however, that the Speech does not offer any permanent solution of that problem. So far, improvement in the unemployment position is attributable chiefly to continued borrowing; and the effect of spending money on works that are not reproductive can only be to lead Western Australia further into financial difficulties. I await with interest the Premier's contribution to this debate, hoping that it will shed light on a position which remains obscure. The Speech mentions the report of the Royal Commission on the Agricultural Bank. I hope that the report will result in a final and satisfactory clearing-up of the position of clients both in the wheat belt and in the South-West. However, I defer my comments pending the further opportunity for discussion promised by the Premier. Meantime may I mention that my views on the Bank's activities in the South-West were expressed in the report of a previous Commission, on which I was associated with Mr. Alfred Yeates and Mr. P. D. Forrest. I am unable to refrain, even at this stage, from expressing my political and personal regret that the latest report casts on the Bank trustees the entire onus for the position disclosed. That position is, in fact, largely due to political influence which was brought to bear on the trustees. The Royal Commission of which I was a member found that political influence was applied to the Soldier Settlement Scheme, as well as to the treatment of Agricultural Bank clients in the South-West; though I should add that group settlers did not come under the Agricultural Bank until comparatively recently. I shall not deal with the subject further until the report of the Commission is before

the House. I note that the Speech forecasts legislation dealing with the Agricultural Bank. This will be some of the most important legislation ever brought before the Parliament of Western Australia, as it will vitally affect so many of our primary industries. We all know the part which the Agricultural Bank has played in developing those industries, and it is regrettable to think that political influence has caused that admirable institution to drift. I wonder how far our wheat and dairying industries would have advanced without the aid of the Agricultural Bank. At all events, I trust that in the proposed legislation special regard will be paid to the dairying industry in the South-West, most of the properties there being heavily over-capitalised. Everyone familiar with dairy farming must realise that the high cost of development in the south-western portion of the State is largely responsible for the position in which so many of the settlers find themselves. I trust that the Minister in charge of south-western development will take steps to alter the position. There are other south-western industries which I hope will receive consideration from the Government. Tobacco growing in particular should be given sympathetic consideration. Large importations of tobacco leaf continue to be made from overseas. I feel sure that if the Government gave the local industry reasonable encouragement, the whole of the tobacco requirements of our people could be grown in Western Australia. Mr. Michelides informs me that the chief difficulty is the lack of expert direction in the curing of the leaf. I suggest that the Government consider the advisableness of securing the services of an expert to assist those engaged in the industry, which I am sure will eventually prove highly beneficial to Western Australia. I am glad to be able to say that the timber industry is on the up-grade, though unfortunately prices, both overseas and in the Eastern States, remain low. Western Australian sawmills are hampered in competing with other suppliers by unduly high railway freight-, wharfage charges and royalties.

Miss Holman: Have there not been reductions made recently?

Mr. BROCKMAN: That is quite correct. Sawmills in the Sussex electorate suffer from a specially severe disability in not being able to ship their timber at their natural port, Busselton. The jetty accommodation there remains greatly neglected. One

effect of the neglect is that timber from Sussex incurs needlessly long railway haulage. The condition of jetty accommodation at Busselton compels the timber from the Sussex electorate to be sent to the port of Bunbury for shipment to South Africa, involving an extra cost to the millers of 4s. 6d. per load. Quite recently a sawmilling company in my electorate lost a large New Zealand order through, not being able to compete with New South Wales. New South Wales secured the contract by a margin of about 2s. 6d. per load. The extra rail freight involved by shipping from Womerup via Bunbury instead of via Busselton is equal to 4s. 6d. per load. If the timber for New Zealand could have been shipped at Busselton, the Western Australian tenderers would have secured the contract. This would have meant a great deal to the State both by way of employment and the circulation of money. I trust that the Government, realising the urgency of the situation, will provide on this year's Loan Estimates an amount sufficient to recondition the Busselton jetty thoroughly. Pending this work, I understand shipping companies trading between Australia and South Africa will continue to refuse to let their steamers call at Busselton. This attitude has been maintained by them since a vessel broke away from moorings at the jetty about three years ago. I wish to express appreciation of the Government's action in reducing railway freights and royalties on timber for overseas, as remarked by the member for Forrest just now. It represents a material and timely help to the industry and I think it would be wise to make even further reductions. There are many other matters requiring attention in my electorate, and I propose to touch upon unemployment, which vitally concerns so many of my constituents at Busselton. Except constructively, I do not intend to criticise the action of the Minister in removing men from that centre to Yarloop, an action which has caused great inconvenience in my electorate to the men and their families. Seemingly it was quite unnecessary, for while 60 men were taken away from Busselton, that very same week a greater number of men were sent down there. This means that the Busselton men were removed from their homes while others were sent into the district to take up a job of clearing, which might easily have been allotted to the Busselton men. It means hardship in many ways. The men go on to

relief contract work for a certain period and then they have to stand down. An unfortunate phase of the standing down period is that they are paid only the ordinary weekly allowance for unemployed workers, and they have to appear at that centre every week to collect the amount which is being retained in the "kitty," as they call it. That hardship costs them a good deal, and I hope the Minister for Employment will be able to discover some improved method.

Mr. Raphael: Where does that happen now?

Mr. BROCKMAN: It is happening in almost every centre.

Mr. Raphael: Not in those I know.

Mr. BROCKMAN: The men have earned the money, and should be given every facility for collecting it without hardships being imposed upon them.

Mr. Raphael: What you are saying is not correct.

Mr. SPEAKER: Order!

Mr. BROCKMAN: In point of clearing on the group settlements I am sorry to say we seem to have gone back to the days of Moses, for the men are asked to clear that heavily timbered country with an axe and a grubber. It is very costly, and I wish those men could be given better facilities for dealing with that heavy timber. It is absolutely necessary that the use of explosives should be adopted for the work, for it is costing from £9 to £40 per acre to clear that land by the present means. The cost is far too high and the cleared land will never pay interest on the money being expended on it; in fact, I expect that most of those holdings will have to be put on the market. I wish that as soon as possible the Minister would pay a visit to the district and see what is really going on. He must know that the cost is far too high, and I am sure that if he could see the methods adopted he would take steps to improve them. The dairying industry is still in a very wretched position. It is true an honorary board was appointed to attend to the marketing, but that board is not working out very satisfactorily. Although we are getting a little more for our products this year than we did previously, the prices to the producer are falling, while the prices to the consumer are maintained. I hope the Minister will bring down a Bill providing statutory power to

deal with the control of the industry, and giving the producers representation on the board. Reverting to unemployment, there are several projects in my electorate which would provide a great deal of employment. For instance, there is the re-building of Caves House. I believe that last year it was on the cards that the place should be re-built. It is regrettable that it was not re-built long ago. Last summer I spent a good deal of time there in order to see exactly what the position was and I found that, almost every day, people from the goldfields and from the metropolitan area and other centres failed to secure accommodation there. The re-building of Caves House would be a reproductive work, for it would pay from the day the new premises were opened, particularly now that the goldfields are so prosperous. In the past the goldfields people were frequent visitors to Caves House, but those that went there last year were so disgusted with the accommodation that they did not stay. Plans have been drawn up for a very fine building which would not cost a great deal of money, and I hope the Government this session will provide for the work on the Estimates. The new Transport Board is causing widespread comment and criticism amongst the people of the country. I do not intend to criticise it, for it is a new organisation as yet in its infancy, and probably when it gets into working shape we shall find its policy is not so drastic as it appears to-day. Only a few years ago when the Main Roads Board was brought into being, it was criticised on all sides. Yet we find to-day that board has done remarkably well in developing out-back centres. I feel sure that the Transport Board when it goes in for co-ordination of all traffic, instead of the destruction of road traffic as it appears to be doing at present, will come into better favour with the people, and I hope the Government from time to time will bring down amending legislation to put right all questions of traffic which are not conducive to the best working of the industry. It has always been my opinion that we should have had no need for the Transport Co-ordination Act had the railways been more efficient in their working. I do not wish to criticise the railways, but we know they are not giving satisfaction to the people, who are now accustomed to a very efficient road

service. I sincerely hope the Government and the Railway Department will so improve the railway system that we shall get from it a benefit equal to that which we have been getting from road transport. I am a supporter of the railways because I realise they are a Government concern with an immense sum of public money invested in them, and I hold that wherever possible we should patronise our railway system. However, in the past that system has been prohibitive for business people and the farming community, who have been quite unable to do their business through the railways. It is a great pity that when the Transport Co-ordination Act was brought into operation, definite steps were not taken to improve railway facilities for the people, particularly the country people, who are so badly in need of cheap transport. I do not intend to proceed further in this debate, for we shall have other opportunities to refer to matters in our respective electorates, particularly when we get before us the report of the Royal Commission on the Agricultural Bank. I was pleased to hear the Leader of my party exhorting members to assist the Government and refrain from displaying animosity towards them when they are endeavouring to bring about more satisfactory conditions.

Mr. Raphael: You are not sure that his tongue was not in his cheek when he made that suggestion.

Mr. BROCKMAN: The hon. member should not judge others by himself. I have made it a rule to do what I can to assist the Government in carrying out the affairs of the country, and I propose to continue my adherence to that rule. I am not like the member for Victoria Park, always looking for some cry against what, perhaps, the Opposition might be doing to assist the Government in carrying out their duty towards the country.

Mr. Raphael: But for that, the Government could not carry on.

MR. CROSS (Canning) [5.0]: Yesterday I noted with pleasure the striking tribute paid to the Lieut.-Governor's Speech by the member for Nedlands (Hon. N. Keenan) when he described it as a pious document. Such an observation from the hon. member provides proof of the fact that this State is safe under the regime of a Labour administration. I do not mean to infer that

the member for Nedlands would consider that revolutionary methods should be adopted. I rather think he would agree with evolution, which is a slower but far better process. From the time the Government took office, the process of evolution has continued. As compared with 18 months ago, as indicated in the Speech, a considerable improvement has taken place. From whatever angle we regard the position, there has been an improvement. This applies not only to mining but to every form of industry. I am not entirely prejudiced. I am one of those who believe that we are on the eve of a period of comparative prosperity. I believe we have reached the end of what may be termed the depression period. The improvement that has taken place is due partly to the wise administration of the present Government. In view of the fact that a measure of improvement has taken place, I hope this year will see the end of emergency legislation, particularly that part relating to wages and salaries.

Several members interjected.

Mr. CROSS: I cannot see any reason why Government employees, whether they be civil servants or railway employees, should be singled out for special class legislation.

Mr. Raphael: Do you include politicians also?

Mr. CROSS: I am expressing an opinion that is held, not only by me and by Government servants but, I believe, by a very large section of the community. The very people who originally urged that wage cuts should be made have been amongst the first to condemn this course of action, because experience has shown that it had a boomerang effect on the trade and industry of the State. If anyone has any doubt about the effect of a wage cutting campaign or an economy campaign, let him go to Sydney, than which there is no worse city in Australia, regarded from the standpoint of unemployment and general trade stagnation.

