

Legislative Assembly.

Tuesday, 29th August, 1939.

	PAGE
Question: Agriculture, rural relief, anticipatory advance	374
Address-in-reply, eleventh day, conclusion	375
Bills: Contraceptives, 1R.	404
Reserves (No. 1), 1R.	404
Metropolitan Milk Act Amendment, 1R.	404
Plant Diseases Act Amendment, 1R.	404
Noxious Weeds Act Amendment, 1R.	404
Life Assurance Companies' Act Amendment, 1R.	404
Rights in Water and Irrigation Act Amendment, 1R.	404
Qualification of Electors (Legislative Council), 1R.	404
Railway Level Crossings, 1R.	404
Tramways Purchase Act Amendment, 1R.	404
Inspection of Machinery Act Amendment, 1R.	404
Workers' Compensation Act Amendment, 1R.	404
Swan River Improvement Act Amendment, 1R.	404

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

QUESTION—AGRICULTURE.

Rural Relief, Anticipatory Advance.

Mr. DONEY asked the Premier: Having regard to the fact that according to a letter appearing in the "West Australian" of the 14th August, from the Prime Minister, the Federal Government has declined to introduce legislation to authorise an anticipatory further payment to the States, will the State Government (on the security of the home consumption price collections) immediately advance to Western Australian wheatgrowers a substantial part of its estimated share of the proceeds from the flour tax collections to the end of the year to enable those growers to finance their operations?

The PREMIER replied: The amount of the balance of the proceeds of the flour tax collections is uncertain, but assuming that it equalled the amount distributed to the 30th June last it would be impossible for the Government to advance a substantial part of it from the funds available. In any case, it is understood that many wheat-growers have already obtained credit on the security of the further distribution of the proceeds of the flour tax.

ADDRESS-IN-REPLY.

Eleventh Day—Conclusion.

Debate resumed from the 24th August.

MR. McLARTY (Murray-Wellington) [4.33]: I should be glad if you, Sir, would add my name to the long list

of those who have congratulated you upon your elevation to the high position you now hold. I also add my congratulations to the new Ministers and new members. I have not heard any member so far congratulate the Government upon its return to office for a further period of three years.

Mr. Doney: You are not going to do that, are you?

Mr. McLARTY: I cannot quite understand this lack of enthusiasm.

Mr. Withers: It is a mere matter of course.

Mr. McLARTY: I find it somewhat difficult to know why the Government should have been returned to office. No doubt some of the reasons are that the Opposition is divided, the promise made by the Labour Party during the elections that the financial emergency tax would be abolished, and, of course, the comparison made with depression years, an unfair comparison. In view of the very grave times through which we are passing, I feel sure that members on this side of the House are desirous of doing all they can to help the Government in facing this difficult period. There is no doubt about it, we are facing one of the gravest times in the history of the Empire. So far as the international position is concerned, I think we ought to tell the world that we stand solidly with Great Britain in this crisis.

Member: Hear, hear!

Mr. McLARTY: I am certain that the overwhelming majority of the people of Australia are prepared to make any sacrifice to help Great Britain and the Empire should war occur. The international question is so involved that I feel I can but touch upon it briefly. It is outside the sphere of State Parliaments; it is a matter for the Federal Parliament; but, notwithstanding that the State Parliaments cannot take an active part in dealing with it, anything we can do to assist the Federal Government I know we will do willingly.

Each member who has spoken to the Address-in-reply has expressed concern at the position of the wheat farmers. I am sorry to note from this morning's paper that a decision has not been reached by the Premiers' Conference. Of course, the international situation overshadows everything; but nevertheless we cannot forget that the wheat industry is an important part of our national economy, and that something must

be done to help the wheat farmers so that they may be encouraged to remain on the land. That is now more important than ever, in view of the present crisis. I cannot but help feel sometimes that more should be done to encourage local use of wheat. I represent a constituency where no wheat is grown, although the people use a great deal of it. Despite the fact that it is returning such a poor price to the grower, the local users and consumers are still paying a big price for it.

Hon. C. G. Latham: What do you call a big price?

Mr. McLARTY: A big price in comparison with what the wheat farmer is getting.

Hon. C. G. Latham: Can you give us an idea what the local consumers are paying?

Mr. McLARTY: I know that when wheat was quoted at 1s. a bushel, we in the country districts were paying 3s. a bushel. That is a tremendous difference. I was wondering if some method could not be devised whereby farmers in the South-West who use large quantities of wheat could buy direct from the grower.

Mr. Doney: Did you ever ask the growers whether they would supply direct?

