

Australia may be properly represented at the forthcoming sugar inquiry. There is only one other matter I desire to touch upon. That does not appear in the Speech, but it is upon the Notice Paper for discussion. I refer to the power the Government desire to sell the State trading concerns. I shall keep for another time any remarks I wish to make in regard to the sale of those dear old friends of ours, and I think when they are gone I should like to wear a crepe band in their memory. The point I wish to stress is this: if the Government in their endeavour to get rid of the State trading concerns will use the same zeal and the same energy as I feel sure the majority of members of this House will use in giving the Government power to sell those concerns, then I am certain we shall not have long to wait until those concerns are disposed of. Probably I know a great deal of what goes on in the commercial world, and I say nothing has created more dissatisfaction and more dissension in Western Australia than have the State trading concerns. To my knowledge they have prevented the establishment here on a permanent fixed basis of many industries; and I think if the State Implement Works had not been in operation the McKay Harvester people would have been here, not to assemble the various parts of their machines, but to make the whole lot of them from the beginning. I congratulate the Government on their effort in this new direction, and I trust they will be successful eventually in disposing of the State trading concerns. But in addition to the State trading concerns, I want to see every one of the State hotels disposed of.

The Minister for Country Water Supplies: They are one of the activities involved.

Hon. Sir WILLIAM LATHLAIN: I am more than delighted to hear it. In my opinion, if there is anything undignified for a Government and Parliament to enter into, it is the beer trade. Before sitting down I should like to express sympathy with Mr. Parker and Mr. Cornell in their respective illnesses, and to offer to Mr. Allsop, Mr. Macfarlane, and Sir Charles Nathan a very hearty welcome to this Chamber. Two of them are new colleagues of mine, and I am sure we shall be able to work together in harmony, not only for the solution of our own problems, but more particularly for the benefit of Western

Australia as a whole. In conclusion may I offer to you, Sir, my sincere and hearty congratulations upon your elevation to the Ancient Order of Knight Bachelors. It is a very great privilege to me to welcome you as a brother in that order.

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

House adjourned at 8.52 p.m.

Legislative Assembly,

Tuesday, 2nd September, 1930.

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

QUESTION—RAILWAY CONSTRUCTION.

Mr. WILSON asked the Minister for Works: 1, How many and which railways are under construction? 2, How many men are employed on each?

The MINISTER FOR WORKS replied: 1, Four. Pemberton-Westcliffe, 123 men; Kulja Eastward, 163 men; Meekatharra-Wiluna, 67 men; Lake Grace-Karlgarin, 202 men. 2, Answered by No. 1.

QUESTION—LICENSES REDUCTION, COMPENSATION FUND.

Mr. MARSHALL asked the Attorney General: What was the total amount of funds standing to the credit, at 30th June, 1930, of the compensation fund inaugurated under the Licensing Act and operated on by the Licenses Reduction Board?

The ATTORNEY GENERAL replied: £8,721 3s. 11d.

ADDRESS-IN-REPLY.*Fifth Day—Amendment.*

Debate resumed from the 28th August.

MR. GRIFFITHS (Avon) [4.37]: In Saturday's issue of the "West Australian" I read a somewhat humorous article which likened the Address-in-reply to the passage of a ship, indicating its various calm and stormy periods until it reached smooth waters under the aegis of the Minister for Works. It is now forecasted that the political weather is set fair with the ship under the direction of the member for Avon. I assure the House that during the 30 or 40 minutes of my speech I shall not attempt to reproduce anything likely to cause an uproar.

Mr. Panton: You never do.

Mr. GRIFFITHS: I consider the conditions are too serious to justify the bickerings of political groups or leaders. This House should consider the gravity of the existing financial position and bring its thinking apparatus to bear to the end that we might devise measures to bring us out of the financial morass. I should like to compliment the Leader of the Opposition upon his manly speech. Undoubtedly it was a sensible, decent, reasonable speech, the kind wanted in this House at the present stage. I cannot altogether congratulate the member for South Fremantle (Mr. McCallum), because the latter part of his speech savoured of the sort of thing we hear on the Esplanade just before election day. The middle portion of his speech, when he spoke of the indebtedness of Australia to the Old Country, was on a distinctly higher plane, and he is to be congratulated for having directed attention to the matter, although it should not have been necessary to do so. The fact of the matter is that on all sides is a rising demand that Australia should be treated, not as a naughty child who is failing to fulfil its obligations, but as one who has given service that is entitled to receive consideration. The member for South Fremantle dealt very ably with this phase of the question. Let me direct attention to an article which appeared in "The Mirror" on the 23rd August, in which two points were dealt with, "How much does Britain owe us?" and "Australia's burden remains the same, while Britain gives concessions to foreigners." In the article comparisons were drawn, as was done by the member for

South Fremantle, between the position of Australia in its relation to the Old Country and the position existing between England and the United States, showing that while we were paying 5 per cent. interest and a little over 1 per cent. in sinking fund, Great Britain was being charged for the first 10 years 3 per cent. and for the balance of the period $3\frac{1}{2}$ per cent., with a sinking fund of $\frac{1}{2}$ per cent. The paper inquired why there should be this differentiation, and why the concession had not been passed on to Australia, particularly as France had had two-thirds of her debt rebated and very much the same position obtained with regard to Jugo-Slavia, Montenegro, Serbia, etc. They have been placed in the position of paying when they can and how they can.

Mr. Marshall: They repudiated their war debt obligations and nothing has been said about it.

The Minister for Railways: Waiting for you to draw attention to it.

Mr. GRIFFITHS: The article continues—

Australia is paying her war loans from Britain in 35 years at 5 per cent. Contrast this with Britain's 62 years' period at 3 and $3\frac{1}{2}$ per cent. with the United States, and the 62 years' terms granted also to France and Italy, or with the pay-as-you-please to the Portuguese.

The article concludes—

Australia will never take the knock, but if there are any concessions to be given, we feel that we should at least receive as much as the French, Italians, and Portuguese. . . . Australia has paid all instalments of its war debts. How much has France paid? Britain wrote off no less than £34,000,000 of the Italian war debt. How much rebate did she grant Australia? During the war years the Hughes Ministry sold our wool output to the British Government at a flat rate of 1s. 3d. per lb. How much profit did the British Government make by reselling to Yorkshire spinners at up to 5s. per lb.? Mr. J. M. Keynes says, "So far as can be ascertained, Britain made a profit of over £150,000,000 on this transaction."

There were also our gold and our wheat. The Prime Minister has gone Home, as he said, to speak in the name of Australia, not as a mendicant, but as a representative of a great nation which has met all its obligations and will continue to meet them. We hope—and I think it will be so—that he will stress the points now occupying the minds of the people as to whether something better

cannot be done for Australia. I hope he will maintain that attitude when he gets to Britain. When Sir Otto Niemeyer came to Australia—I am not sure of the pronunciation of his name—

Mr. Marshall: Among the many foreigners.

Mr. GRIFFITHS: —it appeared to the average man that he had come in the role of a bailiff, although he had been invited by the Federal Government.

Mr. Marshall: How do you know?

Mr. GRIFFITHS: I noticed that the member for South Fremantle said Sir Otto Niemeyer never mentioned to the Premiers that so far as this country was concerned there were things on the other side of the ledger. He asked why something had not been said regarding the adverse trade balance of Great Britain relatively to an outside country. The Minister for Mines rather pointedly interjected that one country, meaning ourselves, was a borrowing country, and the other, namely, England, was a lending nation. On that aspect I wish to stress one or two respects in which Great Britain is in a different position from that of Australia. Great Britain's income is largely made up of interest and dividends drawn from abroad. If in these latter years she had had to depend upon her trade alone, she would be in almost a worse position than Australia is in to-day. It is the interest and the dividends upon her accumulated wealth that have enabled her to carry her burden as well as she is doing. As showing the growth of feeling in regard to that phase of the subject, I may point out that no later than this morning Mr. Fenton, the Federal Minister, is reported as stating that he cannot speak authoritatively regarding the possibility of the reduction of war debts. The mere fact of this pronouncement, however, shows how much the matter is exercising the minds of the people. Again, Mr. A. S. McClintock, probably echoing the remarks of the member for South Fremantle, expresses himself to much the same effect in a letter to the "West Australian." Next, we find from the cablegrams that the London "Referee," in a leader entitled "Our Grave Responsibility to Australia," comments on—

the iniquity of treating Australia like a naughty child throughout the Press world and threatening her with pains and penalties.

During the war Australia sent Britain more than £2,000,000 worth of gold each year, and was only paid £3 17s. 9d. an ounce in British paper money.

The member for South Fremantle further stated that the Governor's Speech was practically empty. I do not know that that is a bad thing. As a rule we get our legislative programme too full. If a certain line of action could be decided upon in Parliament, and if then Ministers could be allowed to get to work in their offices, it would be better for the country. Last session, as in other sessions, we passed a number of laws seeming to have a tendency to curtail liberty, to restrict the people, and to add to the expenses of trade and commerce. In reference to our trade with Great Britain and the great noise made about our adverse trade balance, one must remember that Great Britain is, so to speak, living on her own fat. According to certain figures which I have obtained from various year books, there are only three countries in the world taking more from Great Britain than they sell to her; and those three countries are Brazil, Japan and Greece. For the years 1924 to 1928 in the total of her foreign trade Britain had an adverse balance averaging £407,000,000 per annum. If Britain did not receive an annual income of £130,000,000 from shipping and a further £265,000,000 from her own fat in dividends and interest earned overseas, largely from British possessions, her debits to foreign countries would soon become more alarming than Australia's present embarrassment in overseas obligations. In the widest Imperial sense, Britain's commercial results are the Empire's profit and loss; and since we, as a British country, supply Britain with a substantial portion of her credits, we are entitled to say that Britain's foreign debts are draining the Empire. In a period of five years a total of 2,000 millions sterling has thus been drained from the Empire into foreign treasuries. For example, the United States of America in the quinquennium collected almost 800 millions sterling of surplus trade balance from Britain. Little Denmark collected 200 millions sterling, merely for feeding Britain with breakfasts. That sum was represented by eggs and bacon and buttered toast. We as a people are concerned in those facts, inasmuch as they affect the question of the

Empire being kept solvent and going. As regards preferential trade between Britain and ourselves, I may revert to the matter of bacon and eggs for Britain's breakfast.

Mr. Marshall: A lot of people are not getting bacon and eggs to-day.

Mr. GRIFFITHS: That is so, and the same thing applies in Western Australia. To come down from the general to the particular, the supplying of bacon to Britain concerns us. This country has a big opening for export trade in that respect not only with Britain, but with countries lying to our north. I refer to Java, Japan, and China. People who should know have told me that there are certain parts of the pig in great demand in Java, other parts in great demand in Japan, and still other parts in great demand in China. That trade is there to be done. I would like to know from the Minister for Agriculture whether something cannot be done in regard to the Stock Department. I put to the previous Minister for Agriculture certain questions regarding the working of the department. In the replies the questions were largely evaded. I had found that damaging reports had been made regarding our Stock Department's certification of animals and products exported. Our certificates, it was alleged, had not been found reliable. A Dutchman came here from Java, and upon his return to that country strongly advised his Government to prohibit certain importations from Australia. This was eventually done, I understand, though I was not able to gather definitely from the answers to my questions whether it was actually so. However, I have it on reliable authority that in the North there is room for considerable improvement in stock matters, that certain diseases are prevalent there, and that tuberculosis is more rife amongst the cattle than is generally allowed by those in authority to be the case. Since last we met a good deal has been published about trouble between Mr. Murray-Jones and other officers of the Stock Department. Many of us would like to know whether anything has been done in regard to that matter. Is Mr. Murray-Jones to be reinstated? Is the department to go on as it has been doing, or are stock affairs to be placed under a separate head?

Mr. Marshall: What does the Minister say? Are you supporting him?

Mr. GRIFFITHS: Some months ago a fervent appeal was sent out to the farmers to grow more wheat. From travelling in the country districts and talking with the farmers, I find that they regard that appeal as rather a grim joke. They are told to grow more wheat, when it is bringing 3s. 2½d. or 3s. 3d. per bushel and it does not pay to grow at 4s. The farmers quote those figures and say, "Yet you people talk to us about growing more wheat!"

Mr. Marshall: Who talks about it?

Mr. GRIFFITHS: You people do.

Mr. Marshall: No.

Mr. GRIFFITHS: Mr. Scullin, your leader, does.

Mr. Marshall: But he was prepared to give the farmers a decent guarantee for their wheat.

Mr. GRIFFITHS: We know all about that.

Mr. Marshall: How much wheat do you grow?

Mr. SPEAKER: Order!

Mr. GRIFFITHS: If the hon. member interjecting is not earning his salary in this Chamber, I certainly am earning mine. I put a son of mine on the land and expended a considerable amount in doing so. The question now arises in my mind whether I have done wisely in putting him there, seeing the condition into which the wheat industry has got. When one sees the Federal tariff schedules raising duties by 500 and even 1,000 per cent., thus greatly increasing the cost of production, a man begins to wonder whether he did right in putting his son on the land. Everyone says, "Reduce the cost of production." How is that to be done when everything used by the man on the land is subject to the tariff?

Mr. Sleeman: Machinery should not be subject to the tariff. It should be made here.

Mr. GRIFFITHS: The farmers' requirements are subject to the tariff, and therefore there can be no talk of reducing the cost of production. Certainly there is no talk of reducing wages, seeing that the farmer—

Mr. Marshall: The farmers are very anxious to reduce wages.

Mr. GRIFFITHS: To reduce the wages of men they do not employ?

Mr. Marshall: Yes.

Mr. SPEAKER: Order! I must ask the member for Murchison (Mr. Marshall) to keep order. He will have an opportunity of replying to the statements of the member for Avon.

Mr. GRIFFITHS: How is the cost of production to be reduced? Can taxation be reduced? The farmer is subject to two land taxes now, thanks to the Federal regime, and he has also to bear two income taxes. There seems no immediate hope of reducing the land tax. With the income tax we need not be much concerned at the present juncture, as the farmer has practically no income to tax. Mixing with the farmers, going out amongst them, I know what their difficulties are. It is all very well for members opposite to try to be funny about these things. At one place I saw a whole trainload of machinery being taken away, under the conditions of hire-purchase agreements. The farmers concerned had not paid their instalments, of course. They had not been able to pay.