Mr. Thorn: Who is responsible for that, Lang?

Mr. Coverley: No, Stevens.

Mr. CROSS: In discussing the matter with business people, particularly middle-class business people, I was informed that stagnation began when the Stevens Government took office. I am hopeful that the Government will provide in the near future for the constitution of a metropolitan board of works.

Mr. Raphael: With adult franchise.

Mr. CROSS: Yes. The time has arrived when such a board should control various activities in the greater metropolitan area, particularly water supplies, sewerage, drainage, etc. I believe we would get better and fairer results for the whole community from such a board. Being clothed with borrowing powers, the board would be able to finance its own activities, and the Government would be left untrammelled to undertake major works. I intend to offer a proposal with which I believe the member for Victoria Park will agree.

Mr. Latham: And that is for the improvement of Canning Bridge.

Mr. CROSS: No, it is not. I hope that the work of installing deep drainage will be put in hand on the south side of the river at an early date. Such an installation is long overdue.

Mr. Raphael: You will have it before Christmas.

Mr. CROSS: I hope so. I am pleased that the Government are proceeding with the reclamation work at the south end of the Causeway, but there is a matter associated with it that is causing me concern. An article in the latest issue of the "Sunday Times" referred to the question under the following headings:—"City Council bluff: Land resumption near the Causeway; Unreasonable offers to ratepayers; Allegations of harsh treatment." I regret to say that the allegations are not entirely without foundation. The chief officers concerned in the land resumptions on behalf of the City Council are the Town Clerk, Mr. Bold, and the City Valuer, Mr. Armstrong. The Town Clerk has had considerable experience of land resumption. He has conducted negotiations for the resumption of land in various parts of the city over quite a number of years, and one can say that from the council point of view he is an eminently suitable man. I am of opinion, however, that in his anxiety to make the best possible deal for the City Council, he has become prejudiced against the unfortunate owners who have not the ability or experience he possesses. I have received a lot of complaints from the lower end of the Park. There are some 81 lots of land to be resumed by the council and the greater number of the owners are extremely poor. Their properties represent a life's savings. I have seen Mr. Bold and Mr. Armstrong and have protested against certain phases of their activities. I have claimed that they were dealing harshly and

unfairly with the owners. Under the Public Works Act of 1902, certain procedure is laid down for adoption when land is resumed. Notice of resumption has to be gazetted. I have a copy of the "Gazette" in which the details of the resumptions were published. Then it is laid down in the Act that the council must send notices and make offers to the owners concerned. The council did so, and quite a number of the people affected have seen me and produced their papers and informed me that they were entirely dissatisfied with the offers made. In quite a number of instances the offers of the council were below the capital values placed on the properties by the council. Members should note that during the last two years the City Council have not placed a capital value on the properties that are now being resumed. One of the properties is owned by a man of 78 years of age and his wife, who is 72. They are a real Darby and Joan couple. They bought a property on the flat six years ago and paid £425 cash for it. By the time they had completed the purchase and secured the transfer and made some little additions, they had spent between £80 and £100 more. The council offered £350 for the property. Later they sent the valuer to interview them, and he impressed upon them that they had to sell and must vacate the property not later than the 15th August. I have obtained those facts from the people concerned, who would have done far better had some competent person handled their case from the inception. Such tactics were employed that that couple accepted £375, believing that they had to accept the amount or get nothing at all. I claim that in this case undue advantage has been taken of the people concerned. The Act provides that, within 60 days of the offer being made by the council, the owners of the property may either accept or reject it.

Mr. McDonald: Did you talk to the City Valuer about it?

Mr. CROSS: Yes, and he denied the truth of the statements. I find that a number of people are telling the same story, and I am passing in on to the House as it was given to me. Both the City Valuer and the Town Clerk said there was no urgency about these people getting out of their homes. I said, "You have let the house again," but that was denied. I have in my possession a letter to this effect, "The bearer will become the tenant of your property as

from the 16th inst. Will you please hand over the keys of the same to him on that date." The letter is dated the 9th August. These people have to get out because the City Council have bought the property. The municipal authorities now say these people made arrangements to let the property to another tenant. I believe there are some reasonable men on the City Council.

Mr. Raphael: Two of them, anyhow.

Mr. CROSS: I think if Mr. Bold appreciated the true position, he would use his influence to have the case re-opened, and fair play meted out to these people. Another family bought a skeleton place for £150 cash. They then built a kitchen, a verandah, put down new flooring, and generally repaired the place. The City Valuer went down and made an offer for it of £175. He then bargained with the woman, who owned the place, offered her £200, and frightened her into accepting it. She accepted the offer but is far from satisfied. There is a widow in poor circumstances who was paid £250 for her place. Not even in the worst portion of Perth would it be possible to buy a nice place like that for £250. She was offered £175, but has not accepted the offer. At the time I saw Mr. Bold I could not produce the Act, but I pointed out to him that the Public Works Act of 1902 made definite provision for such resumptions as these. I told him that one of the sections provided that if the matter were referred to a court, 10 per cent. over and above the real value of the property could be allowed for disturbance. Mr. Bold thought I could not produce the section, but it is Section 62 of the 1902 Act which makes that provision.

Mr. Raphael: Mr. Bold knows that as well as you do.

Mr. CROSS: The Act also provides for the appointment of assessors. Any business man knows that the assessors would certainly have given consideration to what may be termed the potential value of the land. Because of its geographical position, and the fact that it is within walking distance of the city and close to two trams, these blocks are worth more than if they were three or four miles away. The usual valuation placed on a property by the City Council is lower than its real value.

Mr. Raphael: Twenty per cent. lower.

Mr. CROSS: Why were the council so anxious to finalise these properties when it was known that the people concerned had

60 days in which to reject or accept the offers? Even if the filling went on before a settlement was effected, assessors could have been appointed and the matter fixed up afterwards by negotiation. Another man was made an offer for his property. This individual has spent years of his spare time in reclaiming his own land. I would not like to shift the sand he has shifted to raise the level of his property. No special consideration was given to him for that. It was always in the day time when the valuer visited the place. The remarkable part about these negotiations is that they have almost always been conducted with the womenfolk. One man has a rose garden. He has been offered £25 for a block of land on which he has made a living for the last twenty years. That is unfair. Now that public attention has been drawn to the matter, I hope the City Council will re-open the cases that have already been settled with a view to giving fair treatment to the people concerned.

Mr. Lambert: Why not move for a select committee to inquire into these matters?

Mr. CROSS: The people concerned are holding a meeting on Sunday morning to devise ways and means to ensure that they do receive fair treatment.

Mr. Thorn: Did they bring it under the notice of Mr. Raphael?

Mr. CROSS: A prominent city solicitor has announced his intention of being present at the meeting to give, gratis, any legal advice required.

The Premier: That is not given gratis.

Mr. CROSS: I am not prejudiced in this matter. I am only concerned because I know that the individuals affected are some of the poorest and oldest in the metropolitan area, and that they have been treated differently from people enjoying better means. At all events I am going to see that these unfortunate persons do get fair treatment.

Mr. Lambert: And I will help you.

Mr. CROSS: I am also interested in the ferry service to South Perth. Both the service and the boats are out of date. One of the vessels is too large and the others are too small. It is high time two new boats were built. It is believed that the interest payments on them would be more than saved over the cost of repairs to the present craft. I hope the Minister will give consideration to this important matter, particularly as, according to the balance sheets issued by the Ferry Department to the 30th June last,

there was an unexpended balance on capital appropriation of £11,800. Associated with this matter is the question of the South Swan railway. This has been advocated for many years but has been left in abeyance. The time has arrived when steps should be taken to put this proposal into operation.

Mr. Tonkin: I am afraid the Yarramony railway would beat you there.

Mr. CROSS: It would be the means of saving considerable shunting in the metropolitan area, and I believe that whilst the matter is held in abeyance it affords the only excuse the authorities have for not building a new Canning bridge. There is an alternative proposal that should have been taken up years ago. I refer to the railway suggested by Mr. Stileman in 1927 from Brookton via Armadale to Fremantle. Such a line would relieve the existing system, and take the whole of the heavy wheat traffic which at present passes through Brookton. I would draw the attention of members of the Country Party to this matter. They should be more interested in it than even the member for Yilgarn-Coolgardie (Mr. Lambert). If this line were constructed, a ruling grade of one in 80 would be provided instead of the one in 40 that exists on the other line.

Mr. Withers: They do not believe in centralisation.

Mr. CROSS: It would save the necessity for hauling wheat over the hills, would double the haulage power of the locomotives, and shorten the route between Brookton and Fremantle by 40 miles. It would also relieve the existing bottle-neck in the city. A perusal of Mr. Stileman's report, of 1927 will show members that he recommended the undertaking of that work. If it was so important then, surely it is more important to-day. I believe, that if the railway were constructed, wheat could be hauled from the centres tapped at 1d. per bushel cheaper than at present.

Mr. Lambert: We will build that line when Stileman comes back.

Mr. CROSS: Now that the Transport Board are operating under the provisions of the State Transport Co-ordination Act, I look for an improvement in connection with our railways. I desire to draw the attention of the Minister for Railways to the anomalies that exist in the fares charged. Some apply in my electorate on the Perth-Armadale railway. For instance,

the return fare from Perth to Maddington is 1s. That charge is levied because Maddington is within the 12-mile limit of the city. On the other hand, the return fare from Maddington to Armadale, a distance of seven miles, is 1s. 9d. That anomaly should be rectified. I would remind the Minister that there has been a reduction in the fares, and I shall quote some figures to show what effect the reduction had and to prove that the action paid the Commissioner handsomely. In June, 1932, the return fare from Perth to Victoria Park was 8d. During that month 58 passengers were carried by rail. During July, when the fare was reduced to 6d., the number of passengers carried jumped to 382, and in August, to 448. The takings for passenger fares at Cannington in June, 1932, totalled £45 17s. 2d., whereas in June, 1934, after fares had been reduced, the returns amounted to £78 5s. 2d. Since the reduction in fares, frequently standing room only is available on the steam coaches, and I think the time is opportune to get more of those coaches. They can travel for 93 miles on half a ton of coal. The steam coaches are cheap to run, and I think the best way of overcoming the difficulty is to provide another coach and an accelerated service.

Mr. F. C. L. Smith: They cost the Government £6,000.

Mr. CROSS: But that expenditure will be returned quickly. In these days people require, and must have, good service. I think my remarks also apply to the Perth-Fremantle run, and to spur lines in the agricultural areas.

Mr. Stubbs: The railways have lost the trade, and they will not get it back.

Minister for Railways: Yes, they will. You should look on the bright side.