Mr. McLARTY: There is no organisation by which producers can buy direct from the growers. It seems that all the wheat they purchase must come through the middleman, a course entailing extra cost. I can but again express the hope that some satisfactory solution of the wheat problem will be found. I wish to touch upon another primary industry which affects my own district. I desire to refer briefly to the position of the dairying industry. Members recently received a circular pointing out the dangers of margarine as a substitute for butter. I hope members will give serious consideration to that matter. We know the position of wool and we know how seriously synthetic materials are affecting the sales of wool. Margarine will affect the sales of butter similarly. Already we are informed, the manufacture of margarine is equal to the production of 168,000 cows.

The Premier: The quantity of margarine used is only seven or eight per cent. of the quantity of butter used.

Mr. McLARTY: But the quantity has increased; even in the dairying districts the stores are selling margarine. One of the difficulties is that margarine too closely re-

sembles butter in colour, and purchasers often believe they are buying butter.

The Premier: Oh, no!

Mr. McLARTY: I assure the Premier that is so. If margarine were put on his toast in the morning, I doubt whether he could tell it from butter.

The Minister for Health: From some butter, perhaps.

Mr. McLARTY: That might be correct, but margarine so closely resembles butter in colour that many people cannot tell the difference. In fact, many people admit that they cannot tell the difference. Margarine should be coloured differently so that people would know what they are getting.

Hon. C. G. Latham: What colour should it be?

Mr. McLARTY: To reach an agreement on that point would be difficult.

The Minister for Health: Would you suggest black?

Mr. McLARTY: I would agree to black.

Hon. C. G. Latham: Far better to prohibit margarine.

Mr. McLARTY: In the absence of prohibition, margarine should be given a distinctive colouring.

Mr. Marshall: What about different colours for various grades of butter?

Mr. McLARTY: The hon. member should be able to distinguish them by the taste.

Hon. C. G. Latham: That should apply to margarine.

Mr. McLARTY: I hope something will be done. Dairying is an important industry employing thousands of people and the future of the South-West depends upon it.

The Premier: You know that the matter has been seriously considered.

Mr. McLARTY: Yes; only recently it was considered by the council of Ministers for Agriculture. I hope the Minister will tell us how far he can go in the matter of dealing with margarine. The Minister is fully aware of the menace that margarine presents to the dairying industry of this State.

The Premier: How would 5 per cent. do?

Mr. McLARTY: I read a proposal to allow six tons a week in Western Australia. That would represent an equivalent butter production of many cows. I daresay the manufacture of some margarine would be permitted, but I should like to see the percentage kept as low as possible.

The all-important question of marketing is still before us and the difficulties arising under Section 92 of the Commonwealth Constitution should be removed. The member for West Perth (Mr. McDonald) referred to that point. I noticed recently that Mr. Justice Starke, of the High Court of Australia, asserted that the effectiveness of the guarantee contained in Section 92 of the Commonwealth Constitution that trade and commerce between the States, should be absolutely free was being rapidly destroyed. If an alteration of the Constitution is necessary to permit of the adoption of sound marketing schemes, I hope the alteration will soon be made. The Commonwealth Constitution, like other things, must change with the times, and the time has certainly arrived when the Commonwealth Constitution should be overhauled.

Mr. Withers: It has taken a long time to get a change.

Mr. McLARTY: I wish the Minister for Industrial Development success in his efforts to secure the establishment of secondary industries in this State.

The Premier: Why not the Government?

Mr. McLARTY: If it will please the Premier, I will say the Government. When I refer to the work of any Minister, I refer equally to the Government. The Minister appears to have obtained the services of some good men to assist him, but the Government I sat behind when I first entered Parliament was also keen to establish secondary industries, and I believe that the then Premier did all he possibly could to encourage the consumption of local goods and induce the people to support local enterprise. That Government was responsible for the establishment of the Nestle milk factory at Waroona, an industry that has grown tremendously. Last year it manufactured about 900,000 lbs. of condensed milk, a good deal of which was exported. This year the output will be still larger. I know what that great industry has meant to the Waroona district. At the same time a cheese factory was established at Serpentine and I know what the factory has meant to that district. Recently I read that departmental experts of the Commonwealth had prepared reports suggesting what new industries might be profitably commenced and had drawn up a list as a preliminary guide to a policy of industrial self-sufficiency. No doubt the Minister is aware of

that list, and I hope that some of the factories will be started in Western Australia.

The member for Nedlands (Hon. N. Keenan) put forward a sound proposition for assisting secondary industries. He suggested that the Government should assist them financially. Ways and means must be devised to provide the finance for such a scheme and the assistance granted would have to be based on sound lines. Any firm or individual contemplating the starting of a secondary industry would necessarily have to find a considerable sum of money. I believe that the means by which the Agricultural Bank assists farmers could be extended to assist those people who are prepared to establish secondary industries in this State. Unless the Government is prepared to assist, the difficulties attending the starting of such industries will be great in view of the opposition from Eastern States firms and the dumping that is practised. To make finance available would be a sound policy for the Government to adopt. I agree with the suggestion that such industries should be exempt from taxation for a period at least, and the Minister should give an assurance to investors that the arbitration laws would be enforced. Taxation undoubtedly is a huge item in all business to-day, and investors are looking for avenues of investment where taxation is lightest.