Mr. Sleeman: What is the name of the machinery firm concerned?

Mr. GRIFFITHS: Never mind about the name of the firm. The bulk of the machinery merchants are quite reasonable, but there are certain firms who take advantage of the law and thus practically force men off land. They begin a scramble, and the consequence is that all the creditors rush in and try to secure payment of their debts. Thus any equity vanishes. There is another matter to which I will ask the House at a later stage to give some attention, and to agree to the appointment of a select committee. I refer to the work of trustees. While many reputable firms of the city have carried out trusteeships, I am afraid the great bulk of those concerned have not had much experience of country conditions, with the result that their lack of knowledge does not tend to make a success of their trusts. The effect has been felt most detrimentally in certain districts, and I trust something will be done in this regard. Then there is the question of water supplies. A more equitable system is required for certain districts in particular. In the country beyond Westonia and around Burracoppin, I found that men who went on virgin blocks were loaded with the responsibility of paying water rates, if their properties were within a certain distance of the scheme. In the early stages

of development it is naturally impossible for such farmers to pay water rates. During the last year or two the goldfields water supply scheme has become the property of the State, seeing that it has been paid for, and there is no further necessity for disbursements on account of interest and sinking fund. In these circumstances something should be done to secure a re-arrangement regarding rating imposts. How that can be done is for the department to determine. Some wretched anomalies exist. One man may be called upon to pay 6s. 8d. per 1,000 gallons for excess water, yet on practically the same class of land another is charged 2s. 6d. per 1,000. I understand in some instances this has been done because the part of the scheme affected was built on the constructional cost basis, and I do not think that is the correct way. The system was introduced, I am told, by Mr. W. D. Johnson when Minister for Works some years ago, and under it the imposts varied in accordance with the cost of materials utilised. It would not be so bad if the agricultural industry were flourishing, but in view of the unfortunate circumstances obtaining to-day, something should be done in an endeavour to secure a more equitable basis. Despite these disabilities we still hear the advice tendered to the farmers to grow more wheat. Grow more wheat—at a loss! That advice is tendered, without any provision having been made for a reduction in the cost of production. As to the question of taxation, I have already pointed out that the farmers are taxed regarding everything they use, almost from the cradle to the coffin. From time to time people submit analyses of the cost of machinery per acre, showing the cost as small. It is not any particular excess that is charged that hurts the farmers, so much as the additional burdens from all directions. There are the vermin tax, the two land taxes, the two income taxes—practically every impost is doubled. The trusteeship question which I mentioned a few minutes ago adds to their difficulties. While some trustees carry out their work well, others are far from satisfactory. Without wishing to deery any particular individuals who have held trusteeships, certain information has been brought under my notice that suggests the necessity for an inquiry. For instance, one trustee may have 100 clients. Naturally a fee has to be levied for the annual inspections. I have been given to

understand on good authority that one man carried out an inspection on 33 farms in one week. I understand he gets £7 10s. for every inspection so that he received a total of £247 10s. Hon. members will see what a nice little return he gets under that heading. When the costs were worked out one farmer found that he had to submit to a fee of £49. When these additional charges are added to the already heavy burden the man on the land has to pay, is it any wonder that our farmers are getting into difficulties. The trustees work on the basis of a charge of 5 per cent. on the value of the operations of a farmer. I shall elaborate on the position at a later stage and give the House some details when I ask them to agree to the appointment of a select committee to investigate the position. I hope by that means to secure a greater degree of fairness and to enable farmers to tide over their troubles with less difficulty than they are confronted with at present. Every protection should be accorded the farmers at the present juncture. The finances are stringent and naturally the farmers are pushed. I do not see that there is any possibility of their getting out of those difficulties inside a year or two, and, in the circumstances, should some creditor become anxious and rush in to secure his money, then nearly everyone swarms in, and that is the end of the farmer himself. With reference to the Federal tariff, the effects of the added imposts are not only felt by the people of the State but our trade is being seriously prejudiced. That is particularly so with regard to foreign countries. Owing to the tariff imposts we have lost a good deal of trade with Java running into about £500,000 per year. We are likely to lose a large proportion of our trade with New Zealand. We nearly lost our butter trade with Java because of the suggestion to impose additional duty on the importations of coffee. Wiser counsel prevailed and as the tariff was not increased, we have been able to maintain that trade. Belgium, France, Germany, Italy and Japan are other countries against whom Australia is busily engaged in building up a huge tariff wall. Our exports to those countries have represented about £55,000,000 worth, while our imports have represented about £15,000,000 leaving a favourable balance to the credit of Australia of about £40,000,000.

It may be urged that this is a Federal matter, but as against that, we must realise that our people are those who must suffer should we antagonise people living in the countries I have referred to. We have lost a certain amount of trade already and we shall probably lose more. Speaking to a representative of the "Sydney Morning Herald" the other day regarding coal supplies and machinery from New Caledonia, the head of a large French concern said that he could procure his requirements more cheaply from Europe than he could from Australia. It may be said that he was looking for the cheapest market, but it must be borne in mind that we have to compete with other countries, otherwise we will lose more trade. It is estimated that trade representing upwards of £50,000 worth of goods is done with New Caledonia each year. Even though that trade may be done with two or three firms only, it would appear that the business will be taken from Australia and will go to Europe if the tariff wall continues to be raised against foreign countries. We shall not be able to supply the goods at anything like the price at which they can be obtained in foreign lands. A man from New Guinea spoke to me about drugs that could not be produced in the British Empire, but were procurable only in Russia and other countries. On those drugs there was a duty of 500 per cent. What with the Navigation Act and the additional cost of freight, it is cheaper to bring timber from the Baltic to Adelaide than it is to take it from Launceston to Adelaide. With all these things hampering our activities, is it any wonder that Australia is not enjoying prosperity, and that the primary producers are labouring under burdens they cannot carry? Regarding timber freights, the price from Launceston to Adelaide is 9s. and from the Baltic, 3s. 6d., thus demonstrating that it is cheaper to import from the Baltic than from Launceston. The same applies regarding importations from Vancouver, on which a saving of 3s. 4d. can be shown. This anomaly is ascribed to the operations of the Navigation Act. When I was speaking about the Federal tariff and the burden of these duties, I was asked if I was a free-trader. I replied that I was not, but that the tariff-run-mad policy now adopted in Australia had made a lot of people think hard. I said that even wild tariffists were

wondering where it would end. Canada pays the highest wages of any country in the world and yet it can compete with its rival across the river—the United States of America. Last year Canada exported as much as the value of the whole of her products in 1914. Her tariff ranges from 5 to 35 per cent. only. That is different from some of the extraordinary tariff imposts that have been announced in Australia recently. Some of the items are extraordinary. About six months ago a quantity of goods, which are used for making children's hats, were imported into Australia. They cost 2s. 8d. a dozen in Java. The duty amounted to 60s. a dozen—or an impost of 2,250 per cent. Recently a firm imported a number of microscopic glass slides, the duty on which was 1s. a dozen, or £132 on the consignment, compared with £15 15s. 2d. under the old rate, and £22 17s. 9d. at the new ad valorem rate. The goods were invoiced at £75 10s., the duty amounting to no less than £507, or nearly 700 per cent. ad valorem. When speaking to a chemist recently, a friend of mine was informed that babies' feeding bottles, which in pre-war times cost 7s. 6d. a dozen and were sold at 1s. each, now cost 21s. a dozen and had to be sold at 2s. 6d. each. Then we have that incident of the young fellow who was employed on a farm at Tammin. His uncle died in India and his aunt sent over some second-hand clothing to the boy, thinking it would be useful for him. In all, there were about eight suits that would cost about 25s. to 30s. each, new in India. The duty on each suit was 25s., plus 45 per cent. I made an appeal to the Minister for Customs regarding that matter and pointed out the iniquitous position in which the lad was placed. Here was a lad working hard in the bush who had things sent out to him for him to use and the duty on the clothing amounted to 1½ times its value. He would have had to pay just as much or more in duty for these second-hand clothes as if he had bought them new in Western Australia. The item dealing with suits stipulates the rates per suit at 15s., plus 25 per cent., for British, and 30s., plus 45 per cent., foreign. In view of such a duty, what is the position of our primary industries. We have the finest wool in the world, the most up-to-date machinery and we undoubtedly have men capable of turning out the work. In view

of such handicaps, however, how can our industries compete in the world's markets? In the days before Federation, thirty years ago, firms in Victoria were able to compete with outside manufacturers. It is time they were on their feet and able to do without any further assistance from the tariff. Towards the end of last session, when speaking in the House I mentioned the fact that I had been disappointed because the Government had not brought down certain legislation. Hon. members may think I was alluding to the Yarramony railway, but the thing I was referring to more particularly had been half promised for a number of years; that was in regard to an amendment of the hire-purchase system. I want to give the House an instance of what can happen under the existing system. A certain tractor was bought for £125 cash which, with the accommodation given, would run to £465. The purchaser took charge of this tractor and put it to work. But very soon it went hopelessly out of order. He approached the firm and claimed that something should be done by them to put it in order, because of their guarantee. However, he was told that the period covered by the guarantee had expired. He then reminded the firm that they had not delivered the tractor until 32 days after he had signed the hire-purchase agreement. Eventually, after a lot of haggling, they agreed to do the necessary work for half cost, which was £30, the full cost of the alterations being £60; and they agreed to give him accommodation at 14 per cent. He got the machine going again, but then found that the tracks were wrong. They were described as Bell's City tracks, but they were not suitable at all. He went back to the firm and asked for a remedy, declaring that failing any relief he would send the machine back. The firm said that even if he did send it back they would still hold him responsible for the full payment. In the end they agreed to put him in other tracks for £100. They fitted other tracks at that cost, and again plus 14 per cent., but it was then found that the gearing was out of order and the machine would not work. That man has now completed all his payments except £150, and he is at present exercised in his mind as to whether he should throw the thing on one side. He was told by the firm that it did not matter what course he might take,

he would have to pay the balance. The machine is no good, it will not work, but still he has to accept the responsibility for it. Immediately afterwards they issued a writ against him for £50, and he had to come down to Perth and go on his knees to get somebody to stand behind him. The matter is now deferred until after harvest. Of course that sort of treatment would not be imposed upon him by any of the old established firms; I think this was one of the new firms set up here.

Mr. Marshall: Did he sign an agreement for the 14 per cent.?

Mr. GRIFFITHS: He had to, for he had 1,200 acres of crop to go in, and so he was right up against it. The firm did not deliver the tractor until 32 days after he signed the agreement. I hope something will be done to remedy the system. Neither I, nor anybody interested in a farm, wants to see anything unjust done; all that we ask is a fair deal for both parties, the vendor and the purchaser. In 1918 I brought before the House the example of a man who had bought a harvester for £118 and paid £91. He was unable to pay the balance within the stated time, and so the vendors seized the machine and held him responsible for the balance. It had to be paid, and they had the harvester into the bargain. In such a case it ought to be possible to arrive at some equitable arrangement. As I have said, we do not want anything unreasonable, but we do want a fair deal for the purchaser. We have arrived at the position where our farmers are told to grow more wheat, and are expected to do it. It seems to me that while the ex-Premier the other night declared that a great deal of the blame, practically the whole of the blame, for our position has been put on the Federal Government, it is clear that the Federal Government are to blame for a lot of it. Of course for our own present position there is blame attaching to ourselves, but the major part of it can be traced to the Federal Government, and to Federation generally. Take the period from 1890 to 1901. During those 11 years this State, or colony as it then was, was able to carry out a vigorous public works policy, more spirited than at any time since, and we finished up with an accumulated surplus amounting to 16s. 2d. per head of our

population. Tasmania also had a credit balance for the same period, an accumulated surplus representing 18s. 2d. per head of her population, while all the other States showed deficits, Victoria to the extent of £3 3s. 2d. per head of her population. Then came what was known as the Braddon clause period. At that time our surplus of 16s. 2d. per head of the population had fallen to 2s. 4d. per head of the population, although we had been carrying out a more restricted public works policy. In about 1909 there was held the conference which decided on the iniquitous per capita payments arrangement. That arrangement was entered into, and under it we found ourselves wholly unable to pay our way, though we had a special grant of £250,000 reducible by £10,000 annually. We began to get into debt, and in 1923 we were behind to the extent of £18 17s. 4d. per head of our population. But this distressful state of things did not appertain to the other States. All those States that had been behind at the time we entered Federation had now surpluses to show. They had benefited by Federation. It has been said here repeatedly that before Federation came we in Western Australia had the goldfields to look to. But those goldfields benefited not only us, but Victoria, New South Wales, and South Australia also, and that very materially. So when members say we were then in an exceptionally good period, I remind them that the other States were getting the benefit of it, and that during that time we here carried out a spirited public works policy very largely from revenue, which was not done by any other of the States at that time, and has not been done since. So whilst I have said here that it is not right to blame everything on to Federation, one has to admit there is a great deal in the argument in regard to our having separate dominion status. We have had 30 years of Federation. We have been going from bad to worse, until it is now said we have no hope of getting out of our difficulties. In those circumstances perhaps it would be as well to remind members of some of the things that have happened to us. At the pre-Federal conventions speaker after speaker was emphatic in declaring that the weaker States would have to be protected. Sir John Forrest, Mr. John Henry, Sir George Turner, Sir Edmund Barton, Mr. C. C. Kingston, Mr. Alfred Deakin, Sir Josiah Symon, Sir William

Lyne, Sir Edward Braddon, and others all declared that when they went back to their respective colonies they would have to emphasise that on no account should there be allowed loopholes to permit of any Federal Treasurer spending money extravagantly. Mr. Deakin pointed to the possibility of arsenals being built out of money that should have been returned to the States as surplus revenue. In regard to the building of arsenals, Sir George Turner said—

My only object was to throw the onus on the Federal Treasurer of making provision for this payment in order to prevent him from being extravagant and giving way too easily, as Treasurer, to every demand for expenditure which will undoubtedly be made upon him. As the Bill stands, he will have ample power to spend money in the erection of arsenals and military colleges, and matters of that kind, which will eat up a large portion of the revenue. There can be no doubt that he would be extremely liable to have pressure brought to bear upon him to spend money in military and other directions, especially in times when there is anything like a war scare.