Mr. CROSS: I believe that the purchase of a few more steam coaches and a more frequent service, even on the spur lines in the wheat belt, would restore much of the business to the railways. There are one or two other matters affecting my electorate that I desire to deal with. I inspected the Welshpool Road this morning. It is more than six months since I furnished a request in writing that the Welshpool Road should be declared a main road. The cost of maintenance is too great for the local board to shoulder, and very few people in the Canning Road Board district

use it. It is practically wholly used by those who travel to and from the city. I am alarmed at the condition of the road to-day. In places it is distinctly dangerous for motor cycles, for there are holes five inches deep here and there, and the surface of the road has practically disappeared. I intend to invite the Commissioner of Main Roads to inspect this thoroughfare, for it will demonstrate to him what happens to roads constructed without proper foundations, when heavy motor traffic passes over them frequently.

Mr. Sampson: It is lack of maintenance there.

Mr. CROSS: Another road that is in a bad state of repair is Nicholson Road. Surely the two I have mentioned are main roads.

Mr. Sampson: Welshpool Road is really a developmental road.

Mr. CROSS: There is one matter that affects a large proportion of the people. I refer to the question of cheap picture shows. Most members know that in recent months an attempt has been made by foreign film corporations to compel picture show proprietors to levy charges not less than 1s. Practically the whole of the suburban picture exhibitors have discovered that immediately they put on a cheap picture night, they get big houses instead of the small attendances often registered when higher prices are charged. They went so far in the negotiations with the film corporations as to offer 25 per cent. more for film hire if they were allowed the right to charge lower prices. On the other hand, the foreign film corporations threatened to cut off supplies of pictures if British pictures were shown and the charge of admission fixed at 6d. The proprietors would not agree to that. I hope that the Government will introduce legislation to prevent the American film corporations from interfering with our local exhibitors. I trust that in any such legislation there will be a provision insisting upon British and Australian films securing their full quotas. When the companies knew that a deputation had waited on the Premier to discuss this matter, they got busy, and Sir Victor Wilson is on his way over to use his influence in deciding the issue. I hope that the Premier will not listen to the representations that may be made to him, and that he will not allow the foreign film companies to exercise domination over our own people.

Mr. Latham: We should have a Royal Commission to inquire into the matter.

The Premier: I must beware of Wilson!

Mr. CROSS: There are a number of other matters I could refer to regarding this foreign domination. I, for one, strongly object to local business people being told how they must operate because the films have come from a foreign company. Our local picture proprietors should have the right to charge what prices they desire so long as they pay the American film corporations the charges levied upon them.

Mr. Latham: The same sort of thing occurs in business houses throughout the State. We have proprietary lines for which there are fixed charges.

Mr. CROSS: If the Leader of the Opposition is in agreement with the fixation of prices, it is remarkable that although he will agree to it where American proprietary lines are affected, he regards it as quite a different proposition when it comes to fixing the price of bread.

Mr. Latham: Hear, hear!

MR. THORN (Toodyay) [5.40]: The Speech of the Lieut.-Governor would indicate that times have definitely improved.

Mr. Raphael: Thanks to the Labour Government.

Mr. THORN: The improvement has been due largely to the additional amount of money made available to Western Australia during the past 12 months. Loan funds increased to the extent of £795,000 and the ordinary revenue of the State was increased by £149,000. That should prove very definitely to the people that conditions generally have improved. I have heard a number of Government members congratulate the Minister for Employment on the improved position regarding unemployment. I wonder when some of them will congratulate private employers for the part they have played in getting men back to work.

Mr. Raphael: Do private employers give men work when they do not want them to work for them?

Mr. THORN: The improvement started the year when the previous Government were in office. In June, 1932, the percentage of unemployment in Western Australia, according to trade union figures, was 30, and when the previous Government vacated office, an improvement had been shown to 26 per cent.

The Minister for Employment: We had been in office for three months then.

Mr. THORN: The Government had not been in office long enough to tackle the position.

The Minister for Justice: You should have seen us during the first three or four days we were in office!

Mr. Latham: We tried to, but could not find you.

Mr. THORN: Another factor that must have materially improved the position throughout Australia, was the increase in the price of wool. The previous clip returned £20,000,000 only to Australia, whereas the last clip returned £46,000,000, an increase of £26,000,000.

Mr. Patrick: I think those figures are wrong. The increase was more like £30,000,000.

Mr. THORN: My figures may be conservative, but the fact remains that the increased return from wool played a great part in placing many men back in employment and improving the position generally. Quite a contentious question has been made of the matter of forcing sustenance workers to join unions. When men are unemployed or are working only part-time, and are in distress, it is not a fair thing to force them to join a union. After the Leader of the Opposition had spoken a man wrote to him and stated he had been forced to join a union before being given employment. I have no objection to men becoming unionists if the Government are prepared to offer them permanent employment, but when it is only part-time work it is very unfair indeed to compel them to become members of unions. The next subject I wish to deal with is the question of bulk handling. I was very sorry to see in the Press that there would be some delay in bringing the system about. There are members in this House who have said that you cannot stop progress. Bulk handling is a big step towards progress and is an important economic factor in the development of the State. We are one of the biggest wheat-producing States in the Commonwealth, and wherever we can save the farmer a few pence a bushel it is our duty to do so. I regret very much that the bringing of the system into effect is to be delayed. I am not blaming the member for Fremantle, but I am rather suspicious—

Mr. Sleeman: Why pick me?

Mr. THORN: I think it is the handful of lumpers who are likely to be disturbed that is worrying him.

Mr. Tonkin: Only 600 of them.

Mr. THORN: When the scheme is in full working order the hon. member will find that about 100 only will be displaced. A very interesting speech delivered in this House was that of the member for Perth (Mr. Needham). The hon. member complained of the imports from the Eastern States. During the lean years that we have been going through, the Eastern States have dumped considerable quantities of goods into Western Australia.

The Minister for Justice: Increased purchases must mean increased trade.

Mr. THORN: Let me instance the wine trade. This State manufactures in the vicinity of 350,000 gallons of wine a year, and we consume 440,000 gallons. Yet to-day the Eastern States competition in this respect is interfering with our local trade more than one can believe. There are parcels of wine being sent over by speculators and are being sold here at a rate lower than the cost of manufacture—in the vicinity of 3s. 8d. to 3s. 10d. a gallon for highly fortified wine. It cannot be produced at that price. That is what is going on to-day. In the electorate of the member for Fremantle the cheapest Eastern States wine is being sold.

Mr. Sleeman: Don't blame me for that.

Mr. THORN: The seller of this wine is disposing of it on the ordinary £5 license, and all our own legitimate wine merchants are paying to the Government a license fee of £30. The Fremantle vendor of the Eastern States wine can carry on very well under his £5 license, and that is a very serious matter indeed to those who are engaged in the trade within our own borders. I am hoping we shall be able to deal with that question. Listening in to the speech of the Prime Minister the other evening I was impressed to an extent.

Mr. Withers: Then you were an exception.

Mr. THORN: But I shall be more impressed if he carries out his promises. Amongst other things he said it was his intention to introduce legislation to protect the smaller States. "We protect the larger States of the Commonwealth against dumping by foreign countries" he declared, and then he went on to say that protection was long overdue for the smaller States in a similar respect. He declared that it was his in-

tention to introduce legislation to prevent dumping into the smaller States. I am hopeful that we shall be able to keep him up to the scratch. It is exactly what we want.

Mr. Tonkin: Was there anything he did not promise?

Mr. THORN: Yes, quite a number of things. The next question I wish to touch upon was referred to by the member for Murray-Wellington (Mr. McLarty), namely, the marketing of our products. The member for North-East Fremantle (Mr. Tonkin) told us last evening that times were changed and that we should be prepared to imbibe the new ideas brought about by altered conditions. Previously when I have spoken on orderly marketing I seem to have raised the antagonism of the present Minister for Lands. He mentioned what happened years ago, but what I want to impress upon the Minister and others is that times have greatly changed. We all agree that production has increased almost beyond control and to-day we are puzzled in every direction as to the manner of marketing our primary products.

Mr. Wise: Which side do you wish to follow?

Mr. THORN: I suppose the hon. member really means whether I am in favour of one Marketing Act or a sectional Marketing Act.

Mr. Wise: One marketing.

Mr. THORN: I am in favour of one marketing. I believe that finally it can all be brought under the one head, but I think that separate boards should handle the different industries. One Act may do it. When the present Government were in power previously they brought down a general marketing Act. The dried-fruit growers were not agreeable to that. They wanted to handle their own products and they were partly responsible for persuading the Government not to proceed with that measure. I have been in touch with the poultry farmers who are urgently in need of a control measure for the marketing of eggs. We have reached that stage of production whereby we must have up-to-date methods of sending our surplus out of the Commonwealth. If the different industries are brought under control whereby proper inspection can take place, and marketing in an orderly manner can follow, then there is a hope for the future of a number of our industries. Another question that is worrying me is the extension of electric current. In the city the peo-

ple enjoy all the advantages of electricity, but the people in the outer areas are deprived of that great facility. The Premier has made an announcement regarding what he will do as soon as new plant is installed. The reason advanced in each instance when extensions are asked for is that there is a shortage of current, but when we come to Perth we see great flaring lights everywhere in all colours, and at the trotting grounds enormous lamps, each of several hundred candle power lighting up the whole of the racing track. Yet the people in the outer districts are not able to get enough current to enable them to use a few lights in their homes. I am hopeful it will not be long before the new plant is installed so that this much-needed facility will be granted to those people. I should like to say a few words about the speech delivered by the member for Gascoyne (Mr. Wise) on the Address-in-reply. When he had concluded his address I congratulated the hon. member and told him I considered it was really a statesman-like effort. He did not touch on party politics, but got on to matters of importance to the State. He brought under our notice several important questions that appealed to me, and I told him also that he had put up many good arguments in favour of secession. He proved to us very plainly that we were suffering considerable disability under the Federation.

Mr. Wise: I did not say that.

Mr. THORN: No, but the hon. member proved in a very able manner that we were suffering very considerably because of the treatment meted out to us by Federal Governments. This brings me to the question of the delegation that is to be sent to London to place the Case before the Imperial authorities. I am going to make an appeal to the Premier. I shall not advance the argument put up by members of the Labour Party that by sending with the delegation to London a responsible Minister from this State, the Government are allying themselves with Secession. That was actually in print and it came from someone connected with the Labour movement.

Mr. Moloney: Are you sure of that?

Mr. THORN: Perfectly sure. The referendum having been held, the Premier has given effect to the decision.

The Premier: I supported the referendum, too.

Mr. THORN: Yes; the hon. gentleman did. I hope the Government will complete

the good work by sending Home a really responsible delegation. In doing so the Premier will be only carrying out what he promised the people. No one can say that the Labour Party generally are in favour of Secession. I trust that a properly constituted delegation will be sent to London.

The Premier: That will be done—a properly constituted delegation.

Mr. THORN: I hope a Minister of the Crown will be included in that delegation.

Mr. Moloney: Is there any Minister in particular you would like to see included?

Mr. THORN: Yes: the Premier himself, who, I feel sure, would put the Case most ably.

The Premier: You are making a great speech!

Mr. THORN: As regards the Case for Union, I desire to bring under the notice of the House the wilful waste of money involved in the distribution by the Prime Minister of copies of that Case. To the homes of the five members sitting on the front Opposition bench no fewer than 21 copies of the Case for Union have been sent.