Now I wish to say something about our traffic laws. It is high time that we dealt more severely with car thieves. During the last six months no fewer than 226 cars were stolen in the metropolitan area. That is a huge number. Throughout Australia the car thief is a menace to both life and limb. I fear that some of our magistrates do not regard car stealing as seriously as they should do. Comparing the sentences imposed upon thieves who steal horses or cows with the sentences imposed for theft of motor cars—

Hon. C. G. Latham: But in the latter case the charge is not theft.

Mr. McLARTY: Then it should be. If a car is stolen, surely that is theft. In the main, cars are stolen by young thieves, who frequently are utterly irresponsible persons and care not what damage results to the cars. As I have said, these persons are a danger to life and limb. Elsewhere legislation is being enacted to deal with them. A former member for Perth (Mr. H. W. Mann) placed on the statute-

book an Act bearing on the subject, but the measure is not being availed of to any extent. The menace of car theft is increasing, and if it is to be checked the penalties must be much more severe. In the Eastern States legislation has recently been enacted whereby the dealer in cars must be licensed, so that car thieving may be put down. Reverting to traffic, I would favour the compulsory dimming of lights. Undoubtedly, glaring headlights on black bitumen roads are a great danger. Further, the overloaded lorry is much too prevalent.

Next I desire to refer to the position of the relief worker in the South-West. There has been an exceptionally wet season, and without question something should be done to provide camps in the South-West with flooring. That may be a considerable undertaking, entailing a good deal of expense: but on works which are likely to last some time flooring could be used and, when the job was finished, could be transferred to some other work. I know that in the South-West women and children have lived in tents without any flooring whatever. To say that the tents were wet, or that the ground was wet, is to put it mildly indeed. The Minister has seen some of these cases, and I know he is sympathetic; and therefore I hope that no women with children will be sent to the South-West again to live in tents not provided with flooring.

Mr. Withers: That state of things is not peculiar to this Government.

Mr. McLARTY: What Government it may be peculiar to does not matter. It is not right.

Mr. Holman: The Minister said that the cases he saw would be fixed up.

Mr. McLARTY: Probably the difficulty is not as easy to overcome as one would like it to be.

Mr. Styants: Weatherboard camps should be provided—not tents.

Mr. McLARTY: It seems that we shall have to submit to further increases of taxation this session. This is my tenth session, and I do not think I have attended a single one during which taxation of the people has not been increased. Naturally, the more taxation is increased, the less money there is available for employment and the more people have to come on the Government for relief. On all sides to-day

one hears complaints about the cost of government and the burden of taxation. Because of that we find an increasing number of persons advocating unification, and I cannot but feel that we are drifting in that direction. Undoubtedly, the more taxation people have to bear and the greater the cost of government the greater will be the desire for unification, with, of course, lower cost of government. I do not know what unification will achieve. I am not a unificationist. However, I cannot but believe that a strong feeling towards unification exists. Even the Country Party, at a recent conference in the East, advocated unification. Some members of the present Federal Ministry openly advocate it. I think the bringing-about of unification is, and always has been, the policy of the Labour Party.

Mr. Needham: What is wrong with it?

Mr. McLARTY: Probably the hon. member interjecting would not find anything wrong with it. He was a member of the Federal Parliament so long, and enjoyed that membership so much, that he would be quite willing to go back again to Canberra after unification had come about.

Mr. Styants: Is not the cost of government increasing everywhere?

Mr. McLARTY: I believe the cost of government is increasing throughout Australia. We are still faced with the great problem of finding suitable work for our unemployed. Unquestionably it is a most serious problem, and it must cause Ministers much concern. I am aware that the Minister for Works is always looking for jobs that will employ men without too great a proportion of the expenditure being put into material. To this end, machinery is not used. That policy, in my opinion, is not the right one. I hold that where money can be saved by the use of machines, it should be done. I know perfectly well that humanity has to be considered before machines, but nevertheless in the case of a large work costing a considerable sum of money it is good policy to put in machines if their use means a saving. The money so saved—and the Government is very short of money—could be usefully employed in other directions. Any amount of work is necessary in Western Australia. For example, road boards could employ men profitably on road work; that is, building developmental roads. Men could also be employed on forestry. It is sometimes said

that forestry work gives a slow return. It does, but nevertheless a sure return is received in consequence, and the work is in the interests of the State. There are other directions in which money could be saved as a result of the use of machinery on public works. If a wise policy were adopted, I think money could be saved by the utilisation of machinery and expenditure incurred in other suitable directions.