Mr. C. C. Kingston and others were particularly emphatic that any surplus revenue must be returned to the several States. Mr. Kingston said—

We have been at great pains to provide for the proper representation of the States, but all these constitutional provisions seem to me of little importance indeed so long as you leave the absolute control of the States' purse strings in the hands of the Federal Treasurer; and that is what you do unless you provide for something in the shape of a distinct return to the States. You place a tremendous power in the hands of the Federal Government and the Federal Parliament in enabling them to regulate the mode of distribution of whatever surplus they may have left amongst the various States.

That is an example of what was said at the Convention over and over again, and I am sure those great men would turn in their graves if they could know what has taken place since then.

Mr. Marshall: They would go back willingly if they had to listen to you.

Mr. GRIFFITHS: The hon. member sometimes drives me mad. The Disabilities Commission took evidence here and reported that Western Australia had not benefited from Federation. It was deemed impossible to give relief from customs without injuring the secondary industries of the Eastern States. The only effective way to remove the disabilities was to restore for a period

of years complete control over Customs and Excise. Mr. Entwistle, a member of the Commission, stated that Western Australia should never have entered into Federation, but that, having done so, the only remedy was secession. We are some 2,460 miles from the Federal capital. We have five members out of 76 in the House of Representatives. Victoria has 20 and New South Wales 28, and those 48 constitute a majority in the House. East is east and west is west. This is essentially so when a comparison is made between the industries on one side of the continent and those over here. Eastern Australia is mainly industrial, whereas Western Australia is a country of primary industry. The people over there do not understand our troubles or disabilities. They can have no conception of them. What chance have five members of speaking in counsel over there when there are 70 other members to vote against them? There is only like a voice crying in the wilderness. I say after 30 years' experience, we should know where we stand, and whether we are getting any benefit from Federation or only troubles. I have been told we require more information before we can bring our disabilities before the Federal people. In 1904 the late Mr. Frederick Monger moved a motion in this House that action should be taken with the idea of getting separation from the other States. In 1925 the Government published a report headed "Federation and Western Australia." This was a case prepared by the Advisory Committee appointed by the State Government for submission to the Commonwealth Royal Commission. It dealt with the finances of Western Australia as they were affected by Federation, and was presented by the Hon. Norbert Keenan, K.C. This document shows that the committee went to an immense amount of trouble and based its findings upon documentary evidence. It was pointed out that an enormous loss had occurred through what the "Sunday Times" refers to as the gold steal. Mr. Keenan also touched upon the invasion of the Savings Bank realms of operation. The report goes on to say, when speaking of agriculture, that—

This industry, like that of mining, sells its products in the world's markets, and therefore obtains a very limited if any benefit at all from the high Customs tariff. If indeed its product is sold locally at a parity of the price in the world's market, as is the case so far as wheat is concerned, then the high cus-

toms duty produces no advantage whatever. The only possible advantage at any time it could produce would arise from the fact that by reason of the creation of secondary industries, the population would be available as a local market, and this population would be prepared to pay a higher price for the product than the buyer in the world's market would pay.

The report also points out that this country is bound to a policy of immigration and land settlement. It says—

Lastly, the State of Western Australia says she is engaged in a policy of immigration and land settlement which is of the highest importance to Australia as a whole. Up to now she has borne almost the entire burden of carrying out this policy. The time has come when she cannot face the costs of continuing to do what is national work for Australia as a whole out of her attenuated resources. Unless the Commonwealth authority comes to her aid, the position must be examined carefully and the cost now being incurred must be drastically cut down.

Five years have gone by since that report was furnished, and many other Commissions have sat in the meantime. There was the Australian Economic Commission consisting of experts in the Eastern States. This sat in 1929. There was the Bruce-Page Government inquiry into the economic effects of the Australian tariff. There was the British Economic Committee, known as the Big Four, the Disabilities Commission, the Royal Commission on the Federal Constitution, and numerous other inquiries. Every year there is also held a conference of Premiers, at which has been loudly voiced the protest of Western Australia concerning matters appertaining to this State. I do not know what more information is required. It may be, as was suggested at a recent meeting, that we might be able to bring the information more up to date. Now, see how prices compare between 1901 and 1925. A four-furrow stump jump mouldboard plough in 1901 cost £25, and in 1925 the cost was £62: in the case of a seed drill the price is £40 and £77 respectively; a 6ft. harvester £90 and £147 respectively; a chaffcutter £60 and £120; a seed grader £15 and now £35; wire-netting rabbit-proof per mile £30 as against £52 10s.; barbed wire £14 as against £29 10s.; and galvanised corrugated iron per ton £20 as against £30. Even since 1925 prices have gone up. Where is this going to end? It is time we

had a say in matters. It is time we did something to induce the people in the Eastern States to look upon this State in the proper light. It may, of course, be hopeless to attempt to do so. We are told it is disloyal to talk of secession, or to leave the rest of Australia in its present difficult position. I think it was Mr. Yates, of South Australia, who, when speaking recently of the amendments of the Constitution, said he did not believe they were as drastic as they ought to be, and that he would rather the Prime Minister had brought down a straight-out proposition for unification. Some time ago I was talking to a gentleman and he said, "Your own Mr. Collier does not believe in unification. He says it would ruin Western Australia." In 1926 the Leader of the Opposition, then Premier, returned from a conference in Melbourne. The Bruce-Page Government were in power. He denounced their iniquitous financial proposals and quoted certain suggested alterations to the Constitution. I have here an extract from one of the newspapers as follows:—

When the Bruce Government was in power he denounced their iniquitous Financial Agreement which they forced down the throats of the State Premiers. He also fulminated against the atrocious policy of the Federal Parliament, both parties, in collecting large sums from material imported by the States for developmental purposes, and putting those moneys out of Western Australia's loans into the Federal revenue. It was a monstrous thing to do and he was right.

In January, 1928, the ex-Premier was visiting the Eastern States. While in Melbourne he was interviewed by the Melbourne "Herald," and according to that paper said—

When Federation was decided upon and Western Australia, after protesting that what had happened would happen, joined the union, everyone hoped, perhaps believed, that the Federal Parliament would be the cement to bind the States together, leaving them to fulfil their proper functions without interference from a body that has its circumscribed area of Government. How different has it turned out. We have six States, poor and needy, and a rich bloated Commonwealth ending each year with fat surpluses that are the sign manual of bad government.

Mr. H. W. Mann: That is ancient history.

Mr. GRIFFITHS: He goes on—

Bit by bit the Federal authority is growing at the expense of the States. We are drifting as sure as fate towards unification. That means ruin. This enormous country cannot be governed from a political centre by men almost entirely ignorant of conditions in the far corners of the land.

There is no equivocation about that. I have here an extract from his policy speech at Boulder in March last. Referring to the policy of the Labour Party and the question of unification—and this is not ancient history—Mr. Collier said—

We are out to resist legitimate encroachments on the rights of Western Australia irrespective of the source from which they emanate.

He confirms his own interjection in this Parliament when the present Premier was making a secession speech. Here are his significant words—

I think we would be justified in going to any lengths in resisting Federal encroachment.

If that meant anything it meant that we would be justified in taking any steps to get out of the strangulating effects of Federation, and in protecting the sovereignty of the State.

Mr. Munsie: What are you going to do about it?

Mr. GRIFFITHS: Western Australia is in an impossible position. We have no hope of getting relief from the Federal people. It is time we agitated. We should not sit down and take things as they are. We should make a big noise and attempt to get dominion status. We should see that something is done for us at this stage.

Mr. Panton: You did not think that way when the Financial Agreement was before us.

Mr. GRIFFITHS: I did think that way when the Financial Agreement was discussed, and I spoke strongly upon it. It did not matter to me what Government was in office at the time.

Mr. Panton: The Leader of your party did not do so.

Mr. GRIFFITHS: We have had the gold steal and the sugar ramp.

Mr. Panton: One of your party stole that, Billy Hughes.

Mr. GRIFFITHS: We have had the base metal embargo, which forced us to send

our concentrates to Mt. Kembla, and practically ruined our base metal industry. There was the embargo upon our flour for the benefit of the Victorian millers. There was the leather embargo. Until a protest was made we could not get sufficient space to send our leather away. The ships were crowded out. Victoria and Tasmania took the space on the ships, and a violent protest was required from us before we could get a fair deal. We also tried to do something with regard to timber freights. The people over there stopped the ships from coming here. They put a veto on coal and on goods coming here, and increased the freight on our timber. It may have been a coincidence, but this happened when Mr. Watt was in charge of affairs in the Eastern States. Then again, in connection with the savings bank, a gross injustice was done. Not only was there competition so far as the money market was concerned, but the competition was responsible for an increase in the rate of interest, and deprived the Government of the use of money that might have been devoted to the opening up of our areas. I think two millions went into the Federal savings bank in an early stage of its career. That sum might very well have been in the hands of the State Governments, and it would have been utilised for developmental purposes. The money would have been available at a low rate of interest. Then there was the removal of the camp at Blackboy to Broadmeadows. When we had an excess of recruits for the oversea forces, what happened? They were taken away but we were not credited with the 25s. per capita grant. The Federal people kept that. That was how our patriotism was rewarded! Next we have all the duplications that have taken place since the inauguration of Federation. Dr. Maloney asked a question in the House of Representatives to secure information to show the number of officials employed in the Commonwealth service in the years 1913 and 1929 respectively, officers who were in receipt of £1,000 per annum and upwards, as well as the names, positions and salaries of those officials. The return that was provided showed that in the Health Department in 1913 Dr. Cumpston was the Director of Quarantine at a salary of £1,000 and in 1929 he was in receipt of £1,800 and 11

other officers with him, were all in receipt of upwards of £1,000.

Mr. Munsie: Your party were in power at that time.

Mr. GRIFFITHS: The duplication of work there will be seen. We have a Health Department doing very good work and the Perth Municipal Council has also its health officers who attend to the welfare of the community. The officers under Dr. Cumpston drawing £1,000 or upwards of that amount were in receipt of salaries totalling £15,636. Not only has there been that duplication, but each officer in receipt of a high salary has created branches and has working for him a number of officials drawing salaries below £1,000. In 1913 in all the Commonwealth departments there were 33 officers drawing salaries totalling £52,805, whilst in 1929 the number of officers was 181 and the salary list was £286,789. There has also been duplication in the Works Department, and I noticed in the paper the other day that the standing committee on public works is on its way over here to inquire into the question of establishing a telephone exchange at Maylands. Why send that committee over here when there is such a clamour for cutting down expenses?

Mr. Pantou: How many are coming over?

Mr. GRIFFITHS: I do not know and I do not care.

The Minister for Lands: That has been cancelled.

Mr. GRIFFITHS: I am glad to hear it. I notice that a committee has been appointed to inquire into the many duplications that exist. I hope the result of its investigations will be the abolition of many Federal departments. There is no need for two savings banks, two Public Works Departments, two Electoral Departments, two Fisheries Departments, and many others the duties of which can easily be carried out by the States. On the Federal capital there has been spent over £11,000,000 and on bounties an enormous sum of money, almost convincing us that the Federal Governments have gone bounty mad. Bounties have been provided for almost every confounded thing. We in this State clamoured for a gold bonus but failed to get it.

Mr. Munsie: And it would have been a good thing for the whole of Australia if it had been given to us.

Mr. GRIFFITHS: A return was provided in the Federal Parliament at the request of Mr. Gregory showing what amount had been paid by the Commonwealth in bounties, bonuses, subsidies or assistance to industries, primary and secondary, in each State in the past seven years. The concessions under the Bounty Acts were given on cattle export, shale oil, iron and steel, sulphur, canned fruit, wine export, cotton and cotton yarn.

Mr. Munsie: Anything about butter?

Mr. GRIFFITHS: No, and I might inform the hon. member that I do not agree with the Paterson butter scheme. The total of the bounties paid on the articles I enumerated came to £3,620,226, and out of that total in the seven years Western Australia got the munificent amount of £37,745. That money was principally for cattle, iron and steel, and wine export. New South Wales received just under £2,000,000. The assistance rendered under the Export Guarantee Act in the same seven years came to £366,303. Under that Act assistance was given to canned fruits, brown millet, hop industry, citrus fruits, Doradillo grapes, Chanez grapes, dried fruits and herd testing. Western Australia received £6 for Chanez grapes, and £80 for herd testing, a total of £86 out of the £366,303. Other direct assistance was given for the guaranteed price for cotton, petroleum prospecting, prospecting for precious metals, losses of fruit pools, eradication of cattle tick, and rinderpest compensation. That total came to £987,014, and Western Australia received from it £56,378. Of that amount £41,375 was paid as compensation at the time of the rinderpest outbreak here. That payment, however, was for the benefit not only of Western Australia but for the whole of the Commonwealth. Then in addition, advances—which are repayable—were made in the seven years for wire and wire netting and as loans to Tasmanian apple growers. This total came to £737,434. Western Australia received £394,048 as an advance for wire and wire netting, but the amount has to be repaid. Queensland also availed herself to the extent of £196,619 for wire and wire netting. The indirect assistance to industries which is not allocable to States came to £12,796,062. In that list there appears the amount of £458,194 against the trans-Australian railway. I presume that half is chargeable to this State and half to South Australia. But this particular vote is the

biggest fraud ever perpetrated not only on Western Australia but on the States as a whole. Then the Government of the day grandiloquently tell us that we were given £2,000,000 a year for the maintenance of main roads. What happened? The Federal Government took from us £3,330,000 by the imposition of a 4d. tax on petrol, and they gave back to the States £2,000,000 of their own money. In that way there was paid into Commonwealth revenue no less a sum than £1,330,000. I suppose hon. members will criticise what I have said, but it cannot be denied that I have told the truth. We hear it said that it will be impossible for us to escape from the Federation and that if we should get out, it will be impossible for us to finance ourselves? I have heard all sorts of wild talk on this question, but if we go into figures, we realise what the State is doing to-day and that there is nothing to fear in the way of our not meeting State debts, sinking fund and other payments, special grants, old age pensions, war interest and sinking fund on war services, the loss on the running of our section of the Kalgoorlie to Port Augusta railway, and many other things. We are paying all these to-day through the Customs and by means of direct taxation and there is not the slightest fear of fresh burdens being added to the shoulders of the people in the event of secession coming about. It should also be remembered, as far as the Post Office is concerned, that the land which was acquired, and on which the building was erected, cost the Federal Government £152,000. A good deal around it was resumed at the same time and the value of the whole of that property would be in the neighbourhood of £300,000. As a matter of fact, I have been told by a valuator that the figure would be considerably in excess of £300,000. If it came to a matter of the transference of the post and telegraphs back to the State, I have yet to learn that the Federal authorities would by force attempt to secure the unearned increment—the difference between what they paid for the land and its value to-day. We as a State would have the power to tax them on that unearned increment. At any rate, the property should revert to us at the price at which it was originally purchased. As to the trans-Australian railway, only half of it runs through our State and that question should be capable of adjustment. The Commonwealth has no source of revenue other than the States. It is from the States that