The Premier: The Federal Government know that members on the Opposition side of this House need the Case more than anybody else does!

Mr. THORN: It is a wilful waste of money after the "West Australian" newspaper had gone to the expense of printing and distributing, free of charge, the Case for Union.

Mr. Moloney: But all the people in Western Australia would not get those copies.

Mr. THORN: Such a waste of money is to be reprehended. The £20,000 thus thrown away would easily have covered the expenses of a delegation to London. Unification has been mentioned in this Chamber. As long as I have a sound bone in my body, I shall not agree to it. I know it is on the platform of the Labour Party, but it was placed there by the Labour Party's masters. The Labour supporter as I know him in this House does not believe in unification, and I hope that before long the Western Australian Labour Party will remove that blot from their platform—for it is only a blot.

The Minister for Lands: What would you do if the people voted in favour of unification?

Mr. THORN: I would still fight the Case. In conclusion, let me offer a few words of congratulation to the Minister for Industries on his efforts.

The Premier: The super inspector!

Mr. THORN: I have followed the Minister's work. He has made a real effort to get the Western Australian people to use local products. He has extended himself to the full. I do not know when the hon. gentleman gets any sleep, because whenever one picks up a newspaper one finds that the Minister has been at some place or other trying to further the interests of local manufactures. I wish the hon. gentleman every success in his efforts. Last of all let me state that the time has come for us to pull together. Let us place State before party, and then we shall in the near future find ourselves well on the road to recovery.

[*The Deputy Speaker took the Chair.*]

MR. McDONALD (West Perth) [6.5]: Mine appears to be a somewhat peaceful constituency: I do not think I even have a picture house in it. Thus there are no specific matters of local concern that I wish to bring before the House or the Ministry. However, like many other members who have spoken in this debate, I have a natural feeling that I would like to forecast something of the affairs of State in the future. I must admit that I have no specific panacea, no particular remedy to suggest for getting us out of our troubles. The affairs of Western Australia are, of course, affected internationally and Federally and internally. On the international side we are concerned mainly with wheat, wool and gold. From that aspect the position seems more promising to-day than it has been for many months past. On the Federal side there are a number of controversial matters, chiefly matters of currency and credit. On those subjects we have advocates of various systems, but between those advocates there is no agreement as to what should be done. Everything that is suggested is purely on experimental lines; and, so far as I can see, some words of Mr. Neville Chamberlain, when speaking recently in the House of Commons, sum up the position—

It has not been so far proved that there is any case for a change in currency and credit.

Those may not be Mr. Chamberlain's exact words, but I hope they express his meaning. Reference has been made, also in the Federal arena, to State grants. I rather deprecate the attacks which have been made

from some quarters upon the members of the State Grants Commission. It was not fortunate that the chairman selected should have been a gentleman who had made previous references to the position of Western Australia, but I am prepared to give him credit for having endeavoured impartially to assess the situation of our State. Whatever he may have said by way of criticism has undoubtedly been borne out, to some extent, by the recent report of the State Royal Commission on the Agricultural Bank. Much of the criticism directed against the State Grants Commission has, therefore, rather missed fire. Our duty, in my opinion, is to turn to these various reports for guidance for the future, and rather to draw the constructive lesson which is to be gained from them than to criticise the people who have criticised us. I also feel that in this State we appear to be drifting to a new psychology. Our idea seems to be that nothing of value can come out of the East. That is a dangerous attitude to arise amongst our people. In other countries—Austria, Ireland, South Africa, Germany—more important even than their economic affairs, grave though these are, is the fact of the existence of such severe division between various parts of the people. That is the gravest problem in those countries. Here in Australia we have had our economic troubles, but, so far, we have had a united people. We have had a people prepared to work together to overcome the difficulties confronting us in the economic sphere. I myself think that we are drifting towards a psychology which involves not only a difference or cause of disunion between the Eastern States and ourselves when we are one economic body in the Commonwealth, but also a cause of disunity in the State, arising mainly out of the question of Secession. I think that tolerance not only in interstate affairs, but also within the State is something which is called for to-day; otherwise we may add to our economic troubles the difficulty occasioned by a people in conflict among themselves.

Mr. Doney: But why support a thing which you believe to be wrong?

Mr. McDONALD: I suggest tolerance in the sense of not trying to create feeling or work up emotions which will only lead to grave difficulties. It does not matter about any fair criticism, but sometimes criticism

goes too far. That is my personal opinion. In the Federal sphere I do not wish to include the question of banking. Reference was made to it by the member for North-East Fremantle (Mr. Tonkin). He spoke of the profits made by the trading banks. I have looked up in the Commonwealth Year Book for 1933 the period referred to by the hon. member. It shows the position of the banks and their dividends up to the end of June, 1932. It gives the capital of the banks, in which I include the reserve funds, because these are as much capital as are the moneys originally contributed. In the case of Australian banks the reserves have been augmented during the last 20 years by £10,000,000 of direct contributions of cash by shareholders in the form of premiums paid on the issue of new shares. Taking the capital of the banks for that particular year as consisting of the original contribution, and of the contribution made by leaving in the banks dividends which might otherwise have been paid, we find that the total capital of 12 Australian banks was £69,000,000. For that year, 1932, dividends paid were £2,014,798, which works out at 2.9 per cent on the capital of the shareholders in those institutions.

The Premier: But at what would it work out on the capital originally contributed, exclusive of the amount of money placed to reserve?

Mr. McDONALD: That aspect is rather important.

Mr. Tonkin: You are stating the dividend on profit.

Mr. McDONALD: That is a natural and proper thing to do. Let me deal with that aspect shortly. I have noted the periods over which some of the principal banks have been in operation. The Bank of New South Wales has been operating for 107 years, the Commercial Banking Company of Sydney for 100 years, the Bank of Australasia for 97 years, another bank for 70, and yet another for 55. If we take the total of the reserves of those banks, amounting to about £30,000,000, and deduct the £10,000,000 put in by the shareholders in cash by way of premium on shares, we get £20,000,000 as the profit put to reserve over periods varying from perhaps 20 or 30 years to 107 years.

Mr. Tonkin: Do you seriously suggest that people would pay £10,000,000 by way of premium in order to receive 2½ per cent. dividends?

Mr. McDONALD: That is the actual case on the figures. In the peak year for bank dividends, 1929, the average dividend was 7.9 per cent. That represented a good return, and that is the reason why at that time a premium was paid for shares. But the £10,000,000 was put in in hard cash, and the £20,000,000, in round figures, left in represent accumulated dividends and profits. In the case of one bank these have accumulated over a period of 107 years—

The Minister for Justice: There was not a great deal of money in the banks at the time of the reconstruction, in 1893. The money was not there then. The banks robbed a lot of people then.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. McDONALD: Before I leave this question of the banks, concerning which my desire was that justice should be done to institutions which have played an important part in the national life of Australia, I want to refer briefly to the question of reserves. Let us take an example: A man builds a house which costs him £1,000, and he leases it at £50 a year, or 5 per cent. Instead of spending the rent when it comes in each year, he applies the £50 to build on to the house. At the end of 10 years the house has cost him £1,500. He then raises the rent to £75 per year. He is then still getting 5 per cent. on the cost of the house. All that has been done by the banks is to adopt a similar procedure. Instead of a shareholder, who might be entitled to a £50 dividend if all the profits were distributed, taking the £50 and paying back to the company £2 10s., the bank pays him £47 10s. and puts £2 10s. into reserve.

Mr. Tonkin: On your argument, a man with preference shares would get no benefit.

Mr. McDONALD: A preference shareholder is very much like the man who buys bonds. He says, "I want a fixed rate of interest. I do not care if some people with ordinary shares earn 7 per cent., 8 per cent. or 9 per cent., I want my fixed interest of, say, 5 per cent."

Mr. Tonkin: Would that be 5 per cent. on the paid-up capital, or 5 per cent. on the reserves?

Mr. McDONALD: A 5 per cent. preference share would mean 5 per cent. on the paid-up capital. That shareholder's bargain is 5 per cent. on his capital. He does not care how much the company builds up reserves, or how much those reserves may earn.

Mr. Sampson: He wants no more nor less than he has agreed for.

Mr. McDONALD: Precisely. The preference shareholder is not concerned about any extra profits. That is the principle on which the preference shareholder puts in his money. He simply says, "I do not want more than 5 per cent. on what I have put in; I do not participate in any increase in capital or any increase in the reserves."

The Minister for Justice: When the company is not making a profit, the preference shareholder is paid out of reserve.

Mr. McDONALD: It depends on the constitution of the company whether he participates in the reserves. If the company do not make enough profit to pay him his dividend in any particular year—in which case the ordinary shareholders get no dividend at all—the company may dip into the reserves to pay the preference shareholder his guaranteed dividend. That is where in many instances the ordinary shareholder has a bad time.

The Minister for Justice: Yet you say that money ought to go to the ordinary shareholder.

Mr. McDONALD: No, I was speaking of a company which has one set of shares. The banks have to show a profit, because they are the custodians of the people's money and if they fail to make profits, the people probably will take their money away. Any banks not managing their business properly would make no profits and would not be worthy of the name of banks.

Mr. Lambert: But people cannot take their money away from a bank that is not making profits. That is a poor old argument.

Mr. McDONALD: I do not follow the hon. member. The position is that any bank should so run its business that it makes a small profit over and above its expenditure.

Mr. Latham: Is not the hon. member mixing up depositors with shareholders?

Mr. McDONALD: However, I do not wish to go on with that matter; that is really a sideline. I just wished to correct the impression that the dividends of the bank must not be computed on all the capital shareholders—the reserve funds, plus the original capital.

Mr. Tonkin: Would you also have to compute the undistributed profit?

Mr. McDONALD: Of course. The undistributed profits are dealt with every year. At the end of any particular period they

are either utilised to form a general reserve, or a reserve for taxation, or a reserve for building improvements, or are partly distributed in dividends. Then at the end of the year the undistributed profits are finished with.

Mr. Tonkin: Not always. Sometimes they go to profit and loss account.