The Premier: If we bought two or three machines, we would be involved in an expenditure of thousands of pounds, so you see the money goes very quickly that way.

Mr. McLARTY: I remember that years ago the Harvey River diversion was undertaken in my electorate at a cost of something like £250,000. Men were put on the job and asked to do the work with spades and wheelbarrows.

Mr. Styants: What Government was in power at that time?

Mr. McLARTY: I supported the Government then in power, but that phase makes no difference, because a similar policy is pursued to-day. As I said at the time, the men who were put on the Harvey River diversion could have been more profitably employed in other directions and machines should have been used to do the work.

The Minister for Works: Machinery has displaced so many thousands of men that we do not know what to do with them.

Mr. McLARTY: That is probably quite correct.

Mr. McDonald: But the use of machinery has replaced thousands of men as well.

Mr. McLARTY: That, too, is correct.

Mr. Doney: Nevertheless, the Government willingly used machinery.

Mr. McLARTY: This does not make any difference to the argument I advance. If machinery is employed on public works, while men may thereby be displaced from employment, there is still plenty of work that remains for individuals to undertake.

The Premier: The point is that the Government has to buy the machines, and they are expensive.

Mr. McLARTY: We have quite a lot of machinery on hand.

The Premier: We use what machinery we have.

Mr. McLARTY: That is what I am suggesting, namely, that we should use what machinery we have.

Mr. Styants: Much of it could be manufactured in Western Australia.

Mr. McLARTY: That is so. The last thing I wish to do is to use machines if men and women will be starved in consequence. I do not think—in fact, I am sure on the point—that would be the effect. There is no necessity for anything of the sort. I do not need to say more at the present juncture. I have not touched on parochial matters, which I shall deal with later on in the session. I hope money will be provided to construct further irrigation works in my electorate. Undertakings of that description are reproductive and provide a sure return. I frankly confess I have no cause to complain about the amount of money that has been spent in my electorate.

The Premier: No, that is right.

Mr. J. Hegney: You have been well treated.

Mr. McLARTY: I have had a pretty fair crack of the whip.

Ministerial members: Hear, hear!

Mr. McLARTY: On the other hand, the expenditure of so much money in a district by various Governments, naturally results in fresh requirements cropping up, and even more money is needed. I give the Premier my assurance that I shall not worry him unless necessary.

MR. DONEY (Williams-Narrogin) [5.3]: Mr. Speaker —

The Minister for Works: Here is another member who is contented.

Mr. DONEY: The Minister will find me quite properly responsive in that regard at a later stage. My first words will be to voice my sorrow that two of our valuable members, Hon. P. D. Ferguson and Mr. Frank Welsh, the representatives respectively until recently of the Irwin-Moore and Pilbara electorates, should have fallen by the wayside as the result of the recent general election. I think I can say by common consent of this House, and wholly irrespective of party ties, those two men were, and still are, regarded as individuals of inherently decent character.

The Premier: Hear, hear!

Mr. DONEY: I do not think anyone would at any time question their integrity. We can all agree that both rendered conspicuous service to their respective electors and to the people of the State generally.

That being so, to me it seems most amazing that men of that type should have been chosen for defeat. To understand it is difficult. I look upon the two ex-members as calculated to lend prestige to any Parliament, and I claim, as you, Mr. Speaker, would probably also be prepared to agree, that their places on the floor of the House will be indeed difficult to fill. In saying that, I do not for one moment imply anything derogatory to the ability of the men who managed to displace them.

Hon. P. Collier: Does that apply to Irwin-Moore, too?

Mr. DONEY: I am not prepared to frame my remarks exactly to suit the requirements of the member for Boulder.

Hon. P. Collier: I have no requirements about the matter, but I should imagine the members of the Country Party have.

Mr. DONEY: That is all very fine. I could quite easily say something highly pertinent in retort to the member for Boulder (Hon. P. Collier) but I shall not do so. I certainly do say, to the contrary, that the result would imply that those persons who did displace my two friends must have been pretty good men to have defeated individuals of the calibre of Hon. P. D. Ferguson and Mr. Welsh. I desire to join in the welcome extended to our new members. I hope they will enjoy a period of usefulness.

Mr. J. Hegney: Long life and happiness in this Chamber.