they take money and then hand it back. It rather amuses me when I hear people speak about the generosity of the Commonwealth. Their contributions to the States are made from money taken from the States in the first place. We are aware that about £11,000,000 has been sunk in the Federal capital; there is £11,000,000 of deficit in the Northern Territory; something like £1,000,000 has been sunk in the Oodnadatta railway; I suppose £8,000,000 to £10,000,000 was sunk in the Commonwealth shipping venture; the War Service homes, a costly failure that ultimately had to be handed over to the States, cost something like £12,000,000. All those things had to be financed by the States, and if it came to an assessment of what we have contributed to properties in the Eastern States as compared with what has been provided here, I am sure we shall be well on the right side as regards payment for the trans-Australian railway and the post office. Customs and excise are estimated at £2,630,000; direct taxation in the shape of land tax, income tax, amusement tax and probate duty, etc., totals £970,000. I do not know whether it is generally realised that the Commonwealth have been taking nearly £1,000,000 a year by way of direct taxation from this State. Comparing the position with that which existed when Mr. Pratten was Minister for Customs, the cost to-day is at least 25 per cent. up, which on £10,000,000 represents a total of £2,500,000. That is a moderate estimate of the difference between the Pratten tariff and the present tariff. The sugar embargo is costing Western Australia well over £400,000 a year, and there are various other bounties and bonuses to which we have to contribute. Some people might ask what we could do apart from the Federation. We would revert to the pre-Federal position, though possibly we would have to pay a little heavier taxation. It must be remembered that in pre-Federal days Western Australia imposed neither income tax nor land tax, and there was no strangling Navigation Act or other burdens with which we are oppressed to-day. During the ten years previous to Federation the State enjoyed a successful term and was able to balance its ledger. To-day we have two land taxes, two income taxes and two lots of probate duty to pay. We have two savings banks, two Public Works Departments—in fact, everything is duplicated. A reasonable revenue tariff would enable

the State to carry on successfully and attain its destiny. It is impossible to develop the State under the present high costs imposed by Federal policy. Other States were able to develop their territory with cheap labour and cheap material, while we are disadvantaged by having to undertake our development with costs at peak levels. On the figures I have quoted, there would be a balance in favour of the State of £2,699,000, representing the excess taxation we are paying to the Commonwealth to-day. That sum, if the State were an independent dominion, would not go into the Treasury, but would permit of duties being reduced so that the burden of government would fall more equitably upon the primary producers. The Government would be able to buy the gold produced, and with that backing could raise the necessary funds to develop the country. It has been suggested that to advocate secession amounts to disloyalty. Let us be loyal to this State. There was no question of disloyalty here during the war, but there was in Sydney.

Mr. Pantou: It was a question not of loyalty to the State, but of loyalty to the Crown.

Mr. GRIFFITHS: We are told that Federation is an indissoluble union under the Crown. We are not asking to break away from the Crown. We are asking for the freedom New Zealand enjoys. New Zealand and Australia combined for war operations and out of their joint service Anzac originated. Rhodesia, being distant from the South African capital and having problems of its own, refuses to join the union; yet that dominion is just as loyal as the rest of South Africa, probably more so. Newfoundland will not join the Canadian union, knowing she is better off as a separate entity because her problems are different from Canada's. The Simon Commission recently presented its report on the future government of India, and advocated that Burma should remain apart, because of distance from the equivalent of our Canberra and because of the different problems confronting Burma. To govern Western Australia from Canberra is like trying to govern Moscow from London. The Canberra authorities do not understand us and do not want to. When visiting Sydney in 1918, I was introduced to the then Premier of New South Wales, Mr. W. A. Holman,

and the Treasurer, Mr. Fitzpatrick. Discussing the war, I told them that the people of the Eastern States did not know that the Empire was at war. Mr. Holman said, "But look what we have done." I told him that his State had not been affected as we had been. I had seen eight large vessels going out of the heads that morning carrying cargo to the South Sea Islands, and I thought of our miserable one-or-two-steamers-a-month service, our timber, wheat and wool held up at Fremantle for lack of shipping, and apples that could not be exported but had to be consumed locally. I told them I had visited Sussex-street and seen the warehouses stuffed with goods branded with all sorts of impossible names, showing that Sydney was doing the South Sea Island trade of which Germany had been deprived by the war. Big emporiums were selling more expensive outfits than ever before, due to the free spending of money paid in the shape of war allowances. Speaking to the wife of a private citizen, a cultured, well-read lady, I mentioned Western Australia, and she asked about the voyage across. She knew so little about Western Australia she was unaware that trains had been running for 12 months. She said, "You could not have come across by rail; the line has not been built." If she had been a black from North Queensland or from the Territory, I could have understood her making such a remark. The people of the Eastern States are so engrossed in their own big schemes that they overshadow everything else. We are neither known nor understood by them. The Royal Commission which inquired into the disabilities of Western Australia under Federation and was presided over by an ex-Federal Treasurer, the British Economic Commission, known as the Big Four, and the committee of experts which in 1929, at the request of the Prime Minister, conducted inquiry into the economic effects of the Australian tariff, each in turn either specifically or generally drew attention to the peculiar and unenviable position of Western Australia as a State of the Commonwealth. The last-mentioned committee comprised such eminent authorities as J. B. Brigden, M.A., Professor of Economics, D. B. Copland, M.A., D.Sc., Professor of Commerce in the Melbourne University, E. C. Dyason, B.Sc., B.M.E., member of the Stock Exchange, Melbourne, L. F. Giblin, M.A., the Ritchie

Professor of Economics in the University of Melbourne, and C. H. Wickens, I.S.O., F.I.A., F.S.S., Commonwealth Statistician and Actuary, and they made the following assertion:—

The unequal effects between States are probably the most embarrassing consequences of the tariff. . . . Were Australia one small compact economic unit. . . . differences between areas would be less important. But with our diverse geographical conditions and our Federal system of government, such is not the case. . . . It is to be noticed that the subsidies to Victoria and Queensland are twice as great as those to Western Australia, South Australia, and Tasmania. . . . So it comes about that the same two States, Victoria and Queensland, both get the greatest increase to income per head and pay least for it. New South Wales is in a middle position, and the other three States receive least and pay most, with Western Australia in a somewhat worse position than South Australia and Tasmania.

Committee after committee has reported to the same effect. Whether we agree about secession or not, the time has come when we should make as much noise as possible with the idea of bargaining. Are we to sit helplessly and submit to the present impossible position?

Mr. Sampson: We want to get out.

Mr. GRIFFITHS: We must at least attempt to get out, and if we fail to accomplish that, we shall probably inspire a more reasonable frame of mind in some of the wise men of the East, so that they will consider the position of Western Australia and treat it on lines of equity and justice.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. GRIFFITHS: Before tea I alluded to the futility of growing wheat to be sold at 3s. 2½d. per bushel when 4s. is known to be near the limit of payability, and I mentioned certain things through which reductions might be effected in the cost of production. Those things are largely the subject of Federal jurisdiction. I may mention water rates. Since the goldfields water scheme has become a possession of Western Australia, the amount represented by payment of interest and sinking fund might well have been diverted towards easing the position of farmers so situated that they cannot utilise the water for stock, their lands not being sufficiently developed. Such farmers might well be relieved of having

to pay £40 or £50 for water of which they use only a small portion. The principle of charging on a construction cost basis was, in fact, introduced by Mr. W. D. Johnson when a member of a previous Government. This has caused extraordinary anomalies in rating generally and in regard to excess rating. One extension might carry a rate of 4d. per acre, and a few miles further east, in the same tract of country, a parallel extension might carry a rate of 10d. In one case excess water was charged at 2s. 6d. per thousand gallons, and in another case at 6s. 8d. A rock catchment recently constructed with cheap money, perhaps at 1½ per cent., is loaded up with a rate of seven or eight per cent. It has been asserted in this Chamber that the farmer never pays water rates. We know there are cases in which collections have not been made. Nevertheless, the Water Supply Department have the first grip on the land. In spite of statements that the farmers have been treated leniently, I know of many instances where settlers have been forced off their lands for non-payment of water rates. Another item that largely enters into cost of production is interest. Indeed, interest is at present engaging everybody's attention, especially from the Imperial aspect. I have already mentioned the case of a Perth firm charging 14 per cent. for a little extra time in paying for a tractor. Interest is now costing the farmer 1s. per bushel of wheat. That sounds a big figure, but I have it on the excellent authority of a high official of the Agricultural Bank. If the interest question can be managed at all, something should be done to reduce that rate. The author of a work on the nationalisation of credit speaks of the terrible burden of compound interest, and gives the illustration of Joseph borrowing £1 in the days of Pharaoh. The author states that there is not enough gold in the world now to repay that loan of £1 with 5 per cent. compound interest added. We know that at 8 per cent. compound interest a debt doubles itself in seven years. For the man outback, in the new areas along the Eastern Goldfields railway, something will have to be done. We have been used to good times, and fair prices have helped farmers over their difficulties; but in the districts I have mentioned the settlers now find that credit is extremely restricted, and that failure to meet a promissory note for agricultural

machinery means seizure, whereupon the creditors come down like a flock of vultures. The provision of credit at reasonable rates of interest is absolutely essential. From the existing situation, unless it be remedied, only one result can accrue. Now I wish to make my attitude clear regarding district allowances. I said quite plainly and frankly, both before the election and since, that I considered a district allowance well warranted in the case of people situated at, say, Kalgoorlie, where living is expensive. I told the railway men at Merredin that I did not believe in cutting out the district allowance. When it comes to drawing the boundary line, there is some difficulty. On the question of hours, I told the men at Merredin, I must join issue with them. I was also questioned regarding long service leave. A friend of mine is in the tramways, and I know the opinion of the tramway men as to long service leave. They say that it is a farce, that it is no good to them. It would be far better if some scheme were adopted such as that evolved recently by Mr. Shillington for the tramway system. Many of the tramway men are in favour of that scheme, where, by some form of point contribution by employee and employer, provision is made for the payment of an amount to a man upon his retirement. Some old friends of mine in the railway service, men whom I knew on the goldfields, have come to me and mentioned that they were employed in the service during the time when Western Australia was under the regime of Downing-street, before the era of self-government. They have informed me that there is now a likelihood of their being put out. It seems hard that men in full vigour should be removed, and possibly replaced by inferior men. I can say authoritatively that many of the old guards on the railways are very fine men indeed, and that the performance of their duties in the van compares favourably with that of some of the younger men by whom they would be perhaps replaced. Later I shall ask the House to appoint a select committee to go into the question of trusteeship for farmers. A host of difficulties confront the farmers, and I hope my proposal for a committee of inquiry will receive support here. The idea is not to do harm to anybody, but to try to ensure fair play for the settlers.

MR. KENNEALLY (East Perth) [7.41]: At the outset of my remarks I desire to congratulate the new Ministers upon their assumption of office, even though during the currency of the session it may be necessary for me to criticise, and seriously disagree to, actions they may take. Indeed, that applies to some actions which the new Ministers have already taken. At the same time it is to be hoped that in the interests of the State generally, the Government will receive—from this side of the House I think I may say they will—the measure of support which their actions and the interests of the country demand.

Hon. P. Collier: Who will be the judge of that?

Mr. KENNEALLY: Some of the best critics of the Government and of individual Ministers are the Ministers themselves. The Leader of the Government, early in his present Premiership, indicated that he has not much faith in his Ministers; he will not even trust them to operate alone. Then we have the fact that the Minister for Agriculture, when visiting Pinjarra, took the opportunity of expressing his opinion of the Premier in return. I am using the very words of the Minister for Agriculture when I say that he described the Treasurer as being empty. The Minister should be a fairly good judge.

The Attorney General: The Treasurer, or the Treasury?

Mr. KENNEALLY: The Treasurer.

The Attorney General: I think it should have been, the Treasury.

Mr. KENNEALLY: It has appeared in print.

Mr. Angelo: No one can accuse the Premier of being empty.

Mr. KENNEALLY: There is little need for hon. members to get excited about this. I am not agreeing with what the Minister for Agriculture said.

The Attorney General: Is reported to have said.

Mr. KENNEALLY: I am inclined to agree with the hon. member who interjected that no one could accuse the Treasurer of being empty. Sometimes in this House I wish that we could justly accuse the hon. gentleman of being empty. The previous speaker purported to speak with authority on the question of long service leave. I

would be sorry to think that the views expressed by that hon. member represent the views of the tramway men of this State. The hon. member said he could speak for the tramway men. He asserted that the view held by a large number of them is that long service leave is a farce, and no good. I claim to have better credentials enabling me to speak for the tramway men of this State than the member for Avon (Mr. Griffiths). That being so, I have no hesitation in asserting that what the hon. member said about tramway men having expressed themselves in that way was incorrect, and at this early stage I take the opportunity to deny the statement made by him. In these days we hear a lot about new cries in connection with the industrial life of the community, such as that in times of stress like these, everyone should be prepared to assist. That appeal has been made throughout the State by members sitting on the Government side of the House, and it has been made by others who themselves are slow to practice what they preach. One main cry that we hear is that the cost of production in this country must come down. Inseparably associated with that cry, in the opinion of those who utter it, is the idea that wages must come down. The only method they can see by which the cost of production can be decreased is by reducing the wages of the workers. It is at that point that we propose to join issue with hon. members sitting behind the Government. It may possibly be safely argued, and admitted, that the cost of production can come down, and that if it were decreased, provided that in bringing the cost down no injustice were done, it would be beneficial to the community. I am one of those who believe that the cost of production can come down, and I propose before concluding what remarks I have to offer this evening, to suggest a method different from that advanced by those advocating an attack on wages. The suggestion that the cost of production must come down apparently indicates to certain hon. members that there must be a reduction in the wage standards of our workers, and at the same time there must be an increase in the hours of labour. The Government are proceeding to give effect to that idea. I mentioned the other evening to the Premier, by way of interjection, that the policy of

the Government was being given effect to, and so it is. The policy of the Government to secure a reduction in the cost of production means an increase in the hours of work, a lessening of the wage standard, and the taking away from the State employees of rights they have enjoyed for the last 35 years. Incidentally let me state that if the Government are looking for industrial peace, they are turning their eyes in the wrong direction. If the Government desire the co-operation of the workers, as they have suggested on many occasions, they will not persevere with their attack on the standards of that section. Insofar as the application of the Government policy is an attack on the standard of the workers, it will meet with the hearty opposition, not co-operation, of the workers. Even now, before the Government go too far along the wrong road, there is time for them to act in such a manner as to secure the co-operation of the workers of this State. To-day there is time; to-morrow it may be too late to do so. Once the Government of a State declare industrial warfare on the workers of that State, that Government cannot blame them if the workers at every opportunity endeavour to retaliate against the individuals that struck the blow. As representatives of the workers, we will not tacitly permit anyone, acting apparently at the dictates of the Employers' Federation of Western Australia, to make an attack on the standards of the workers without putting up the necessary fight to prevent the successful accomplishment of such an attack.