Mr. McDONALD: No, they are finished up every year. Regarding the position of the State, there are some remarks I wish to make. I agree that time should be given the Transport Board to work out the destiny of transport in this State, but I think the board has made a mistake in proceeding too rapidly with the alteration of the existing structure of our transport. It seems to me that Parliament intended, and wise dictates would indicate, that it would have been proper to make a survey of the undertaking before any drastic steps were taken. That is particularly so because, in the case of transport, there is a peculiarly easy way of changing over without undue hardship. If one had to abolish a business which carried a fixed capital in the shape of buildings and plant, it would take a considerable time, and at the end of the time all that capital would remain on the hands of the previous owner. But in the case of transport, there is little more than the trucks, and the life of a truck would not, on the whole exceed perhaps three years. So at the end of that time the plant ceases to be of value by reason of obsolescence and, by a judicious provision the transport people would be able to work out the value of their trucks by depreciation payments and so, in due course, would be able to evacuate their business without undue hardship. Unemployment, of course, is a paramount question. Unlike the Leader of the Opposition, I am pleased with the activities of the Economic Council, and would go beyond the Minister and hope that he will do even more to mobilise the voluntary effort of the community in the direction of solving problems of this kind. To take one or two examples: the Sydney Rotary Club spent £2,000 or £3,000 of their own money in an economic survey of the youth of Sydney, and their report had something to do ultimately with the establishment of a board to deal with the employment of youths, a board, of which Sir George Julius, the president of the Rotary Club, became chairman. That board has power to borrow up to £2,000,000 for the purpose of providing employment for the youth of

Sydney. In other cities also a great deal is being done in the way of voluntary effort. The Agricultural Society, and schools and other institutions in Ballarat, have formed 23 young farmers' clubs where children are advanced to buy stock, graze pastures, and acquire a knowledge of the agricultural industry. Bendigo and other towns in Victoria have adopted the same principle. One child sold a calf in Sydney for £100, and another made £38 in a year from pigs. Other clubs in Victoria are doing quite a lot. In Geelong, forestry clubs have been organised in which the school children are interested. Areas are set apart and money furnished for the purchase of seedlings, and plots for reforestation are carried on. My feeling is that by getting representative organisations to assist in this way, by mobilising the interest of the community, even more so than the Minister for Employment has done, a great deal could be effected to occupy the youth of the State and give them opportunity to learn avocations that may stand them in good stead in after life. I also commend the suggestion of the member for Claremont (Mr. North) that consideration might be given to the question of removing the railway at present passing through Perth. The city must extend northwards, but at present the growth is dammed by the railway system crossing the centre of the city. Work of that kind, which is inevitable in the long run, might be considered for the employment of those requiring work. Regarding the position generally, in 1931 measures which were expected to be of short duration were adopted to meet the depression. It was justifiable, of course, that we should proceed to borrow in order to keep the wheels of industry turning and keep our people employed. Now that we have found from our own experience and on the authority of certain economists that the restoration of normal affairs is going to be slow, to say the best of it, the time has come, so it seems to me, when we have to revise the planning of the State's economy. I have been searching to ascertain what has been done in other countries. Quite recently various countries have taken steps to try to improve their affairs. I do not say that what they have done would be applicable here. What might apply in one country might be totally unsuited to another. Certain things have been done in many countries that I should be sorry to see done in

Western Australia. Still it is interesting to consider what has been done in other countries. The New Zealand Government states that it is now meeting almost the whole of its unemployment obligations out of revenue. I do not know whether that is completely true, because that Government is still borrowing to some extent. Consideration should now be given, I think, to the question of some form of national insurance. It was raised before, but there were difficulties under the Constitution.

The Minister for Employment: The Commonwealth have fallen down on their job.

Mr. McDONALD: The Commonwealth had a Royal Commission who found that there was no power under which the Commonwealth Government could act. It would have to be done by amendment of the Constitution. The States might co-operate to put that scheme on a proper foundation. In England it has been in force for 23 years, and has been a great factor in stabilising industry there. In Quebec, Canada, a recent declaration by the Government was that a return to the land was the best remedy for unemployment. In Roumania the policy adopted is one of reduction of the debts of almost all classes of the community. Farmers' debts have been reduced by half, with this alternative that if the creditor prefers, he may offer to grant a moratorium up to 15 years with one per cent. interest. That is a drastic reform. In Italy, excepting small incomes, the Government have recently reduced the salaries of State servants from six to 12 per cent. have taken steps in some cases to reduce rents and to reduce the price of foodstuffs in keeping with the reduction in salaries. The principal object is to balance the budget. The King of Italy, in his speech from the Throne, said that on a balanced budget depended all public and private finance.

The Minister for Employment: But they reduced all round previously and failed to achieve their object, and now they are starting again.

Mr. McDONALD: I am not defending those principles, but have merely shown how other countries are dealing with their problems and how we stand. Even more drastic is the case of Germany. Dr. Ley, the leader of German labour, has said that during the fight against unemployment, shorter hours and even starvation wages would have to be accepted by the German

working classes. That is the extreme step taken in that country. France has just retired 80,000 civil servants and reduced the salaries of the remainder from 5 to 10 per cent, the object being to balance the budget. America is making the currency experiments with which we are familiar, and from which the world hoped a great deal, but President Roosevelt's recent book seems to indicate that he is rather turning back to what are termed "orthodox methods."

The Premier interjected.

Mr. McDONALD: They do not appear to have been very successful so far, and responsible public opinion has been critical. A good deal of attention has been devoted by American men in responsible positions to the unusual methods adopted to surmount the difficulty. The current phrase in America dealing with Roosevelt's slogan, "On the way" is "We are on the way, but we do not know where we are going."

The Minister for Employment: On the road to anywhere.

Mr. McDONALD: Yes. England has just returned a £31,000,000 budget surplus after providing £8,000,000 of sinking fund. The recent Unemployment Bill is going to place the financing of unemployment upon a solvent basis under which contributions will meet all the expenditure. During that time England, which is the country of orthodox finance, has been more stable and tranquil than has any country outside the British Empire.

Mr. F. C. L. Smith: Is it proposed to increase the benefits?

Mr. McDONALD: Under the latest budget the benefits were restored. One or two things may be deduced from the experiments of other countries. One important point is the insistence they are placing upon a balanced budget and the drastic efforts being made by some countries to attain that end. Another is, apart from America, the aversion shown to any degree of inflation or any interference with the ordinary practice of currency and credit. That appears to be particularly so in countries like Italy, Germany and France, which have experienced the evils of inflation.

Mr. Latham: Germany has experienced it.

Mr. McDONALD: And even Italy and France, who had inflation in a modified degree or an extension of credit, are not prepared to continue on that basis.

The Minister for Employment: British authorities are going in for what they now call controlled inflation.

Mr. McDONALD: I do not know quite what it means. We have had certain inflation in Australia, and to an extent in England, but that is a very modified form of inflation, not comparable with that attempted by European countries. A review of the circumstances shows that we in this State have a standard of living which I believe is not surpassed in any country in the world. Long may it so continue. At the same time we are faced with serious difficulties to preserve the standard that has been enjoyed up to the present time. If I may say a few words as to what I think we could do, I would place first a planned effort to get back to Budget equilibrium. I appreciate the difficulty, but there is no doubt that no factor could restore confidence to the same degree as a balanced Budget; and the restoration of confidence would immediately bring results in the way of increased trade and increased expenditure and a corresponding absorption of unemployed people. That could be partly done by a gradual removal of some of the impediments that now exist against trade in the way of emergency legislation. There are various impediments to landlords, tenants, mortgagors, mortgagees, vendors and purchasers that I think could be gradually removed, with due safeguards against any person being unfairly treated by his creditors. The second is the encouragement of local manufactures. I am fully in accord with that, although I know its limitations. If we established all our men in employment to-morrow, we would have unemployed amongst us in a fortnight's time. In Australia the level of unemployment must remain fairly constant. If Western Australia were said to have no unemployed, other people would flock here to participate in our good fortune and would thus bring the level practically to that of the other States. As the member for North-East Fremantle (Mr. Tonkin) said, we cannot approach this question without regard to the repercussions in other States and the fact that we in Australia are one economic unit.

Mr. F. C. L. Smith: You mean constant as between the States?

Mr. McDONALD: Yes, fairly constant. The next point concerns the investment of our loan money. I suggest that consideration be given to the matter of the investment

of loan moneys to assist industry. That has been advocated by responsible Eastern States' opinion. In such a factory as the Minister referred to the other day—agricultural implement parts factory—if certain public money were put in as well as private capital, there would be a reasonable assurance that the money would be returned in due course, would earn interest during its employment and assist to develop our industry. We would not run any undue risk of losing our capital. If I may suggest it, I should like to see greater use made of public opinion on the question of the expenditure of our loan money. There are many representative organisations such as those of the primary producers, Trades Hall, Chamber of Manufactures and Chamber of Commerce, all of whom are vitally interested in this matter and are in direct contact with all the economic activities of the State. We might invite suggestions from representatives of those organisations as to how best the loan moneys could be expended. Instead of working, as we do, apart from those men, who are keenly interested and competent to express an opinion, we could work in co-operation with them with advantage to the expenditure of our funds.

The Minister for Employment: That is being given effect to in a large measure by the Economic Council.

Mr. McDONALD: I appreciate that; it is my reason for suggesting that the principle should be extended, and that we should do still more to mobilise the voluntary effort of the State in assisting to solve our problems. It is not beyond practical politics to secure a reduction of interest charges on our overseas loans. We have some loans that were floated 40 years ago bearing interest at three per cent. From 1916 to 1930, this State was borrowing money at a prevailing rate of between five and six per cent. We did not suggest to holders of those three per cent. bonds that, as the rate of interest was up to five or six per cent., we should increase their rate of interest. We simply said, "Your contract is three per cent., and although the existing rate is now six per cent. you must stand to your contract." Recently it has been said, conversely, that because money was borrowed at higher rates, the bondholders are behaving unfairly in not immediately volunteering to reduce them. The thing cuts both ways. I hope we shall remember, if we make the suggestion, that if the bondholders have not come forward

actively to offer reduced rates of interest we failed entirely to offer increased rates on the old loans at a time when the ruling rate was about twice as high as the old one. During the last three years I admit we have paid no interest at all to the British Government on the war loans. It would be possible, I think, to approach bondholders of our oversea loans, and get their consent to some conversion to a lower rate of interest.

Mr. Lambert: That is the best suggestion I have heard in the House since I have been here.

Mr. McDONALD: I agree that a reduction in the hours of labour is a necessary measure at the present time. That, however, can only be carried into effect if the principle is applied generally. I have been told on good authority that nations which have adopted the decisions of the Geneva conference in the matter of reducing hours have not carried out such decisions. That is one of the greatest difficulties in Great Britain. Other countries are not carrying out the principle arrived at, although they professed admiration for it.

The Minister for Employment: It is a poor excuse for their opposition to it.

Mr. McDONALD: No general reduction in the hours of labour can take place unless all the countries work on the same basis. A general reduction in hours could not take place in Great Britain unless other countries followed suit, otherwise Great Britain would be giving away her trade to those nations which could undersell her.

The Minister for Employment: If other nations did adopt that attitude no reduction would take place in Great Britain.

Mr. McDONALD: Public opinion has to be educated on the subject. I do not despair that out of the utterances at the Geneva conference nations will be induced to see that there must be some reduction in hours. I endorse what the Leader of the National Party said with regard to more unity in facing the problems confronting the State. In South Africa, in Great Britain, in France and in Italy there are national Governments.

Mr. Latham: The people in Italy would be afraid to have anything else.

Mr. Moloney: You are not desirous of following Italy, are you?

Mr. McDONALD: I am to the extent of having a Government that will speak in the name of the whole of the people.

Mr. Lambert: You do not want them to speak with a bludgeon, do you?