Mr. DONEY: I shall not go quite so far as that, but I do trust their sojourn with us will be useful. I certainly urge that they shall, when dealing with big questions, give evidence of a broad mind. Especially do I refer to the consideration of the requirements of the wheat and wool industries. I put it to the new members for Pilbara (Mr. W. Hegney), Forrest (Mr. Holman) and Mt. Magnet (Mr. Triat) that they represent the primary industries concerned with the production of gold, wool and timber. I suggest to them that if they desire to conserve the best interests of the workers in those industries, they can do so by joining with members sitting on the Opposition benches in concerning themselves with the problems of marketing as much as with the industrial phase.

Mr. J. Hegney: Are you referring to orderly marketing?

Mr. DONEY: If those members give their attention first to marketing problems, the task of dealing with the industrial phase will be that much easier. I desire to associate myself with those who have complimented you, Mr. Speaker, and the new Chairman of Committees upon the appointments you and he have received. In my opinion those appointments were quite logical and certainly acceptable to the House. If I may be permitted to say so without being misunderstood, I consider it a great pity that the member for Murchison (Mr. Marshall) cannot, in his capacity as a private member, be made subject to his own control as Chairman of Committees. I regard the hon. member, as a private member, as the chief of the recalcitrants and a rebel all the time against authority.

Mr. SPEAKER: Order! The hon. member must not reflect upon another hon. member.

Mr. DONEY: I do not wish my remark to be construed as a reflection upon the member for Murchison, but rather as a compliment. Certainly, if he is a rebel, he is a very genial and likeable one.

Mr. Sampson: He is warm-hearted to a degree.

Mr. DONEY: My statement will not come as new to the House when I say that we on the Opposition benches desire to concern ourselves this session with ways and means to improve the position and outlook of the men engaged upon the production of wheat. We want the present to be an agricultural session.

Mr. Tonkin: What was the last session?

Mr. DONEY: I shall come to the hon. member directly. We want every member of the House thoroughly to understand the wheat position, and we trust that the Government and all political parties will rally during this session to the aid of the wheat-growers. To my mind it appears that all too many people, particularly those residing in the city, are really not very much concerned about the troubles of the rural areas. If wheat drops from 4s. a bushel, which would be about its proper economic value, to 1s. a bushel or less, the man in the city just grieves for a moment and then straightway forgets. As one method of bringing the position under the notice of the House, may I suggest that if the profits of city factories were to slump by, say, 75 per cent., the basic wage drop

from £4 to £1, or city incomes generally be depreciated in a like proportion, then the city folk and the Government would be stirred to the very marrow. Although just that very position is being experienced by the people in the marginal areas, the city folk do not seem to be concerned one tiny little bit. I ask members on the Government side of the House to study this grave problem, which has such a powerful effect upon the revenue of the State. It seriously concerns the railways and has certainly an important bearing upon unemployment. I assure members opposite that if the industry is to be saved, their co-operation with Country Party members is absolutely essential.

I do not wish to be unduly critical of the speeches delivered by members on the Government side of the House, but the attitude and expressions of those who have spoken thus far on the motion for the adoption of the Address-in-reply have been rather lacking in friendliness towards the industry to which I am referring at the moment. The member for Mt. Magnet (Mr. Triat) certainly opened upon a very sympathetic note and we were accordingly grateful to him. His lead, however, was not followed except by the rather dubious support voiced by the member for Perth (Mr. Needham). Others, I notice from a perusal of "Hansard," omitted to mention the matter at all, and some who did dealt with the question in a decidedly unfriendly way. The member for North-East Fremantle (Mr. Tonkin) interjected a little while ago. Generally speaking, I follow his remarks with considerable appreciation, but on this occasion I was disappointed in what he had to say.

The Minister for Mines: He disappointed himself.

Mr. DONEY: He spoke very lovingly indeed of Russia but his remarks in relation to the farmers of Western Australia were by no means pleasing to hear. He considered the farmers had underpaid their workers and, in general, spoke rather disparagingly of the men on the land. He intimated that the time had now arrived when they were having a taste of their own medicine, and let it go at that.

Mr. Tonkin: I did not say anything of the sort.

Mr. Withers: The member for Williams-Narrogin should have said "in effect."

Mr. DONEY: I have checked up on what I have said by a reference to the hon. member's speech in "Hansard."

Mr. Tonkin: Despite what you assert, I did not say anything of the sort.

Mr. DONEY: Probably the hon. member will not agree with me when I suggest no other implication can be placed upon the tone and wording of his speech than that I have mentioned. Probably he will not agree with me when I say that his sentiments were of no use whatever to Western Australia at this juncture. He probably forgets that had it not been for the wheat industry, Fremantle would to-day be a very small place. Probably there would be no South Fremantle or North-East Fremantle, and consequently no member for North-East Fremantle in this Chamber.

The Minister for Labour: Fremantle would not be as small as Narrogin, would it?