The Attorney General: Have you abandoned your faith in arbitration?

MR. KENNEALLY: No.

The Attorney General: Do you think the Arbitration Court will do what is wrong?

MR. KENNEALLY: I hope the hon. member, who has some knowledge of the industrial conditions I refer to, will realise it has remained for the present Government, after certain conditions have operated for over 35 years, to make an attack upon standards so created. It has remained for the Government with which he is associated to take action before the expiration of an award and to make an appeal to the court for an early hearing so that, in a hurried way, the attack may be made.

The Attorney General: Do you think the Arbitration Court would do what was unjust?

Mr. KENNEALLY: I am dealing with an attack made by the Government.

The Attorney General: Do you think the court would do what was unjust?

Mr. KENNEALLY: After an experience of 35 years of these standards in operation, it has remained for the present Government, despite a motion carried by this House that the standards should remain, to lead an attack on the workers. That being so, they cannot complain if the workers suitably respond to the challenge thrown down. Therefore, I say that peace in industry and the co-operation of the workers, about which the Government have spoken so glibly, will not be secured through the measures adopted to date. When we talk about the cost of production coming down, and when we consider the people who can visualise that result only through a reduction in wage standards, I am reminded to some extent of what took place after the outbreak of war. You will recollect, Mr. Speaker, that the war brought with it shortly after the commencement, a rapid rise in the price of commodities. It will be remembered that the workers on that occasion abided by arbitration, concerning which the Attorney General so glibly speaks. The result was that the workers had to wait for long periods before their wage standards were so fixed as to make manifest the increase in the prices of commodities. The experience was that we had the spectacle of the workers constantly chasing prices. By the time they secured one determination following upon an application to the court, the workers had had to wait so long that already prices were two or three stations ahead. In those circumstances the workers were always chasing prices and never catching them. Now that the chase has proceeded so far the workers are asked to turn round and take the lead in chasing prices downhill. That is what they are asked to do after they have chased prices half way up the hill without having been able to catch them! The answer to such a request is plain and deliberate. The answer is that the workers have conducted an unsuccessful chase after prices for so long that they are prepared to continue to chase prices over the top of the hill and follow

prices down the other side, rather than turn round half way up the hill, after having unsuccessfully chased prices so far.

The Attorney General: The court controlled the chase up, why should it not control the chase down?

Mr. KENNEALLY: The two questions upon which the Government are appealing to the court relate to phases that have not been before the court for many years, and the Minister knows it.

The Attorney General: What does that matter?

Mr. KENNEALLY: Not much to the Minister, because he has no hesitation in leading an attack on standards that were created 35 years ago.

The Attorney General: It is not an attack; it is a matter of putting the question before the court.

Mr. KENNEALLY: It is an attack on people who have had to work hard to establish the existing standard, and it is left for the Government, of which the Attorney General is a member, to lead an attack on the standard with a view to reducing it. I hope that will be taken for what it is, a challenge to the workers of this country that the workers will not tolerate. If the Government desire industrial peace, they are going the wrong way about maintaining it. If they find themselves in a bog—

Hon. P. Collier: A Serbonian bog.

Mr. KENNEALLY: It will be worse than a Serbonian bog; it will be one from which not even a man like the late Chief Justice Higgins would be able to extricate them. It will be useless for the Government then to ask for the co-operation of the workers, which they now seek. There have been occasions—Government members know of it—when the workers of this State have been appealed to in the proper manner. In those circumstances the workers have been prepared to meet a serious position in a manner worthy of the people of Western Australia. They are always prepared to do that. As a matter of fact, the Minister for Agriculture appreciates that aspect arising out of an incident that took place recently. Until such time as they sought the co-operation of the worker, they could not get anywhere. As soon as they did that, what appeared to be a difficulty was swept away. The action taken then indicated in that par-

ticular instance that the Government were prepared to seek the co-operation of the workers. Now, however, the whole aim and object of the Government seems to be an attack on the workers' wages and standard of conditions. That being so, they cannot object if the workers resent it to the utmost of their ability.

The Attorney General: Do you mean that they will refuse to abide by the decision of the Arbitration Court?

Mr. KENNEALLY: As the hon. member is prepared to lead an attack on their standards, so will the workers be prepared to resent that attack. If the hon. member proposes to use all the power of the Government to bring about what they desire, the workers cannot be blamed if they use all the force they have at their command to defeat that objective.

The Minister for Works: The Government have asked the Arbitration Court to function. What is wrong with that?

Mr. KENNEALLY: I will tell the Minister when I deal with remarks he made. I shall endeavour to show where his attitude was at fault.

The Minister for Works: Is it wrong to ask the Arbitration Court to act?

Mr. KENNEALLY: It is wrong to attack standards that have operated for 35 years and that have never been before the Court for determination since.

The Minister for Works: It is not an attack merely to ask the court to function.

Mr. McCallum: That is an attack so far as you can go under the law. You cannot attack them any further under the law.

The Attorney General: We might be able to pass an Act of Parliament.

Mr. McCallum: That would be another thing.

Mr. SPEAKER: Order! I must ask hon. members to maintain order. The member for East Perth has the floor.

Mr. KENNEALLY: I propose to deal with the phase as to how the cost of production can come down, in a way that will not mean an attack on wage standards. At the conclusion of his remarks the member for Avon (Mr. Griffiths) said that the question of interest should receive attention. I propose to base my claim almost entirely on the Government giving attention to interest and profits. You never hear or read any remarks in the direction of attacking interest or attacking profits, on the part of those who are always claim-

ing that the cost of production must come down and wages must be made the butt. The interest charges in this country, and in every country for that matter, make themselves manifest in every activity of life. In the ranks of this State there exists a condition of affairs that the previous Government endeavoured to remedy by means of a Fair Rents Bill which they proposed to pass, but which they were prevented by the Legislative Council from passing. The previous Government attempted to deal with the question of rent charges in this country, and we were able to show where rent charges had trebled in a very short period, and in some instances without the expenditure of an additional shilling on the property for which they were charged. These rent charges make themselves manifest throughout the life of the community. If a person paying rent for a house is suddenly called upon to pay an additional amount in rent, naturally it means that the wages coming to the worker per medium of the Arbitration Court award must be increased. It means a charge on industry, the obviation of which would render assistance to industry: and that industry, whether primary or secondary, naturally requires every assistance. The same applies in regard to the person who rents a shop. We say that so-and-so keeps a shop. That is a misnomer, for the shop keeps him, or alternatively, he goes bankrupt. If a grocer is in possession of a shop and is paying 30s. a week for that shop, and if his rent is suddenly raised to £3, he does not pay the additional 30s. himself, but must necessarily get it from the commodities he sells in order to make a living. The result is that the extra 30s. is paid, not by the shopkeeper, but by the working people who have to purchase the commodities of life from the grocer in order that they may live. Is it any wonder that in those circumstances, with prices increasing in the manner indicated, the worker's lot naturally becomes harsher by virtue of the fact that the increased cost of commodities reduces the purchasing power of his money, and so automatically reduces his wages? Therefore, whether it be in interest for a house or for a shop, the same thing applies. Possibly it applies even more manifestly in regard to money loaned to industry, whether that industry be secondary or primary. The result is that right throughout the piece we find

the interest charges of this community are practically crippling the life of the community; and in order to create a position by which those interest charges may be maintained, we are asked, from the workers' point of view, to accept a diminution of the purchasing power of the money they receive, in order that the interest charges may remain sacrosanct. In these circumstances, can we blame the workers when they refuse to accept the doctrine promulgated by many in the community, principal among whom are members opposite? The position in regard to interest charges is worth additional attention. I have already said these interest charges apply whether it be a shop or a dwelling or money loaned to industry, primary or secondary, that is being considered. Those three items represent large aggregations of interest. But there is another aspect to be considered, and that is the interest in so far as it applies to the money borrowed by both the Commonwealth and the States in regard to their loan commitments. I want members to give just a little attention to the average interest charges on Commonwealth and State loans from the year 1912 to the year 1929. If members will give attention to that aspect of interest charges, and if they are in a position to analyse the effect that those charges have on industry generally, I am thinking we shall get a few converts from the other side of the Chamber in order that we may not be alone in trying to fight this insidious propaganda for the reduction of wages.

Mr. Panton: You are optimistic.

Mr. KENNEALLY: I am optimistic because I am a great believer in the theory that there is an element of fairness in all humankind, that it is only necessary to point out where difficulties do arise in order to secure at least some co-operation, even if it is merely in a modified form of the attack on the standards of the workers of the community. I have here a return showing the average rates of interest payable on State and Commonwealth public debts from 1912 to 1929. I find that in 1912 the average rate per cent. was £3 11s. 1d.; in 1913 it was £3 11s. 6d.; in 1914, £3 11s. 6d.; in 1915, £3 17s. 3d.; in 1916, £3 16s. 6d.; in 1917, £3 18s. 6d.; in 1918, £4 2s. 3d.; in 1919, £4 4s. 11d.; in 1920, £4 8s.; in 1921, £4 11s. 3d.; in 1922, £4 14s.; in 1923, £4 14s. 6d.; in 1924, £4 15s. 5d.; in 1925, £4 17s. 1d.; in 1926, £4 19s. 3d.; in 1927,

£4 19s. 10d.; in 1928, £5 0s. 3d.; and in 1929, £5 0s. 6d. I should like to point out that we have not yet got to the peak; because I am giving the average rate from 1912 to 1929, and as the loans that were negotiated earlier at a lower rate of interest mature, they will have to be negotiated for the higher rate of interest; and unless the rate of interest recedes from what it is at the present time, when we are paying 6 per cent., by the time those earlier loans are all negotiated at the higher rate, the average rate for the whole of the loans, Commonwealth and State, will be 6 per cent. instead of £5 0s. 6d., as indicated here. I want to point out that that is having and will continue to have a tremendous effect upon the industries of the Commonwealth. As a matter of fact, were we in a position to say that the average interest rates payable on our loans, Commonwealth and State, were the same to-day as they were in 1912, we should have an amount of £16,000,000 less to pay in interest to the bondholders. When people ask how can we release industry from the bondage in which it is placed at the present time, I say we can release industry if only we will give attention to the question, not of the reduction of wages, but of the stranglehold that interest has on the industries of the Commonwealth. I suggest to my friends opposite that the time has come when they should give more attention to the question of the reduction of interest and interest charges than they are giving at present; and give less attention than they are giving at present to the attack on the standards of the workers of this country. I say that honestly, believing that it would be in the best interests of the State.

Member: How do you suggest they should go about it?

Mr. KENNEALLY: I hope to be able to give a lead that may or may not be followed by the hon. member.

Mr. Angelo: You say that rents have risen considerably during the past six years. Why did not you tackle that question when you were in office?

Mr. KENNEALLY: The hon. member gives me a very good opening, which I am sure he did not intend to do. We endeavoured in two ways to give effect to the policy I have been indicating. We introduced a Fair Rents Bill so as to have some control over the rapacity of the people who own property, and we were opposed at every turn by members opposite.

Mr. Angelo: But I mean the interest charges.

Mr. KENNEALLY: Even though we had the numbers to get the Bill through the Assembly, the friends in another place of members opposite were able to thwart our purpose in that respect. Also we introduced what was known as the anti-profiteering Bill, a measure making it possible for any person dissatisfied with the charges imposed on any commodity to appeal to a tribunal, which would then fix the price to be charged on that commodity.

The Attorney-General: But you have been talking about interest charges.

Mr. KENNEALLY: And the hon. member who was interjecting was one of those that passed that measure.

Mr. Angelo: But you are right off the track.

Mr. KENNEALLY: It shakes my faith in humankind, in the theory that if you put up a reasonable proposition there are always people who will take the reasonable view. I can see that I should have excluded from that category the Attorney-General.

The Attorney-General: You were talking about interest on loans.

Mr. KENNEALLY: I was speaking of the interest on loans, and I wanted to point out that that is one of the last things which in the opinion of members opposite we should speak about at all; because in their opinion the interest on loans should be sacrosanct. We do not believe that. We are of opinion that the interest charges on loans are just as subject to attack, and should be just as subject to attack, as are the wages of the worker.

Mr. Angelo: Why did not your side, when in office, attack them?

Mr. KENNEALLY: If the hon. member will ask that question at the conclusion of my remarks, it will indicate that he is not satisfied that we did make the necessary move. In the meantime, what I wish to direct attention to is that if we were paying the same rate of interest on loans now as we were paying in 1912 there would be £16,000,000 less per annum in interest for this Commonwealth to find to meet its obligations.

Mr. Angelo: We admit that.

Mr. KENNEALLY: I am glad to hear it. Still, I wish to point out to members that a fair amount of our difficulty recently created would have been obviated had we had to raise £16,000,000 less for

interest charges this year. Our loan commitments at present total £1,100,000,000.

Mr. Angelo: Had the cost of production been the same now as in 1912 we would not be in our present position.

Mr. SPEAKER: The hon. member for Gascoyne must cease interjecting. The member for East Perth has the floor.

Mr. KENNEALLY: The hon. member seems to desire some information. He says if the cost of production was the same as in 1912 we would have no cause for complaint. Apparently in his opinion we should return to the pre-war stage.