Mr. McDONALD: I believe it could be done by voluntary effort. This may be idealistic, but I regard it as a possibility. In France and in Great Britain the people have been able to surmount their difficulties very much better by means of a composite Government. So do I think that in this State we would be able to get out of our difficulties more readily if we could make a united call upon the people of the State.

Mr. Moloney: They are having constant changes in France.

Mr. McDONALD: To meet a position of civil turmoil a national Ministry was elected giving each of the parties a certain amount of representation. That which was done to meet the situation in France may have application even in this State.

MR. LAMBERT (Yilgarn-Coolgardie) [8.4]: I move—

That the debate be adjourned.

Motion put and negatived.

MR. PATRICK (Greenough) [8.5]: I should like to deal briefly with one or two speeches which have been delivered during the present debate. The member for Perth (Mr. Needham) made a remark last night that he should not be allowed to get away with, even if it necessitates digging up some of his past. I will read the report of his speech as contained in the "West Australian." He said—

The Parliament of this State had made a fatal mistake when it voted in favour of the Financial Agreement being embodied in the Commonwealth Constitution.

Mr. Ferguson (C.P., Irwin-Moore): It was the first step towards unification.

Mr. Needham: I quite agree.

I do not think the hon. member should be put out about that. His policy for a number of years has been one of unification, and if things are trending in that direction he should be well pleased. He went on to say—

Every member of the Federal Labour Party opposed the inclusion of the Financial Agreement in the Constitution. If the per capita payments had been retained, the State would have had sufficient money for social services and urgent public works that could not now be undertaken.

It is interesting to note that away back in 1909, when the Braddon clause of the Con-

stitution was expiring, the Prime Minister, Mr. Deakin, brought down a Bill providing for a referendum of the people concerning the embodiment in the Constitution of a per capita payment of 25s. per head. As the member for Perth is aware, the party to which he belongs, then in opposition, strongly opposed that proposition.

Mr. Needham: I was talking about State grants, not the Braddon clause.

Mr. PATRICK: The hon. member said that if the per capita payments had been retained the State would have had sufficient money for social services.

Mr. Needham: I still say that.

Mr. PATRICK: What the hon. member said then, speaking on the Bill that was introduced by the Prime Minister, on the 24th November, 1909, was—

If we agree to return to the States 25s. per capita, the day may come when this Parliament will have no funds with which to carry out our national undertakings.

When the referendum was put before the people Senator Sir George Pearce, who was then the Leader of the Labour Party in the Senate, returned to Western Australia and promised the people that if they voted against the referendum the 25s. per capita grant would be retained for 25 years. When that party was returned to power they provided in the measure that was brought down only for payment for ten years. The hon. member is thus largely responsible for the fact that this State is not now getting the per capita payments. If the electors of the State had not been misled then—they have frequently been misled by Sir George Pearce—we would still be enjoying the 25s. per head payments.

Mr. Needham: Why do you send him back every time he seeks re-election?

Mr. PATRICK: If this had been embodied in the Constitution it would never have come out. The member for North-East Fremantle (Mr. Tonkin) also made some rather extraordinary statements. He said we should not spend loan funds on reproductive works. I disagree with that. It used to be one of the main planks of the Labour platform. It was a pity they ever dropped it, otherwise this State would have been in a much better position to-day.

The Premier: Have you seen the platform lately?

Mr. PATRICK: That was the time when the late Mr. Daglish attempted to carry it into effect, and his Government became known as the "mark-time" Government.

The Minister for Agriculture: It is very hard to find reproductive works now.

Mr. PATRICK: The argument of the hon. member was that it was better to put the money into roads and buildings. If it was put into reproductive works we would be producing more than could be consumed, in fact creating a glut, and thus adding to the general discontent. We could add to the number of our civil servants. This would probably add to the number of consumers, but would mean no profitable production to the State. A complaint has been made that the Speech does not contain very much indication of Governmental policy. In that respect it is not original. I have not yet heard any Speech that gives much indication of policy. It contained the usual records of the State's progress, what the producers had achieved, and so forth. I do not see much mention of the cost of that achievement to the producers, or any projected legislation for alleviating their distress. I do not like recalling ancient history. The Premier, however, may remember the celebrated speech he made towards the end of the last Parliament. This was referred to by one newspaper as the finest speech of his career. In the course of his remarks he said he was going to find £100,000, and defy the Loan Council. The Government recently received a grant from the Federal authorities. Not only have we not got the £100,000, but they have retained £70,000 out of the £100,000, instead of, as in New South Wales, distributing the money amongst the farmers. The Premier said he would solve that difficulty, would write a cheque for £100,000 and defy the Loan Council.

The Premier: I went to the Loan Council with a deficit, and got their consent to the loan of £100,000.

Mr. Latham: Of course you blamed us for the position.

Mr. PATRICK: The Speech also referred to security of tenure and debt adjustment.

The Premier: The settlers are pretty secure: none has been put off.

Mr. PATRICK: The question of debt adjustment has been agitating the minds of some people, even conservative minds, for a long time. I have here a quotation from the

"Bulletin," of 18 months ago. In a leading article that paper said—

If "inaction" means neglect of material assets and demoralisation of valuable clients, it would be better to do quickly what may have to be done in any case, and write down debts to something like modern values.

That is the opinion of what may be called a rather conservative paper. The Wheatgrowers' Union of this State have also drawn up a somewhat elaborate rehabilitation scheme, and the same remark applies to the Primary Producers' Association. While the Government may not entirely agree with those schemes, it is about time they had a definite policy on the subject. After all, something must be done. No one expects that we shall keep all the settlers on the land: there must be a proportion of inefficients.

The Premier: They have been there too long.

Mr. PATRICK: The relief legislation introduced by the New South Wales Government received high commendation and gained the approval of the Wheatgrowers' Union. Up to the end of May this year, 2,214 farmers had sought relief under that scheme, 1,612 being granted stay orders. Since then 117 have been removed, leaving about 1,500 under the Act. Thus even in the case of what is termed highly liberal legislation, only about 1,500 out of 2,214 who originally went under the Act now have its protection. The others, presumably, were considered inefficient by the people administering the Act, and had either to go off or get outside finance. Discrimination is necessary in a question of this kind, because even some cases which appear bad on the surface are found, when examined, to have a different aspect. In my neighbourhood I know a person who was highly optimistic about the land when he was in business. Right at the head of the boom he took over a property which had been held by three different men under the Soldier Settlement Scheme. Each of those three men went off, each of them adding considerably to the original cost. When the person I speak of took over this property, it was in a very neglected state. He worked like a tiger, and turned it into a magnificent security. But at the prices recently obtaining he has had no possible chance of meeting the obligations piled on by the three unsuccessful men. Unfortunately, when going on the property he did not ask to have the valuation written

down, as he thought he could make a do of it. Such cases would have to be considered by a board of some kind, and given alleviation. I urge the Government to deal with the matter promptly, because action is even more necessary now than it was when the Premier made that magnificent speech. I am aware that the hon. gentleman, replying by way of interjection to the member for Pingelly (Mr. Seward) last session, said that hon. member's constituents had not endorsed the speech in question. That, however, has nothing whatever to do with the case. The Premier made that speech on the adjournment of the House, and declared that it was not made with any political motive as Labour was contesting so few agricultural seats. Moreover, the Premier seems to me to be introducing a new line of political thought. Perhaps when framing a Bill to grant rebates or restore emergency cuts, he would insert a proviso to the effect that the measure should not apply to the constituencies of Greenough, Pingelly, and so forth; and he might draw a Bill for the restoration of Parliamentary salaries, on the same lines. But perhaps the Premier was not serious in making that interjection.

The Premier: I shall label my jokes in the future.

Mr. PATRICK: I think the hon. gentleman would draw legislation of that nature on the lines of his great speech.

The Minister for Justice: He has converted Mr. Lyons.

Mr. PATRICK: Yes, I see that.

The Minister for Justice: That is where our Premier got his instruction.

Mr. PATRICK: I am glad to know that Mr. Lyons proposes to set aside a sum of money for that purpose. I shall not deal with the subject of the Agricultural Bank, as there will be a later opportunity for that; but I wish to say, briefly, that while the report has numerous good features, the Commissioners, in my opinion, made a great mistake in estimating the losses of the Bank by dragging in deficiencies in respect of group settlement and other matters with which the bank had no concern originally, but which were foisted on the bank after the losses had been made. Bulk handling is another important question. The action of the Government in this respect has aroused a good deal of resentment in the country, particularly in a district I know

well, the district served by the port of Geraldton. I fail to see any reason for the appointment of a Royal Commission to inquire further into the subject. As the ex Minister for Works (Mr. Lindsay) pointed out when introducing a bulk handling Bill, there had been numerous investigations into the question, and all the reports were in favour of the system. When members of the present Government were in Opposition, they told us that their main objection to the previous Government's Bill was that it would create a monopoly. Now, so far as I can gather, we are told that what is wanted in connection with bulk handling is a monopoly.

Mr. Latham: Ministers want a Royal Commission to make up their minds for them.

Mr. PATRICK: There is considerable side-stepping in this business. I went to the trouble of reading the speeches of members of the late Opposition on the Bulk Handling Bill. With the exception of the speech of the member for Guildford-Midland (Hon. W. D. Johnson), those utterances were not against any particular system of bulk handling, but against the very principle of bulk handling.

The Premier: No.

The Minister for Mines: You cannot have read all the speeches.

Mr. PATRICK: I did.

The Minister for Mines: I do not think so.

Mr. PATRICK: I advise the Minister for Mines to refresh his memory. A great deal has been made of the damage suffered by wheat during the past season, but hon. members must admit that there were extraordinary circumstances. Surely hon. members would not blame the railway engineers for the enormous damage occasioned to the railway system this year, even though in some cases it was found necessary, as the result of that experience, to raise the level of some lines. I have that on fairly good authority.

The Minister for Justice: When there has been a serious washaway, a culvert is generally put in.

Mr. PATRICK: Exactly: and the department have the benefit of that experience for the future. The bulk handling people have had only a couple of years' experience, and the people who have been handling bags of wheat here for half a century,

or ever since the inception of the wheat industry in Western Australia, had a similar misfortune to that suffered by the bulk handling people. In the port of Geraldton alone, there was probably as much damage to wheat in stacks and bags as there was to the whole of the wheat in bulk depots. I saw some of the damage done at Geraldton.

The Minister for Justice: All that damage resulted from inefficient plant.

Mr. PATRICK: The damage resulted from a custom obtaining among people who have handled wheat for half a century. The custom is not to cover wheat before the 30th March. In the agreement with the bulk handling people the merchants insisted that their wheat should be covered in bulk before the 30th March. This was in view of their experience that no damage of any kind was incurred before that date.

The Minister for Justice: Not in the case of bagged wheat.