Mr. DONEY: Well, it might be somewhere about that size, I suppose, but I question whether it would be much bigger. Incidentally, had there been no wheat industry, that string of fine towns in the wheatbelt—I refer to places like Gnowangerup, Lake Grace, Kulin, Kondinin, Corrigin, Bruce Rock, Wickepin and others to the north—would not have been in existence, and if the present wheat depression should continue they might easily pass out of existence.

The member for Canning (Mr. Cross) was just about as sympathetic as we expected him to be, which is the same as saying that he had no sympathy whatever to spare for the man on the land.

Mr. Cross: Do not be unfair.

Mr. DONEY: I do think the hon. member gave his speech some thought and with certain of his references to the pig industry I found myself in agreement. But his remarks exhibited a strange lack of balance. He considers that the wheat industry should not be in receipt of any special treatment at all.

Mr. Cross: You yourself have no sympathy with the man on the land.

Mr. SPEAKER: Order!

Mr. DONEY: He considered the farmer should be guaranteed his food and that ought to be sufficient, particularly since there was easy salvation for him if only he would grow pigs.

Mr. Cross: If he were a real farmer—

Mr. DONEY: I am in agreement with the hon. member that there is more in this pig question than meets the eye.

The Minister for Mines: Or the nose.

Mr. DONEY: I am not denying that the growing of pigs may be a remedy, but it is a long-distance remedy, and the hon. member should know sufficient about the present situation to realise that what is required is immediate relief. We cannot wait for relief from pig-raising.

Mr. Cross: There is one man at Cunderdin who has made a success of pig-raising.

Mr. DONEY: One man?

Mr. Cross: Yes.

Mr. SPEAKER: Order!

Mr. DONEY: I would agree with the hon. member that many more men might be just as successful, but we should remember that pig-raising would be an equally obvious way out of their difficulties for the people of the Argentine and Canada and of the United States.

Mr. Cross: They haven't a market available to them; we have.

Mr. DONEY: The hon. member is right there, too. The hon. member was quite right when he said that the Ottawa Agreement has been superseded in favour of the bacon marketing scheme, and that under that scheme this State, or the whole of Australia, as a matter of fact, certainly secures a better deal inasmuch as it has a higher quota than previously. But we are subject to the quota system, nevertheless, although I agree that there is still room for improvement within the quota. Even in that connection we have to remember that such additions as we make to our export of pigs—whether as pork or as bacon and ham—must be made at the expense of such mutton and beef as we at present export.

The Minister for Lands and Agriculture is, of course, the gentleman responsible for the administration of the departments concerned with the amelioration of the conditions of the man on the land. I believe that Minister fully understands the complete significance of the calamity that has befallen the wheat areas. I do not think I can say the same for all the Ministers of the present Government. As a matter of fact, I am sure I cannot. Appearances point to the contrary. If the Lieut.-Governor's Speech reflects Cabinet opinion—that is to say if it indicates the hopes and fears and intentions

of the Cabinet in regard to the future—then I am certain that the members of the Cabinet have not yet been fully informed of what is really meant by the overseas offer of 1s. a bushel for our wheat; or by the ridiculously low prices quoted for wool; or the restriction of credit—or, we might almost say, and one should say in many instances, the total extinction of credit; or by the bankruptcies of, and abandonment of land by, settlers; or by the tribulations of country storekeepers; or—and this is the worst of all—the swift shrinkage of our population through the countryside. With all this in one's mind one reads with amazement the statement in the Lieut.-Governor's Speech that this State has demonstrated a remarkable capacity for withstanding the effect of low prices for our wheat and wool. I was astounded when I read that. It is certainly not correct. The statement is a deceptive summing up of the position as we know it to exist in Western Australia to-day. I take it that what the Premier meant when giving effect to that view was that the people of the metropolitan area, and the people of the goldfields, too, I suppose, as well as those of the coastal areas—all of whom had a fairly profitable year—have shown a remarkable capacity for remaining calm in the face of other people's—which means the wheatgrowers'—troubles. I cannot understand why there should be all this pretence and disregard of the position of our primary industries. I cannot see the reason for this covering up of facts. The Premier would be well advised to tell the people of the districts I have enumerated the real truth about the wheat industry.

The Premier: Have we not done that?