Mr. Angelo: I think we shall have to, in everything.

Mr. KENNEALLY: That leaves no loophole for escape. If he agrees that we have to revert to pre-war stage in everything, I suggest we should do it with regard to interest. If we do it in regard to interest, I propose to show that we can easily get back to pre-war stages in the matter of wages paid to the workers. In fixing the basic wage from year to year, the Arbitration Court takes into consideration different commodities, the rentals charged to the workers who have to be housed, the cost of clothing, food and groceries and upkeep generally. If interest will let go its hold upon these commodities, and if we revert to the pre-war stage in the matter of interest, the subsequent decisions of the Arbitration Court, which takes into consideration the cost of the commodities required by the worker, must be reflected in the basic wage finding. If the basic wage is reduced the amount received per week by the worker will maintain his wage standard by preserving to him the same purchasing power to enable him to buy the commodities that he purchased in 1912. There will thus be no reduction in the wage standard.

Mr. Angelo: Meat, wool and wheat have come down to the pre-war stage already.

Mr. KENNEALLY: That is an incorrect statement.

Hon. P. Collier: Meat on the hoof, perhaps.

Mr. Angelo: I mean that the producer is only getting pre-war prices.

Mr. KENNEALLY: The hon. member had better come over here. His trouble is that the anti-profiteering Bill was not made law last session. Had it been passed the

effect of the reduced value of stock would be made manifest to the consumer. Whilst the producer is not receiving an exorbitant rate for his stock on the hoof, the consumer is getting his meat very little cheaper than when the producer was getting a higher rate.

Mr. Angelo: There has been a reduction of between 30 and 40 per cent. during the last three months.

Mr. Willcock: Wholesale but not retail.

Mr. Angelo: Yes, retail.

Hon. P. Collier: We shall have to live on kangaroo.

Mr. Brown: You can buy mutton for 3d. lb.

Mr. Munsie: The neck.

Mr. SPEAKER: Order! I would remind the House that the member for East Perth has the floor. Interjections are disorderly, and I must ask members to refrain from making them.

Mr. KENNEALLY: Members opposite say we should get back to pre-war stages in everything. They attack the wages of the workers, and their only desire is to get back to the pre-war stage in some things. That is where we join issue with them, and will perhaps join issue very seriously with them. If the wages of the workers are to be attacked, the interest on money should be attacked. The interest-earning power of money is what is causing the major portion of the trouble from which this country is suffering.

Mr. Doney: We quite agree.

Mr. KENNEALLY: I have another recruit. If we agree we should join in an effort to see that the wage standard of the workers is not attacked, but that the earning power of money is attacked. This should be reflected in the interest charges for accommodation for the members of the community. If that move is successfully made, the workers will not be so much concerned about the amount of money they handle per week. What concerns them most is the purchasing power of the money regarding the acquisition of the commodities upon which they live. If the existing earning power of money is reduced, and reflects itself through the activities of the community to the extent of reducing the cost of all essential commodities, including rent, that will be made manifest in the decisions of the court in regard to the wages

of the workers. We shall then get back to the glorious state mentioned by the member for Gascoyne, the pre-war stage in everything.

Mr. Angelo: Come out of the clouds. What about the interest charges?

Mr. KENNEALLY: Under that system the standard of wages will not be the first line of attack by the Government. The hon. member wants to know how we are to get down to the question of interest charges. I have one or two suggestions to make. We must attack the interest charges. We should have no more regard for interest charges that are payable to the bondholders in the community than we should have for the money payable to other people with whom we have entered into similar arrangements.

The Attorney General: What about the bondholders not in the community?

Mr. KENNEALLY: They can be controlled also, if proper action is taken. We have a bond with the workers. Some members opposite would say to the civil servant, "We have entered into an undertaking to pay you so much, but we now want you to work for less." They would say to the workers, "Yes, we said we would pay you so much, but you must work for less." If they are going to interfere with the undertaking they have made with the workers why should they not say to the bondholders that they are no longer entitled to observe the undertaking they made with them? What argument can members opposite have in favour of interfering with the one standard, the standard of living, if they do not also express a willingness to interfere with the other standard, the standard of interest?

Mr. Angelo: You do not suggest repudiation of interest upon our engagements?

The Attorney General: To the English lenders, and others?

Mr. KENNEALLY: I would not regard the bondholders in this community as more sacrosanct than I would other people in the same position. If we are prepared to tear up the scrap of paper with our civil servants and our undertaking with them, and to pick them out as a special class and attack their standard of living, why must we not attempt to reduce the interest charges of moneyed people in this community? I refuse to subscribe to such an idea.

Mr. Angelo: The greatest proportion of our loans came from the Old Country.

Mr. KENNEALLY: Because my friend's predecessors made this possible.

The Attorney General: We owe most of our indebtedness to people out of Western Australia.

Hon. P. Collier: Not the War loans.

The Attorney General: More than half. Are we to pass an Act of Parliament reducing the rate of interest on loans? Is that the suggestion?

Mr. Munsie: No, he is not so stupid as that.

The Attorney General: Otherwise, what does the hon. member mean?

Mr. KENNEALLY: Members opposite speak glibly enough when attacking the standard of the workers. As soon as they see that other standards are to be tackled they adopt a different attitude. In other words, they are carrying out the job they have been put there to do.

The Attorney General: No, we are asking what you mean.

Mr. KENNEALLY: They are protecting the interests of people who are looking to them for protection, the moneyed people.

Mr. Angelo: That is nonsense.

Mr. KENNEALLY: In their attack upon the standard of the workers, they are doing what they are told to do.

Mr. Angelo: More workers voted for me than did capitalists.

Mr. KENNEALLY: The hon. member's electorate is a large one, and possibly many people did not know him. Those who say that the wages of the worker must be reduced and the cost of production brought down, must show that they are prepared to have their own lot reduced.

Mr. Angelo: Give us time.

Mr. KENNEALLY: Last week I read a report by the managing director of a banking institution. After bemoaning the position of Australia and pointing to the great difficulties through which it was passing, he went on to say that, despite these difficulties, he had great pleasure in announcing the usual dividend of 15 per cent.

Mr. Sleeman: That was not the Primary Producers' Bank.

Mr. KENNEALLY: I also read the report of the managing director of the West Australian Newspaper Company. He deplored the present conditions, but wound up by saying that the company had made a profit of £86,000 for the year. I looked

in vain for a suggestion that this money, or even portion of it, would go towards reducing Australia's liabilities, or those of the State, or would be used in any way to mitigate the difficulties in which the State found itself.

Mr. Angelo: They might reduce the price of the paper to 1d.

Mr. KENNEALLY: Only quite recently, or comparatively recently, the advertising rates of that same newspaper were considerably increased, and we know also that since the war commenced, the price of the paper has been by 100 per cent. higher. There are a few cases that can be multiplied, if necessary. We never hear those people say that they are prepared to join in, that they too must assist in a crisis like this. No; when they say that everyone must assist they mean everyone except themselves. We are not prepared to subscribe to that policy. We say that we are right, and as far as we can we will resist those attacks. But if there is a co-operative effort made in order to get back to the pre-war standard in every way, it will be found that the support of this side of the House will not be lacking. It will be found also that whilst the movement is centralised on the wage standard, as at present----

The Attorney General: Unfortunately the wage standard has gone for the people who have no jobs at all.

Mr. KENNEALLY: The hon. member should be an authority on that considering that there are four times the number of those unfortunate people now as there were when his Government took over. That brings me to the Premier's "Work for all" cry. The way he is getting work for all is by creating four times as many unemployed as there were when he took over, and by arriving at those figures he takes credit for having placed in employment many people who are simply working for sustenance.

Mr. Angelo: The same thing applies all over the State.

The Attorney General: What is the good of attacking the standard of living. It only applies to a percentage of the people.

Mr. KENNEALLY: First of all the Attorney General says that they are not attacking the standard of living, and now he says that the reason they are attacking the standards of the workers is because there are certain people out of employment.

and he wants to bring all down except his friends the companies.

The Attorney General: They are suffering already.

Mr. KENNEALLY: Now his plea goes up for the suffering companies. The Attorney General brings to my mind the position at the present time with regard to unemployment. As he says, there are many people in this community who have no work at all. Whilst I am prepared to admit that that constitutes no valid reason why the standards of the other workers should be brought down, at the same time I say it is regrettable to know that not only in this State, but in all the States there is a great number of men and women out of work entirely. But I want to voice a protest also against the system that is being adopted to place those people in employment. At the present time the Government are handing over to local authorities simply the sustenance that the men would otherwise draw from the Government, and the Government are throwing on the local authorities this obligation, and so getting themselves out of a difficulty, by not supplementing the amount of assistance that has been handed over in the shape of money for the provision of employment.

The Attorney General: Do you disapprove of that?

Mr. KENNEALLY: I say candidly that the Government are not doing what they first of all undertook to do.

The Attorney General: Do you disapprove of what the Government are doing?

Mr. KENNEALLY: I disapprove of the attitude of the Government.

The Attorney General: It was originally suggested by a former member of your Government who introduced a deputation asking us to do it.

Mr. KENNEALLY: The hon. member will not get out of it in that way. At the outset the Government agreed to assist the local authorities to find the money by which they would be able to employ men out of work, and the Government at the present time are not paying one penny towards placing those people in employment. Take the system of relief that is offering just now; take a man with a wife and three children, a five unit family. Under the present Government as under the previous Government, relief is granted to the extent of 1s. per unit per day, making 7s. per unit per week. A

five unit family would be entitled to 35s. per week sustenance for doing nothing. What is taking place now is that the Government are committed to the expenditure of that 35s., and all they are doing is to pay the money to local authorities to find work for those who need it. It is not the function of local governing bodies to find work for people. We were told by the Premier that there should be work for all and the Government's responsibility should be to find work. Now we find that the Government are saying to the local governing bodies, "This is not our job, it is your job; we will give you the sustenance we would otherwise have to pay and you must find the money to provide the work."

The Attorney General: What a frightful thing to do! It was actually recommended to us by an hon. member on your side of the House.

Mr. KENNEALLY: I do say it is not a very humane thing to do to tell the workers, to whom work for all was promised, that the idea of carrying out the promise to provide work for all is to pay sustenance to a local governing body and instruct that body to provide the work. What is taking place is this: There are men in this community who are working under that scheme, in the first place with the local authority and in the second place under the Greenmount proposition. When the Greenmount work was started, it was begun on the basis of permitting a man to earn the amount of sustenance he was in receipt of, plus rent he would pay, plus fares to and from the work and plus the necessary few shillings to take him to the next half day's pay. That is how it commenced. What is taking place to-day? The Government found that by employing a man with the maximum number of children—the family of seven units—it was eating up too much money and the figures were not showing a sufficient number in supposed employment. Then the 49s. man was cut out and the 42s. man was cut out, and the lower relief man was substituted so that on appearance it would look as if a greater number of men were being employed on the scheme. These men are not permitted to earn anything like what they were earning at the time they started on the job. To the man in employment, the landlord looks for the payment of rent. When these men are in

employment the argument is advanced that at Greenmount the work permits them to earn the amount of sustenance they would be entitled to, plus rent and fares. That is not asking too much. Hon. members opposite cannot deny the justice of a claim like that. The system that should be adopted should be to make the minimum of the sustenance the amount that a man should be in receipt of, plus his rent and fares. We find, however, that is not being done, and I am asking whether it is a fair proposition to pay less, and whether hon. members opposite consider it a fair thing to say to the local governing bodies, "As far as you are concerned, we simply hand you over the relief, and you can employ these people." It may be said that if a man does not like it he can object to it, that he need not take it. If a man objects to it and does not take it, his sustenance will be cut off. The result is that he has to accept the offer of the job, even though it means only sustenance. Now comes the main point I wish to make. If a man is not working, possibly he can live on the 1s. a day that is granted, but I think hon. members will agree that when a man is working, to ask him to work and feed himself on 1s. a day is asking more than can humanly be done. Therefore I say to members opposite that the time has come when there should be a complete revision of that system. If a man is in receipt of sustenance, and cannot get work, it is difficult enough to live on 1s. a day, but if a man is in work and has to be at work each day it is absolutely impossible for him to get fit enough to perform the work and do justice to himself and his employer on 1s. per day.

The Attorney General: But he does not have to go to work each day for sustenance only.

Mr. KENNEALLY: My friend now is making the same mistake as before.

The Attorney General: I repeat he does not have to work each day for sustenance only.

Mr. KENNEALLY: My friend is trying to controvert what I have already said.

The Attorney General: I am making a definite statement; I am not trying to controvert anything.

Mr. KENNEALLY: The hon. member may know the difference, but he has not indicated that he does. If a man is picked

up to-morrow for, say, the Greenmount job, what happens? He does the work for the week and gets 1s. per day whilst doing it, and if that is news to the hon. member I cannot help his lack of knowledge. He is a member of the Government that is doing this. Therefore I repeat that the man does have to go to work with only 1s. per day for sustenance.

The Minister for Works: That man gets paid his first week's wages after he works a week.

Mr. KENNEALLY: Of course he does. I should not expect anything else to happen.

The Attorney General: But you have been arguing to the contrary.

Mr. KENNEALLY: What the Minister ignores is the fact that until the man has worked a week, he does not get the week's pay, and I repeat that during the first week he has to work with only 1s. per day for sustenance. Possibly the two Ministers, the one in charge of the department and the other who is assisting him, will now be able to see the proposition.

The Minister for Works: A man does not get sustenance at all, so he does not get 1s. per day. He is paid daily wages.

Mr. KENNEALLY: I repeat that he does get sustenance. Take a man and his wife receiving 14s. per week. What he gets for the first week he is working is 14s. sustenance.

The Attorney General: When?

Mr. KENNEALLY: At the commencement of the week. That has to carry him over the full week. After he has worked a week he collects the week's wages, a sum of £3 13s.

The Attorney General: But if a man was not on sustenance at all, he would not get anything at the beginning of the week.

Mr. KENNEALLY: I know the Minister would not wish that a man should be in the worse position, but I do not think he is prepared to claim that 1s. a day is sufficient to provide sustenance to keep a man fit for the work he is called upon to do on such a job as that at Greenmount.

The Attorney General: Of course I would not.