Mr. PATRICK: Before ever bulk handling came into existence here, the Westralian Farmers and the Wheat Pool paid some £1,700 a year for insurance of wheat which was not covered, because of the possibility of rain before the final date for covering. A certain quantity of wheat always remains uncovered, to be trucked away before the rains start; but that wheat is insured in order that the loss may not be too great. The bagged wheat this year suffered just as much damage as the bulk wheat.

The Minister for Justice: If you had 2,000 or 3,000 bushels of wheat, would you sooner have it in bags than have it in bulk in the open?

Mr. PATRICK: I would rather have that wheat in bulk than have it held under the system adopted in Geraldton this year. That wheat, in large stacks, had 7 or 8 inches of rain on it in a few days, and then was roofed, mostly by merchants with experience in handling wheat. They roofed that wheat after the rain without first pulling down the stacks and reconditioning them. The result was enormous losses. Some of the wheat shipped at Geraldton in bags has not been a credit to the State. The Premier, in a statement published in the newspapers, said that certain cargoes shipped prior to the damage being done to bulk wheat were docked in London. The Premier said that some cargoes had been docked 3d. and some 1½d., showing that something was wrong with the wheat. But the same thing occurred in every season long before bulk

handling came into existence. I do not know whether the hon. gentleman obtained from the same pamphlet the information about dockages of 1½d. and 3d. A dockage of 3d. on a cargo of 8,000 tons would amount to £450, and a dockage of 1½d. to £250. For the season 1925-26, when there was no bulk wheat, shippers through the Westralian Farmers and the Wheat Pool were docked £1,234. For 1926-27 the dockage totalled £6,640; for 1927-28, £5,450; and so it goes on, down to the present year. As a matter of fact, the wheat docked 3d. and 1½d. was docked chiefly on account of what was said to be a small berry. That wheat probably came from districts which, as the Minister for Agriculture knows, are growing a variety which the Department of Agriculture have recommended should be discarded. Many complaints have resulted from the shipment of that wheat.

The Minister for Agriculture: Can you state the variety?

Mr. Latham: Don't you get drawn off on a discussion regarding that wheat. It does not affect the bulk handling question.

Mr. PATRICK: I do not mind mentioning the name of the wheat. I have no intention of growing it, and if I were growing it, I would cease doing so at once.

Mr. Latham: It is no use the Minister advancing that excuse; he knows the position.

The Minister for Justice: You need not glare at us like that!

The Minister for Agriculture: Why the secrecy about that mysterious wheat?

Mr. PATRICK: It will be appreciated that the position regarding the bulk handling of wheat has changed during the last few years, particularly since the previous legislation was introduced. For instance, one witness from Geraldton whose remarks were frequently quoted by members on the Government side of the House, told the Joint Select Committee on bulk handling of wheat that his company would never dream of shipping wheat from Geraldton in bulk. Within six months of that man giving his evidence, his company employed men to slit open bags and empty the wheat into the holds of ships. I also noticed that wheat was dealt with in the same manner at Albany recently. No one will contend that that is an economical way of dealing with wheat. I could read down the list of wheat cargoes and show that against quite a number of the entries

are references indicating that the wheat was taken from slit bags. That wheat was shipped in bulk, although it was not put through the bulk handling scheme. Will anyone say that that was an economical method of dealing with it? Is it economical to buy bags, employ men to sew them up when filled with wheat, and then later to employ men to slit the bags and pour the wheat into the holds of ships? Then again the company in Geraldton I have referred to sent secondhand bags last year to one of the finest wheat districts in the State, for the farmers to fill with wheat that was subsequently emptied into the ships. Those secondhand bags had the effect of introducing into a perfectly clean district the seed of the wild turnip, which is one of the worst weed pests known in Western Australia. What I have indicated shows that a great change has taken place regarding the method of handling wheat. Even some people holding high positions have changed their minds. One of them is Mr. J. J. Poynton, the general manager of the Midland Railway Company. In his evidence before the Select Committee, he said that if his company were given £25,000 a year, he would not allow bulk handling on his line. Notwithstanding his evidence, he informed the settlers this year that if the Government put in sidings on the Wongan line, his company would be prepared to do the same along the Midland line.

Mr. Cross: He changes his opinion every year.

Mr. PATRICK: It is perfectly obvious that Mr. Poynton knew that if bulk handling facilities were installed on the Wongan line, probably one-third of the wheat along the Midland line would have been carted to the Wongan line. That caused him to change his opinion. Mr. Poynton is a smart business man, and he knows that if he allows sites to be allocated this year, he will rob the Government railways of a large proportion of the wheat that otherwise would be transported over the Wongan line. That might mean robbing the port of Geraldton of large quantities of wheat that would go to Fremantle. There is no doubt that the bulk handling system has definitely come to stay. The New South Wales Government erected 30 additional silos last year, and have erected a great many more this year. It is time our Government woke up and put the interests of the wheat-growing industry before the vested interests of either the

labour employed at the ports or of the mercantile community. The other day I received a letter from a man at a wheat siding on the Wongan line in which the writer stated that the farmers using that siding had been canvassed and every farmer had been found in favour of the bulk handling system being installed there. He also said that if it were done this year, it would mean a saving of about £3,000 at that siding for the year. That is a substantial amount. I take it that on the quantity of wheat that has been handled and will be handled in the future, it would affect the port of Geraldton to the extent of at least £50,000. Not only has the Premier not come forward with the £100,000 he promised us, but he is neglecting to secure a saving of between £200,000 and £300,000 this year. I do not think we will advance the position appreciably if a Royal Commission or a select committee inquire still further into the matter. During the last four years, as members are aware, practically everyone who has been handling wheat has been making a living wage out of the business, whereas the men who have grown the wheat have got nothing out of it. The result has been that numerous farmers have had to leave their holdings. It is up to the Government to assist the farmers in self-effort schemes of this description, which will save the farmers twopence or threepence per bushel. The scheme will not cost the Government anything, nor is there any monopoly about it. Anyone who so desires is able to start operations, so long as he is granted a site by the Government. If the farmers desire to bag their wheat, there are merchants who are more than willing to deal with them, rather than to see the wheat go through the bulk silos of a rival concern. So far from there being a monopoly, I presume the present bulk handling company would be quite satisfied if they were not required to handle other than their own wheat. The company handle a large proportion of the wheat grown in the State, and it would pay them if they handled only the wheat consigned to the company themselves. Another cause of resentment among the various farmers' organisations, which I do not think has been mentioned previously, refers to the recent appointment of Mr. W. C. Angwin to the Fremantle Harbour Trust, instead of a representative of the primary producers. I am not conversant with the matter myself, but I believe that when a representative of

the primary producers was appointed to the Fremantle Harbour Trust, the appointment was an additional one, made at the request of the primary producers. I understand the appointment was agreed to by members of a Labour Government. The late Mr. Tanner was appointed by Mr. Angwin, when he was a Minister of the Crown.

Mr. Latham: The Premier was in England at the time.

Mr. PATRICK: Seeing that the additional appointment was agreed to so that the primary producers could have representation, I do not think, in the circumstances, Mr. Angwin, no matter how good a man he may be, should have been appointed.

The Premier: I think the interests of the producers will be well served by Mr. Angwin. Already he has effected a saving of between £2,000 and £3,000 a year since he has been a Commissioner.

Mr. PATRICK: Perhaps it was at the expense of the primary producers.

The Premier: No.

Mr. PATRICK: I share the disappointment of other members regarding the report of the Federal State Grants Commission. It was very unsatisfactory to Western Australia, and served merely to provide further ammunition for those who are pushing the Case for Secession. Some of the arguments used in the report of the Federal Commission are similar to those included in what is known as the "Case for Union." Members may have noted an article cabled from the London "Times" in which the writer stated that although he was not in favour of Secession for Western Australia, he considered the Case for Union a very unfair report, because while the Prime Minister, Mr. Lyons, himself admitted that the smaller States were labouring under disabilities, the Case for Union set out to prove that the State had enjoyed tremendous advantages. The report of the Federal Royal Commission, together with the Case for Union, merely serve to make the Case for Secession considerably stronger.

The Premier: The members of the Federal State Grants Commission will probably transfer their money to Western Australia because it is apparently the only prosperous State, where there is practically no taxation!

Mr. PATRICK: One of the arguments advanced by secessionists was the tremendous gain to Western Australia if we were able to secede from the Commonwealth, and

the Case for Union seeks entirely to deny that contention. I have a very interesting report issued by the South Australian Government in 1930. We may take it that South Australia, like Western Australia, is a primary producing country. The report was, I understand, largely the work of Professor Melville, who at that time held the Chair of Economics at the Adelaide University, and he is now the financial adviser to the Commonwealth Bank. He is young, but he is one of the most brilliant men of the Commonwealth. In the course of the report there appears the following—

If South Australia were to secede from the Commonwealth she could immediately benefit herself to the extent of £1,651,000 per annum, and ultimately to the extent of £2,451,000 per annum.

That statement is backed up in the body of the report by a mass of details. That statement alone shows that there is substance in the claim of the secessionists that Western Australia has something to gain from seceding from the Commonwealth. That is the conclusion arrived at by brainier men who drew up the South Australian report than are those who drew up the Case for Union, and they show a totally different result. The South Australian report also shows that primary producing States, being newer States, are more adventurous, and that seems to bear out what has been stated by the Agricultural Bank Commission recently. It is pointed out, however, that while those adventurous States gain very little by launching out in various directions of primary production, other States, that shared no part of the loss, have gained enormously. The report points out—

Furthermore the indirect benefits which arise from the establishment of primary industries accrue chiefly to the States which have taken no part in the development and, therefore, have incurred no part of the loss. South Australia has therefore, to bear the cost of encouraging production for export, chiefly to the benefit of other States.

The same argument applies to Western Australia. Even in their report, the Federal States Grants Commissioners admit that Western Australia has lost even more than South Australia on account of the protection policy. The report continues—

She (South Australia) has also been compelled to subsidise protected industries in these other States. Even when the prices of her exports were high, she really could not afford to make these generous donations; but now

that the prices of her exports have collapsed it is impossible for her to continue them.

Personally I pay much more attention to that report, which was the work of a brilliant economist and some of the best business men of South Australia, than I do to the report furnished by those who issued the Case for Union. In fact, I think the latter report was mostly the work of Federal officials.

The Minister for Employment: And I suppose you pay more attention to it than you do to the Case for Secession.

Mr. PATRICK: No. The South Australian report shows that those who framed the Case for Secession had grounds for their arguments.

The Minister for Employment: They were brilliant economists, weren't they?

Mr. Latham: Do not forget this House appointed them.

Mr. Wise: They did not economise regarding paper.

Mr. PATRICK: I commend the Minister for Employment on his attempt to boost local industries. I should like to draw his attention to the magnificent market on the goldfields, where a lot of propaganda work is required. Only the other day a business man to whom I was talking, said that for trading purposes Kalgoorlie might just as well be a suburb of Melbourne, and that big wholesale firms in Melbourne could quote for Kalgoorlie, prices lower than those quoted by firms in Perth.

Mr. Lambert: That is due to the special freight given on the Commonwealth Railways.