Mr. DONEY: I do not think the Premier has. I have been endeavouring to indicate that I consider they should be told that the farmers are now receiving the lowest price for wheat that has obtained for three centuries, and unless our expenditure is so ordered as to give the first claim to the task of rehabilitating the wheat industry, there will certainly ensue a catastrophe that will involve every section of people in the State and every part of Western Australia. To me there can be no doubt on that point. Of course I admit it is difficult to compare prices and to assert definitely that we are now receiving lower prices than have prevailed for three cen-

turies; it is difficult on account of the constant variation that has taken place in the purchasing power of money. Putting all that on one side, the question now is as to just exactly how the Government reacts to the very difficult task confronting it. I am wondering whether members of the Cabinet will just shrug their shoulders as seems to be their habit and contend that the problem is one only of passing gravity, or whether they will earnestly tackle it. Mr. Menzies has said that the granting of relief is a task to be undertaken on a fifty-fifty basis. The Premier however holds the opinion that the assistance of wheatgrowers is not the State Government's job at all, but that it is purely a liability to be undertaken by Mr. Menzies. The point is, if Mr. Menzies declines to accept the second fifty it becomes ours and there is an end to it. I suggest to the Premier that quite apart from any help we may obtain from Federal sources, there is much that the State Government can do for the wheat industry. I might remind the Premier that there are many penalties and extra charges that the farmers have been called upon to bear during the last six or seven years, additional to what other members of the community have had to face. I consider that this is a suitable time for an overhaul of those impositions. There is, for instance, the 9d. per ton that should never have been charged on bulk wheat. As the Minister for Railways is in this House, I would direct his attention to that matter. The present is the psychological time to consider the waiving of that extra charge that should never have been imposed. There are also certain additional port charges on bulk wheat. I hope the Minister will make a mental note of those two charges. Further, there are certain transport restrictions that could be adjusted to suit the times. If an adjustment is to be made at all this is surely the period when the greatest benefit would result from a change.

I also draw attention to the fact that the present is an excellent time to remove the penalties associated with overdue interest on Agricultural Bank loans and overdue rents. Then the Government might also speed up the revaluation of Agricultural Bank properties. If the Government will do that, it will bestow a great benefit on farmers throughout the State. At present Mr. Wardell, the bank's chief valuer and its assistant manager, is doing the whole of this

work. That is a tremendous task for one man and I suggest that since the Government has two or three other officers, if Mr. Wardell considers them competent to do the work, they should be appointed to assist him. I consider that the Government should abstain from the harsher phases of Clause 51, and should indicate, too, the extent to which it is prepared to assist farmers to finance the necessary transfer of their holdings, especially from the marginal areas. A plan is, of course, in operation now, but of so nebulous a character as to be difficult to comprehend. The Premier could help the farmers considerably by giving to Mr. Wise one important portfolio only, with perhaps a minor portfolio in addition, instead of expecting him to hold the two major portfolios of lands and agriculture. The fact that the Premier has loaded those two offices on to one man suggests that he regards neither as of their former importance.

The Premier: Oh, no!

Mr. DONEY: If that is so—and I cannot see how it can be otherwise—it is an amazing conclusion.

The Premier: The two problems of land and agriculture are intermingled and each has a bearing on the other at interstate conferences. It is therefore more satisfactory that one man should attend to both departments.

Mr. DONEY: Previously these two portfolios demanded the full time of two Ministers. Most people would think that with so much more at stake for the wheat industry a still greater demand would be made upon the talents and time of the Minister. Even in normal times Mr. Troy was a very busy man as Minister for Lands.

Mr. Warner: He had no troubles to face unless he looked for them.

Mr. DONEY: That may be so, but it is not that aspect of his work with which I am now dealing. He had a five-minute job on immigration, but that made no demands upon his time. When the storm breaks and it is a question of all hands to the pump, the Premier loads a comparatively inexperienced man—but so far only as "hands" are concerned—with twice the work he gave to his very experienced predecessor. It is plain to us all that in the circumstances the present Minister for Lands, although he will work his hardest, cannot possibly give of his best in his conduct of two such im-

portant departments, especially at a time like this. He can give fair play to neither department, and he certainly cannot give fair play to the farmers. I suggest that the Premier should take steps to minimise one section of the duties devolving upon the Minister.

The Government could give the farmers assistance through its relief work funds. The Premier knows that in order to maintain a farm on a reasonably sound productive basis hired labour is essential. A farmer, however, cannot afford to pay for such labour at the existing rates. I hope the Premier will look into this matter with the object of treating the farmers as the previous Government treated them in 1930-33, by subsidising the wages they were able to pay. The Government is giving 15s. a week to single men who are seeking a livelihood on the goldfields.

The Minister for Mines: Not 15s. a week, but £1.

Mr. DONEY: It is a fine scheme and will always stand to the credit of the late Mr. Scaddan. If it is proper to provide subsidised work on the goldfields to the extent of £1 a week, a similar concession should be given to young men who seek a living in the farming areas. There is no essential difference between the two propositions.

The Minister for Mines: There is a difference in the prospects of the two sections.