Mr. KENNEALLY: Now that the position has been made clear, I hope further consideration will be given to the men con-

cerned. No matter how much we differ on politics, we can agree that it is almost humanly impossible for men to work on sustenance of 1s. a day, and we can unite to see that conditions are improved. I do not intend to rail at landlords. They make it awkward for the worker, but when dealing with various cases of distress that have come under my notice recently, acting in various capacities, I have found that very often the landlord cannot help himself. Two men separately were occupying rooms in one house. They were out of work. The landlord told them they had to get out. I was brought into the case and, on making inquiries, I found that the landlord was renting the house. He was in work at the time he let the rooms, and when the two men lost their work, he allowed them to remain for a considerable time collecting no rent from them. Suddenly he found himself out of work and was placed in the position of having to make the rooms available for tenants who could pay in order that he might pay his own rent. So we cannot always blame the landlord. We must realise that when the landlord knows his tenant is working, he has a natural desire to collect some of the money due to him. In all employment provided under a scheme such as this, we should aim at making the sustenance plus the rent the minimum amount of payment. I wish to direct the attention of the Minister in charge of unemployment to the fact that the relief office is situated in a locality that is undesirable from the fact that there is a large school within a few yards of it. This necessitates hundreds of men who attend the office to obtain relief intermingling with school children of both sexes. It should be necessary only to bring this matter under notice for the Minister to realise that some other accommodation should be obtained for the relief office. I know that an office had to be secured in a hurry and the fact that the school teacher's residence was available made it possible to remove the office there, but I ask the Minister to secure some other place so that the unemployed shall not be interspersed with the school children. Various statements have been made by the Premier on the question of the disabilities suffered by this State under Federation. Quite recently the Premier decided to take the platform in favour of secession.

The Premier: Do you deny me the right to my own opinions? I am not a unificationist. I must stand somewhere.

Hon. M. F. Troy: It suits you to play the game. You are not a secessionist.

Mr. KENNEALLY: Certainly the Premier has a right to his own opinions, but I have yet to learn he has made out a case to justify his attitude. It does not take a very keen eye to detect the game the Premier is playing. He promised work for all, and he knew when he promised it that he had no hope of fulfilling the promise.

The Premier: You have no right to say that.

Mr. KENNEALLY: At the time he made the statement he had a very shrewd idea that he would not be called upon to fulfil the promise, and he got the shock of his life when he found himself in the position of having to give effect to his promise.

The Premier: Why speculate? You are a gambler.

Mr. KENNEALLY: The Premier gambled on that occasion by promising work for all, and now he has been placed in the position of giving effect to his promise. As soon as he assumed office, however, he found himself in a pretty tight corner and was unable to give effect to the promise made to the people. Like a well-known historical identity, he looked around and decided that the best way to get out of the dilemma was to proceed with the erection of a few windmills, so that he could knock them down, and whilst engaged in knocking them down, the people would forget the promises he had made.

The Premier: What childish nonsense you are talking!

Mr. KENNEALLY: Then the Premier should be able to understand it.

The Premier: Tell us about unification.

Mr. KENNEALLY: Ever since the Premier made his promise, his idea has been to rail at Federation, forgetting for the nonce that Federation was in operation at the time he made his rash promise. His idea is to rail at Federation in the hope that the people will forget the promise he made and is unable to fulfil.

The Premier: What about unification?

Mr. KENNEALLY: I think we can correctly describe the Premier as a Federation paranoic. He gets obsessed with the idea that Federation is responsible for all the faults of Western Australia, his own in-

cluded, and thus he wishes to hide from the people the fact that he is unable to carry out the promise he made.

The Premier: Tell us about unification and your attitude to it. That is the safest thing for you to do.

Mr. KENNEALLY: At the right time and in the right place, it will be adequately dealt with.

The Premier: Adequately dealt with!

Mr. KENNEALLY: When it is being dealt with, the Premier will find something else to rail at, in order to keep from the minds of the people the promise he made to them.

The Attorney General: Will you answer on the same occasion or on different occasions all the other questions put to you to-night about the repudiation of interest?

Mr. KENNEALLY: I have a recollection that the Attorney General was not too willing to answer questions on one or two occasions.

The Premier: Did he repudiate interest to-night?

The Attorney General: Yes.

Mr. Munsie: He did not do anything of the kind.

Mr. KENNEALLY: There are some things that members would like to attribute to me but will not be permitted to do.

Mr. McCallum: They cannot get away from their own promises.

Mr. KENNEALLY: Of course not. I wish to say a few words about the statements made by the Minister for Works on Thursday evening. He dealt with the question of district allowances. Those allowances have a history ranging back some 35 years and they have been the subject matter of decisions not only by Governments and responsible bodies but by this House. The standards created by district allowances have not been attacked until the present Government decided to attack them. No doubt the Government will endeavour to justify their action. They ask whether we are not prepared to trust the Arbitration Court. My reply is it has remained for the present Government whilst an award was current to rush to the court almost immediately after taking the reins of office in order to fight standards that have existed for 35 years.

The Attorney General: That is not an answer to the question you put to yourself just now.

Mr. McCallum: They wanted precedence over all the other cases.

Mr. KENNEALLY: They were in such a hurry to hit the workers that they made a special application to the court to gain precedence over other organisations which had been waiting to have their cases heard.

Mr. Patrick: Just as the Premier of South Australia did.

Mr. KENNEALLY: That is characteristic of the hon. member. The Premier of South Australia did no such thing.

Mr. Patrick: He has applied to the Arbitration Court.

Mr. KENNEALLY: It is no use giving the hon. member information if he will not profit by it.

The Attorney General: Does your silence to the question imply consent or the reverse? Do you trust the Arbitration Court?

Mr. KENNEALLY: I wish my silence could be emulated by the Attorney General.

The Attorney General: I only interjected because you had paused.

Mr. KENNEALLY: The employees to whom the district allowances apply have no option but to go to the centres to which they are directed by the authorities. I have been told that if they do not like to go they need not go. They have to go or leave the service, because that is one of the conditions of their employment. If a man is working in Perth and is told to go to Kalgoorlie he must go or leave the service. We cannot, therefore, say that if a man is not satisfied he need not go to the place to which he is directed. There are disabilities from which these people suffer in outside places. I have been to most of the centres where these people are employed. If members were similarly placed, they would realise that rather than receive any benefit as a result of the district rates, they were actually out of pocket, because of the extra expense to which they were put and the disabilities under which they suffered in those particular centres.

The Premier: Geraldton, for instance?

Mr. KENNEALLY: Geraldton is not recognised to the extent it should be. In the last application to the court for the introduction of new district rates, the union applied for them to be made applicable to Geraldton, where no rates were previously paid. The result of the application was that the court granted a rate for Geraldton. Employer-like, the Government, as soon as they assumed office, rushed in before

the expiration of the award given by the court with an application that the court should alter its decision. The award is made for three years with the right of the parties to apply within 12 months. The Government rushed in straight away.

The Minister for Works: It is following the union.

Mr. KENNEALLY: The Government are not following the union.

Mr. Angelo: They have just learnt a trick from it.

Mr. KENNEALLY: They are leading the union this time.

The Minister for Works: This time?

Mr. KENNEALLY: They rushed to the court almost as soon as they were constituted a Government in order to hit the standard of those traditional opponents of theirs, and then turned round and asked for the co-operation of the workers in the hard times that lie ahead.

The Minister for Works: Whom do you mean by traditional opponents?

Mr. KENNEALLY: The Minister must know what I mean by traditional opponents. If he does not know, I am unable to tell him.

The Minister for Works: I have been a worker all my life.

Mr. KENNEALLY: If he has been a worker he has strayed into the wrong camp. He seems to be hopelessly lost.

Mr. Angelo: If the workers had worked as hard as he had there would be no call for a reduction in wages.

Hon. P. Collier: How the hon. member must have toiled!

Mr. KENNEALLY: Many members would not care to live in the houses of some of those people who are drawing district allowances. There is a lack of conveniences for womenfolk and other disabilities such as an absence of medical facilities, and so forth. Although these allowances have been in operation for 35 years, the Government are claiming not for a modification, but for their total abolition. The employees have no enjoyment in these centres, and suffer the disability of being unable to find employment for the growing members of their families. In this way extra cost is thrown upon the employee, because very often he has to keep his family when they have reached the age at which in other centres

they would be earning something for themselves.

Mr. Angelo: Too much enjoyment sometimes leads to medical attention.

Mr. KENNEALLY: The hon. member may be an exponent of that. If he has not had plenty of enjoyment his looks belie him.

The Minister for Works: What does the ordinary worker, not employed by the Government, receive by way of district allowances?

Mr. KENNEALLY: I was dealing with the lack of facilities in these centres.

The Attorney General: You might say "nothing" to that.

Mr. Withers: There is no analogy between the two.

Mr. KENNEALLY: We are becoming accustomed to one Minister asking a question and another answering it. It becomes quite educational.

The Attorney General: Is the answer news to you?

Mr. KENNEALLY: It is quite a friendly thing for one Minister to answer a question asked by another. Evidently the answer is to be accepted as coming from them both. I was dealing with the lack of facilities in these different centres. There is a lack of educational facilities, and the opportunity of employment for members of a family. It is the opinion of this newly formed Government that these district rates should be withdrawn from the workers. Then there are the climatic conditions to be considered. These and the other matters I have mentioned are to be thrown aside, and a system which has operated for 35 years is to go by the board. This is being done because the Government—which were fortunate enough temporarily to come into office, from which I think they will be relieved if they do not quickly get a 'move on—think the time has come to abolish the allowances.

The Minister for Works: Has the Arbitration Court, in any award, given district allowances to employees outside the Government service?

Mr. KENNEALLY: Possibly that is why the Minister is pinning his faith to the court. He thinks it will give him the desired relief. Any amount of district allowances are operating outside Government employees.

The Minister for Works: Is there any greater disability for a miner in Kalgoorlie than for a railway man there?

Mr. Willcock: If not, bring the miner up to the railway man.

The Attorney General: Why did you not do so?

Mr. Willcock: We did not try to drag the other fellow down.

Mr. KENNEALLY: If the Minister finds it difficult, on account of the line of demarcation, to discover a remedy, I suggest that instead of trying to do away with the allowances, he should have applied for a readjustment.

The Minister for Works: The court has to decide that.

Mr. KENNEALLY: He could have applied for an adjustment in the direction required.

The Minister for Works: That is for the court to decide.

Mr. KENNEALLY: He held up the terrible example of the district rate being made available in Merredin at 1s. 6d. a day, and asked why it should not also apply to Kellerberrin.

The Minister for Works: That is correct. Where are there any of these disabilities in Merredin or Kellerberrin?

Mr. KENNEALLY: If it applies to Merredin, why not to Kellerberrin? I may afford an even more ridiculous illustration than that referred to by the Minister. If a district rate is to apply to Kellerberrin, why should it not apply to Maylands? Those who have had to do with district allowances realise there must be a line drawn as to where they shall operate. A line has been drawn. If the Minister found that the line was not in the correct place, he could have applied to the court for an adjustment of the rates, not for their abolition. The Government are now applying for the total abolition of the allowances.

The Minister for Works: They are not.

Mr. KENNEALLY: The department is applying for their abolition.

The Minister for Works: Except in the North-West.

Mr. KENNEALLY: At Port Hedland.

Mr. Panton: That is awfully witty.

Mr. KENNEALLY: Where it proposes to reduce the rate from 35s. to £1.

The Minister for Works: That is right. That is not total abolition, but an alteration.

Mr. KENNEALLY: The North-West exemptions would not represent five per cent. of those in receipt of district allowances.

The Minister for Works: That is because of the disabilities and isolation in those parts. You have been talking a lot about disabilities.

Mr. KENNEALLY: The Government are applying for the abolition of the rates as they apply, say, to Merredin and Kellerberrin. If the Minister were sincere in what he said the other evening, and found difficulty because there were differential rates applying to different persons in different localities, he would have applied for an adjustment and not for a total abolition. In recent years the court has granted new district rates. They granted a district rate of 9d. per day at Lake Grace, where no rate previously existed.

The Minister for Works: No. They granted a district allowance at Newdegate, not at Lake Grace.

Mr. KENNEALLY: The Minister is making a mis-statement. I happened to be the union's advocate in the case, and I repeat—and I defy successful contradiction—that the court made an award in which 9d. per day was granted to employees stationed at Lake Grace. The Minister can find that in the last railway award issued by the Arbitration Court. If the Minister knows this, it does not become him to try to mislead the House by his interjections. In addition, the court granted increased district rates where they had previously existed.

The Minister for Works: And when the Commissioner of Railways went to the court to get the district rates abolished, the Government stopped the Commissioner.

Mr. KENNEALLY: At Hopetoun the district rate was increased from 1s. 6d. to 2s. The Minister's last interjection is very enlightening. Let me inform him that the Commissioner of Railways did not approach the court for the abolition of district rates. The Minister's interjections show that he knows nothing about the matter. He has been three minutes in his Ministerial position, and knows everything. Nevertheless, there seems to be a fair amount he has yet to learn about his own department. His last interjection shows that he talks of something he knows nothing about, since the Commissioner did not go to the court for the pur-

post stated by the Minister. Not having gone to the court for that purpose, naturally he was not prevented by the Government from carrying out the purpose which he never had. Undoubtedly, however, this is portion of the general onslaught upon conditions. It is well for the workers to know that.

The Minister for Works: There are some workers besides those working for the Government, you know. Quite a lot, in fact.

Mr. KENNEALLY: If the hon. member remains Minister for Works much longer, there will not be many men working for the Government. The other evening the Premier asked why the member for East Perth went to Northam.

The Premier: By Jove, you got a great reception there!

Mr. KENNEALLY: I did. As a matter of fact, I went to Northam because, as the member for Northam knows, of those two memorable occasions when he and I had healthy contests.

The Premier: Are you not satisfied?

Mr. KENNEALLY: No. I like to renew old acquaintances. I refrained from going to Northam until the member for that constituency decided to go astray with regard to promises he made to the people of this State. When he so decided, I made up my mind, instead of rushing to other parts of the country for the purpose of condemning the Premier's action, to go to Northam and deal with the question there.

The Premier: Who asked you?