Mr. F. C. L. Smith: A lot of Perth firms carry big stocks up there.

Mr. PATRICK: That does not matter. The gentleman to whom I was speaking pointed to the closing down in Perth of big firms such as D. & W. Murray, Ltd.

Mr. Lambert: It does not matter whether they sell through agents in Adelaide or in Perth, for Murrays and Goode Durrants are Adelaide firms.

Mr. PATRICK: But it means employing labour in Melbourne instead of in Perth, a matter which the Minister for Employment is seeking to combat.

The Minister for Employment: The point is that any price is a good price for surplus goods.

Mr. PATRICK: Yes, but when I was on the goldfields many years ago there was a

prejudice against Western Australian goods. The bakers there said they could not bake bread except with Manitoba flour.

The Minister for Employment: Recently a local products exhibition was conducted in Kalgoorlie, and seemingly with good results.

Mr. PATRICK: No doubt Kalgoorlie offers a magnificent market, which rightly belongs to Western Australia.

Mr. Lambert: The Commonwealth Railways deliberately lowered freights so as to allow Eastern States firms to collar the goldfields markets.

Mr. PATRICK: Then perhaps we shall get some relief when the interstate commission is revived.

The Premier: Or when we get away from them.

Mr. PATRICK: It is the function of the interstate commission to deal with such a situation.

The Premier: Not necessarily. The interstate commission can only recommend; it cannot act.

Mr. Lambert: We should direct our Commissioner of Railways not to favour Kalgoorlie.

Mr. PATRICK: After all, these are only temporary expedients. The real remedy for the situation is to put all the primary industries in the State on a sound basis.

The Minister for Mines: Could that be done with wheat at 2s. a bushel?

Mr. PATRICK: Members may remember certain plans which were placed on the wall last session by the Leader of the Opposition, figures showing the disparity between the prices of primary and secondary products. To point my argument I am again going to quote that conservative paper, the Sydney "Bulletin."

The Premier: Not a very reliable paper.

Mr. PATRICK: It is reliable in this respect. The quotation is as follows:—

As to the fall in prices, it is quite true that others are in the same boat. But has the wind been tempered to the farmer as it has been to others? Wheat worth £100 in 1911 was worth £83 in November. But non-rural products, almost exclusively manufactured goods, worth £100 in 1911 were worth £175 in November. This means, generally, that, whereas the non-rural worker can get 75 p.c. more for his product (which is mostly his labour) than he could in 1911, the wheat-farmer gets 17 p.c.

less. It means also that for what he must buy from the city the wheat-farmer must pay more than two bushels of wheat where in 1911 he had to pay only one. It is quite obvious that the fall in prices has not hit us all alike.

The explanation lies partly in the superior organisation of the non-rural producers and partly in the tariff. The tariff was built on the foundation that it is better to pay ourselves 30s. for an article than to get it from somebody else at 20s. That it would put up prices we knew quite well; there was no sense in it if it didn't. But the farmer has to sell on a freetrade basis and buy on a protectionist one. He does not get the protectionist price even for such of his products as are sold for home consumption. This is unfair; and the farmer will have serious cause for complaint until he can get as a producer the benefit of the protection for which he has to pay as a consumer. Thus far the only practicable plan proposed is to give him the benefit of a sales tax. It is complained that this will put up the cost of living. Of course it will. But that does not stop us from imposing tariff duties; indeed, as we have just seen, it is what we put them on for—that the competition from the outsider may not prevent us from raising prices.

Also we have heard a great deal of the Roosevelt plan in America. Mr. Roosevelt's chief object was to raise the prices of primary products, and this was how he was going to do it:—

Find how many bushels of wheat or corn or how many pounds of cotton, tobacco or hogs it took to buy a given quantity of manufactured goods in the year 1909-1914. Then prices for wheat, corn, cotton, tobacco, hogs and so on, must be raised until the same quantity of any of these will exchange for the same quantity of manufactured goods as in that happy five-year period. That is what is meant by parity prices for agriculture and agriculture's right to have its buying power restored to that arbitrary parity is predicted on the ground that the country as a whole cannot prosper until the farmer is prosperous. It is therefore in the public interest, first, that the farmer's share of the national income shall be increased to what it was in the remembered time of his contentment, and second, that it shall never again be less. If manufactured goods rise in price, agricultural prices must rise just that much more, to maintain the parity.

That is all the farmers are claiming in this country. We claim that while we have no command over the export prices, we are entitled to a home consumption price to bring our wheat equivalent to what the rise has been in other commodities. This is a protectionist country, and if other people are to get their measure of protection, the farmer is entitled to the same thing.

Mr. Lambert: Last year you had two or three bonuses.

Mr. PATRICK: We are not asking for bonuses, for they are only a temporary means of getting over a difficulty. In fact a great number of successful farmers in this State did not collect any bonus at all, and a lot of that money was given to absolute inefficients, which was a most unfair form of distribution. What we want is a fair home consumption price for wheat, and I think the Premier himself favours that system. We contend that the man who produces the nation's food is entitled to as high a standard of living as is enjoyed by those in less essential industries. I used an illustration on the public platform: I said it was ridiculous that a man on a farm, driving a six or seven-horse team or a tractor, an expensive implement, should be receiving less remuneration than a man driving a brewer's cart in the city. I was pulled up and told that brewing was an essential industry, and so I had to amend my illustration to that of a driver of a baker's cart.

The Minister for Agriculture: But the position was very different then, for wheat was at 5s. a bushel.

Mr. PATRICK: No, the position was not different. Low as wages are on farms to-day, most of the farm workers are drawing far more money than are the farm owners.

The Premier: If the home consumption price of wheat were fixed at 4s. per bushel, and if the export price suddenly rose to 5s., would you still sell at 4s. for home consumption?

Mr. PATRICK: That is a different matter. If the price for an imported implement was raised, would not the Australian manufacturers of a similar implement raise their price to the same level? The Premier will admit that it would cost a certain amount of money to land wheat in this country. Probably it could not be done under 1s. a bushel, without the duty. At present this community is getting wheat at sweated rates, at least 1s. a bushel below what it could be landed at. There have been times when wheat was sold in Australia at far below world's parity, as for instance during the war. Unlike some people, I am not suggesting that unless the farmers can get what they want they should organise a hold-up, but I have a great deal of sympathy with a motion once moved by the member for Guildford-Midland (Hon. W. D. Johnson), namely that the farmers unless they got a

fair price for their products should refuse to sow any wheat that season. They should refuse to put in any wheat unless they can get a fair price for it. I am going to follow the example of the member for North-East Fremantle by quoting a couple of lines, adapted, from the poet Shelley—

Men of Austral, wherefore plough
For the men who hold you low?

Mr. Moloney: You would not advocate direct action like that, surely!

Mr. Latham: It would not be direct action. Would you work for less than your wages?

Mr. PATRICK: Producers in Australia have done their part in maintaining the credit of the country. They have made up for low prices by enormously increased production. Let me give the figures. Compared with 1928-29, values in 1931-32 declined as follows:—

Agriculture	16 per cent.
Pastoral	47 "
Dairying	18 "

In 1932, the increases in quantities exported, largely due to good seasons, were—

Butter	121 per cent.
Cheese	42 "
Eggs	479 "
Flour	11 "
Wheat	46 "
Wine	32 "
Wool	14 "

Undoubtedly Australia's credit was saved through the farmers doing increased work and enormously increasing production, thus compensating for the low prices, although they got nothing out of it themselves. I have previously quoted from Adam Smith, the great economist, that agriculture is the one abiding source of national stability. That applies to-day, just as it did in his day, and it is confirmed by Roosevelt's expert advisers in the greatest manufacturing country in the world, who say that a country cannot prosper unless the farming industry is prosperous. Let us begin at the right end and put the primary industries on a sound foundation, and then all our industries will prosper. No doubt most of our difficulties are due to the international situation over which we have no control. The intense nationalism of certain countries is largely the cause of the world's discontent. As H. G. Wells said—

This has been brought about largely by a doctrine of fear. Modern transport has

made the world a very small place. A nation which at one time could consider itself fairly safe from invasion is of course now only a few hours travel from the invader.

Then we have the question of war debts and reparations. Even under the necessity of making another quotation, I shall read a leading American authority's opinion. Dr. Nicholas Murray Butler, President of the Columbia University, said—

Put bluntly, the specific cause of the plight in which our farmers, our manufacturers, our merchants, our railways, and our bankers find themselves is the attempt not only to pay war reparations and so-called war debts, but to pay these across frontiers that are guarded by high and thick tariff walls which do not permit international payments to be made in goods. A quick result has been an unwarranted and unnatural distribution of gold, which lies useless and sterilised at one or two centres. We are calling aloud for a return to prosperity, while supporting Governments in precisely those policies which make a return to prosperity impossible.

He goes on to deal with the argument that the American taxpayer will have to carry the burden if war debts are written off. It was urged that Britain was a wealthy country and that she should be made to pay. Dr. Butler continued—

We have lost many times over the sum we hoped to receive from this source. We present the unenviable picture of cutting off our national nose to spite our national face.

In spite of all this, I am optimistic as to the future. I agree with the Premier of Queensland, Mr. Forgan Smith, who recently returned from England, that the intense nationalism prevailing will not continue very long.

The Premier: It could not, for the world would crash under it.

Mr. PATRICK: The people of European countries will not continue to pay 10s. or 12s. a bushel for wheat, which is evidently the cost of growing it there, when wheat can be obtained from other countries so cheaply. The people will rise against it. That is the Queensland Premier's opinion, and I agree with him. When that time comes, there is no doubt that the prosperity of Western Australia will rest on a very solid basis. When wheat and wool return to their aforetime prosperity—the price of wheat has improved and I think wool prices will appreciate, because no doubt the world requires wool—and in view of the fact that we have a third string to our bow, namely the revival

of goldmining, I consider that a return to prosperity in Western Australia is inevitable.

On motion by Mr. Doney, debate adjourned.

House adjourned at 9.5 p.m.

Legislative Assembly,

Thursday, 16th August, 1934.

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

QUESTION—FINANCIAL EMERGENCY DEDUCTIONS.

Mr. NEEDHAM asked the Treasurer: 1, What amount has been deducted from the salaries or wages of—(a) railway officers, (b) State school teachers, (c) officers under the Public Service Act, (d) members of Parliament, and (e) other Government employees not mentioned above, under the provisions of the financial emergency legislation which provided for reductions of 18 per cent, 20 per cent., or 22½ per cent. during each of the years ended 30th June, 1932, 1933, and 1934? 2, What amount has been charged to revenue in respect of unemployment relief during each of the years ended 30th June, 1932, 1933, and 1934? 3, What amount has been received by the Treasury for each financial year in respect of—(a) the 4½d. in the pound under the Financial Emergency Act, and (b) the 4½d. to 9d. in the pound under the Financial Emergency Tax Act, 1933.

The TREASURER replied: As the replies to these questions are lengthy, I have prepared them in the nature of a return which I shall lay upon the Table of the House.