Mr. KENNEALLY: I consented to go to Northam provided the proposed meeting was a public meeting, advertised as such in the Press, and held in the town hall, so that everyone could attend. Those conditions being complied with, I went to Northam and addressed a very large meeting, and a meeting not consisting wholly of supporters of the party to which I have the honour to belong, but comprising many representative people who I know formerly supported the Premier. I placed the position with regard to district rates and lengthened hours before the people of Northam, and they carried a motion condemning the action of the Premier and his Ministers in that respect. The motion was carried unanimously by that public meeting. Therefore, I can easily understand why the Pre-

mier showed some discontent at the fact of my happening to be at Northam.

The Premier: I did not. I heard you had five or six people at that meeting.

Mr. KENNEALLY: That statement is like some statements made by the Premier's colleagues, not altogether truthful. If the Premier liked to step just outside his own front door, he could have ascertained that instead of their being five people present, hundreds attended the meeting. Possibly the hon. gentleman knows that.

The Premier: I do not know it.

Mr. KENNEALLY: If he does not know it, I withdraw my remark. Had he made any inquiries he would know that the attendance at that meeting was to be counted not in units but in hundreds. The motion condemning the Government's action was carried unanimously by a meeting that numbered hundreds.

Mr. Angelo: And if the Premier went up there he could get a motion carried unanimously too.

Mr. KENNEALLY: Yes, if he spoke up there in the same way as he spoke here the other evening. I was taken to task by the "West Australian" for having made a certain statement. I want to repeat that statement here. I said that in Western Australia we are suffering to a large extent from what is known as the depression complex. That complex, as I have already outlined, has made itself manifest to such an extent as to jeopardise the best interests of the State. I say we are adding to the depression by talking at every possible opportunity about how bad things are and how very bad they are going to be. Such talk in itself affects the State detrimentally. The same thing has taken place in South Australia, where the Government of the day, taking the initiative, began to talk about depression and the worse times that were coming.

Mr. Angelo: But South Australia has had about seven years of drought.

Mr. KENNEALLY: Still, it did not ease their position to talk constantly about the depression. At Northam I tried to sound a note of warning that talking of depression and the worse times that are coming is not a means of getting over our difficulties. A man might have an idea of investing £1,000 in a business or building a house for £600, but hearing a few people talk of the terrible times that are and of the worse times that are coming, he comes to the conclusion that he had better not invest his money. By that

very action the volume of unemployment in this State is increased, because otherwise that money would have been spent and so created work.

Mr. Angelo: No. It would have been lent to the Federal Government at 6 per cent.

Mr. KENNEALLY: The man decides not to invest his money, and by virtue of that fact unemployment is being added to and the position made more difficult for those in control.

The Premier: You say there is virtue in such statements?

Mr. KENNEALLY: I am not dealing with the Premier as to anything connected with virtue at all.

The Premier: You said, by virtue of the fact.

Mr. KENNEALLY: Presently we can argue whether that word is used correctly or not. At the moment I say we are doing ourselves no good by virtue of the fact that we are always talking depression.

The Attorney General: Surely you are not accusing the Premier of having become a pessimist?

Mr. KENNEALLY: No. Except when the Premier is dealing with secession, he is not a pessimist; but as soon as he gets the secession bug he ceases to be the optimist he is generally acknowledged to be. Another direction in which the Government are appealing for reduction of the standards of the working people is the hours of labour. The question of the hours of labour has a long and rugged history in the affairs of the Commonwealth and of the States. Members will recollect that Mr. Justice Higgins, when dealing with the Engineers' case in the Federal Arbitration Court, decided to conduct an exhaustive inquiry with regard to hours of labour. At that time he notified employers and employees that he intended to conduct that inquiry and to give a decision as to the working week. He did conduct the inquiry, in spite of the fact that the Prime Minister of the day directed him that he was not to do it. The reply of Justice Higgins was characteristic. He said that he was the Judge of the court and that he would act in his judicial capacity. The Prime Minister then hurriedly put through legislation making it necessary for three judges to sit when the question of hours was going to be determined. He made two youthful additions to the bench—one aged 72 years, and the other pretty well as old. They were appointed to give a deter-

mination on the question of hours. I suppose it was considered that they would never be called upon to work the hours and therefore would be competent, at that stage of life, to give a decision as to the hours to be worked by other people. In any case, the inquiry went on, because Justice Higgins said that after he had commenced the case the legislation could not be made retroactive. Accordingly he decided to go on with the inquiry and to give a determination. He did so, and his judgment has become famous. He took evidence as to conditions operating in almost every part of the habitable world. After having analysed the evidence so obtained, he said that whereas it was claimed previously that Australia was in the van in respect of hours of labour and conditions, things had so changed in (then) recent years that Australia, instead of leading, was trailing behind in many respects. As the result of the exhaustive investigation which he had made, he decided that 44 hours was a suitable week for the people of the Commonwealth. And so he decided with regard to the application before him. The object of the employers on that occasion was the same as that of the Government on this occasion. They were anxious to upset the determination of the court. No sooner was it given than the employers appealed against it, knowing full well that under the amending legislation rushed through by the then Prime Minister, W. M. Hughes, the appeal would be determined by three judges of the Federal Arbitration Court. On appeal they got the determination upset. The Western Australian Government are now moving in exactly the same way.

The Attorney General: How do you make that out? We are asking the court to decide. Have you no confidence in the court?

Mr. KENNEALLY: Those people said they were asking the court to determine, just as the Government to-day say they are asking the court to determine, the issue, but by undue haste in going there—

The Attorney General: There was no undue haste.

Mr. KENNEALLY: I will leave that to the people to determine. I will leave it to them to say how long the Government have been in power, and how long it took them to lodge the claim. The other night the Premier said it was not the Government that took the action, but the Commissioner. Two nights after the Minister for Works

said that it was a Government decision, and that he took full responsibility for it.

The Attorney General: What are you afraid of?

Mr. KENNEALLY: I ask what the Premier is afraid of.

The Attorney General: Are you afraid the court will not be just?

Mr. KENNEALLY: I ask why the Premier was afraid to say it was the responsibility of the Government. I put it to the Attorney General that the Government were in undue haste to get to the court, but he denies it. I defy him to point out any other means by which the Government could have got to the court more quickly.

Hon. P. Collier: They aeroplaned there!

The Attorney General: Are you afraid of the court? Do you think the court would be unjust?

Mr. KENNEALLY: I am afraid of members such as those sitting on the Government side of the House who, as soon as they obtain a position of power, are prepared to use that power to make an attack on the standards of the workers of the country.

The Attorney General: To get a decision of the Arbitration Court.

Mr. KENNEALLY: I say the Government had no mandate from the people.

The Attorney General: No mandate to go to the court?

Mr. KENNEALLY: No mandate to lengthen hours of work.

The Attorney General: We are not; we are going to the court.

Mr. KENNEALLY: The Government have rushed to the court before the award expired, and seek to increase the hours of labour.

The Attorney General: If the court says it is right.

Mr. KENNEALLY: That is one way the Government propose to do away with unemployment. Their method is to give four hours extra labour to those already in employment, and thus do away with unemployment in the community! In other words their method is to increase by one-twelfth the number of hours that are being worked by the people in employment, but in doing so they will render more people idle. That is the way the Government do away with unemployment!

The Attorney General: Do you think you would do away with unemployment if working hours were shortened?

Mr. KENNEALLY: I think I can convince the Minister that there would be more chance of relief from the position in which we find ourselves if that method were adopted.

The Attorney General: We would find relief if everyone did less work!

Mr. KENNEALLY: Relief would be secured if the Government gave attention to that aspect in preference to increasing hours of labour.

The Attorney General: You think that if everyone did a little less work we would get out of our troubles more quickly.

Mr. KENNEALLY: If we gave attention to the right of the worker to benefit as the result of the inventive genius of man, we would have a better opportunity of getting out of our present difficulties than if we increased the hours of labour.

The Attorney General: That is another way of saying: Less work, more prosperity.

Mr. KENNEALLY: The Minister can put it that way if he so desires: he is speaking for the moment, not I. I will give credit to the members of the Country Party for having placed their cards on the table. At a conference held in Perth, a motion was carried unanimously that the 48-hour working week should be reverted to if they took office. Our Nationalist friends were not game to do that. Some of their candidates on the hustings said that they would not interfere with the hours of labour. It will be interesting, and I think amusing, to see how those members act to give effect to their statements.

Hon. P. Collier: The other half of the Government party were contaminated.

The Minister for Works: When was this conference held?

Hon. P. Collier: Those conferences have been held during the last 20 years. You have always been at that point.

Mr. KENNEALLY: The question has been raised as to whether less work represents a method by which a solution of our problems may be arrived at. I have already indicated that the solution of the problem does not lie in the direction of increased work. I ask hon. members whether inventions that have been made during the last 50 years should not be permitted a part in reducing the hours of

labour of the worker. Let us consider our primary industries and the old method of sowing a crop.

The Minister for Agriculture: That was not done in 44 hours.

Mr. KENNEALLY: Let us consider both the old cropping and reaping methods and compare them with those now applied. I ask our farming friends to visualise the number of men those inventions have done away with.

The Minister for Works: Have they shortened the hours of labour in the agricultural industry?

Mr. KENNEALLY: I ask them to consider not only the number of men whose services have been dispensed with, but the increased yields made possible as a result of the inventive genius of man made manifest in the machines now in use.

The Minister for Works: Are we to assume that they have shortened the hours of labour on a farm?

Mr. KENNEALLY: I want our farming friends to give attention to that phase, and to ask themselves whether there is not a semblance of an argument there in favour of making the benefits of inventions applicable to mankind in general. I can give a number of other instances of improved machinery doing away with labour. Let hon. members go to the loco. workshops at Midland Junction, and inspect the oxy-welding plant there. Let them consider how many men that plant has done away with, how much more easily the work is performed. Let them consider the new method employed in cutting steel plates that formerly required many men a number of days to deal with, and which can be cut now in almost as many moments as days were formerly required. Let them ask themselves whether the lengthening of hours of labour should run concurrently with the installation of new inventions. Is it not unreasonable to put up an argument in that respect? We cannot agree that side by side with those inventions there is any necessity for men to work longer hours.

Mr. Angelo: Then why has the cost of production gone up?

Mr. KENNEALLY: I have already told the hon. member; I thought he was awake at the time. He had to agree with me in one suggestion I made. I do not want him to go back on his compact. Then let hon.

members consider latter-day electrical appliances. I do not know whether members have had an opportunity to inspect the Yalourn electrical power house in Victoria. There, 100 miles from Melbourne, power is generated and conveyed to the metropolis to do work that previously required 1,000 men or more to perform.

Mr. Wells: It takes 1,000 men to make machinery like that.

Mr. Willcock: But that is done once only.

Mr. KENNEALLY: The interjection by the member for Canning (Mr. Wells) is scarcely apropos. I was dealing with the point that as the result of the manufacture of machinery making man-saving power possible, there is a system not of tradesmanship, but of specialisation, rendering it possible even in the manufacture of machinery, which required the services of a large number of men, to have machines capable of manufacturing machinery. That has done away with the employment of a large number of fitters and others. If these inventions were not labour-saving appliances, they would not be regarded as worth while by the commercial community to-day. Are we to be told that alongside the installation of labour-saving appliances, we must necessarily agree to the lengthening of the hours of the workers in order to reduce production costs?

Mr. Brown: What about certain periods of the year when the crops are taken off?

Mr. KENNEALLY: In taking off the crops, there is still the benefit of machinery which has been made possible by the inventive genius of man, to which I have already referred. Members representing farming districts know that as a result of the use of that machinery, fewer men are required for the work than was possible in earlier days.

Mr. Brown: You don't know what you are talking about!

Mr. KENNEALLY: Of course not! If the harvester has not done away with the necessity for the employment of a number of men in garnering the crop, I do not know what I am talking about. I think I can safely leave it at that, because the hon. member's Country Party friends will inform him correctly and quietly when they get him outside. They will point out to him that modern machinery has done away

with a lot of the labour that was necessary previously.

Mr. Wilson: Don't take any notice of him!

Mr. KENNEALLY: I suggest that the time has come when the workers of the community—and I include the farmers among them—should receive some benefit made possible by latter-day conditions. Instead of arguing that there should be longer working hours at this stage of our existence, hon. members should agree that the time has come when the working hours should be fewer, and when the workers should receive all the benefits possible from the inventions of man. At the outset I mentioned I was sorry at the attitude displayed by the Government, because the co-operation some of them had asked of the workers will be rendered very difficult, if not impossible. If a person is asked by a man who has a club in his right hand with which he proposes to strike him at the first opportunity, to extend co-operation and assist him whenever possible, naturally that person will ask the other to get rid of the club first before consideration can be given to the request. But while he is using the club, naturally you decline to assist him.

Mr. Angelo: Which is the man with the club?

Mr. KENNEALLY: And that will be the attitude of the workers to-day. While the Government hold the club aimed at their industrial standards, and are prepared to use that club, the workers are not prepared to assist the Government in the difficulties with which they are confronted; because they themselves have their own difficulties to attend to without the assistance of the Government's club. If the Government desire to co-operate, as some of their members say, let them get rid of the club. Whilst they attack our industrial standards they will find us quick to retaliate.

Mr. Angelo: Is the Arbitration Court the club?

Mr. KENNEALLY: My friend would not know the club if he saw it, so I need not attempt to explain it. I have expressed views regarding the attitude of the Government in respect of district allowances and hours of labour. I think even at this stage it is possible for the Government to recede from the position they have taken up in that respect. There are members on the

Government side who when on the hustings were asked certain questions about hours and other industrial conditions, and said they were not prepared to adopt the policy now being adopted by the Government. Knowing that is a fact, and believing that even now many members on the Government side, if not many members of the Government, are prepared to realise that they have started off on the wrong foot, I propose to give them an opportunity to place themselves right with the community in that respect. Holding the views I do, I move an amendment to the Address-in-reply:—

That the following words be added:—"but regret the action of the Government in attacking the established industrial standards of its employees, especially in the matter of hours of labour and the payment of district allowances."

I submit that amendment to the Address-in-reply in the hope that the House will carry it and so indicate that it is not prepared willingly to engage in an attack on the standards of the workers of this community.

On motion by the Premier, debate adjourned.

House adjourned at 9.50 p.m.

Legislative Council,

Wednesday, 3rd September, 1930.

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

QUESTION—STATE IMPLEMENT WORKS.

Hon. A. LOVEKIN asked the Minister for Country Water Supplies: In view of the merger of the firms of H. V. McKay and Massey, Harris Co., Ltd., is it the in-