Mr. DONEY: I admit that. Still, the Minister will agree that all the single men seeking work on the fields cannot to-day be absorbed there. The surplus men, therefore, might be enabled to link up with farming by subsidising the wages the farmer can afford to pay. I may perhaps be going to repeat something that has already been said from this side of the House when I declare it is no answer for the Government to say that huge sums of money, running into millions, have been written off debts owing by farmers. Last year £600,000, we are told, was paid out in this direction. We say that is not so; that this money was not paid out. Except in isolated cases, the farmers have not benefited.

The Premier: I should like someone to pay my debts.

Mr. DONEY: Just so. The Premier knows that most of the huge writing-down that has been referred to had written itself off long before the Government touched it.

The Premier: The interest still has to be paid.

Mr. DONEY: That is quite a proper operation in accountancy, but to refer to bad debts that have been written off as gifts of money is absurd. The Premier will agree that probably not one penny of this money would have been written off had the Government the slightest chance of ever collecting it.

The Minister for Works: Has not the Debts Adjustment Board done a lot of good?

Mr. DONEY: The Rural Relief Board has done a vast amount of work. That relief came from Federal revenue, and not from State revenue.

The Premier: Oh, no!

Mr. DONEY: The Government can take no credit for that. Except for certain sums expended in administration, etc., the State has made no contribution towards the fund.

The Premier: You do not know the facts. No adjustment is made on debts owing to the Government.

Mr. DONEY: The Premier is harking back to the Agricultural Bank having assisted in the writing down.

The Premier: What has the Water Supply Department done?

Mr. DONEY: The debts would not have been written down in those instances had there been any chance of the money being paid. It is merely an accountancy operation to write off bad debts.

The Premier: What about land rents? Did we cut off the farmers' water as has been done in the case of people in the city?

Mr. DONEY: The department sometimes cuts off the water.

The Premier: And gives a lot away.

The Minister for Works: Perhaps you are referring to instances where the water was nearly cut off.

Mr. DONEY: I know of one instance which occurred last week and in which it was cut off. When a debt is written off as bad, it is absurd to refer to it as a gift to someone.

The Premier: It is a gift, whether you say so or not. It is money that has been given to someone.

The Minister for Works: We are already £170,000 behind. That is what it has cost us.

Mr. DONEY: The occasion has arisen to write off certain bad debts. If the facts

were stated in that fashion, one could not argue against them. The Government, however, reiterates that the huge sum of £600,000 a year represents, in some strange fashion, a gift to the farming industry. The Premier cannot have it that way.

The Minister for Works: The farmers are carrying on, and what could be better than that?

Mr. DONEY: Some benefit ensues in certain instances, but a large proportion of the debts was written down and credited to the so-called gift fund after farmers had abandoned their holdings. This was of no assistance to such men. Had the debts been written down whilst the farmers were still on their holdings and had they been permitted to remain there, a distinct benefit would have accrued to them.

The Premier: Thousands are still on their farms.

Mr. DONEY: Many of them are.

The Premier: Change your tune, and give us a little credit for once.

Mr. DONEY: When I have to deal with matters in which the Minister for Works is interested I may have a bouquet to throw. At the moment I am dealing with the wheat industry. Unfortunately there is little promise of an improvement in the outlook. According to reports from Canada, the Argentine, the United States and Europe, there is alternate weakening and firming in the price, but still no sign of a general improvement can be seen. We have been pinning faith upon the expectation that there might be an increase in the per capita consumption of wheat, but our hopes have been dashed to the ground. From a survey of the position it has been discovered that during the last 50 years there has been no appreciable variation in the per capita consumption of wheat.

Hon. C. G. Latham: It has gone down.

Mr. DONEY: I think not.

The Premier: The per capita consumption has gone down.

Mr. DONEY: I carefully examined one table which showed that the annual consumption rose during that 50 years by only 1.06, an amount that is hardly calculable. During that period there has been no appreciable difference in the per capita consumption of wheat.

The Premier: The per capita consumption is down 30 per cent.

Mr. DONEY: I would be interested to see the return that enables the Premier to make that statement. Many attempts have been made to increase the consumption of wheat.

Hon. C. G. Latham: About £30,000 a year has been spent in England with the idea of having more wheat consumed.

Mr. DONEY: Experiments were made with a view to embodying more vitamins in bread, but it was thought that the cost of the resultant bread would probably wipe out any increase in sales.

The Minister for Works: You seem a little rusty on the wheat question.

Mr. DONEY: It may be merely that I differ from the Minister.

The Minister for Works: You should bring yourself up to date.

Hon. C. G. Latham: He is up to date in most things, but cannot be perfect in everything.

Mr. SPEAKER: Order!

Mr. DONEY: The self-contained policy that has been followed by European countries during the last ten years has assisted in bringing about the disastrous position in which we find ourselves. During that period the acreage sown to wheat in Europe has not increased; but, unfortunately for us, the methods employed by European farmers have improved out of all knowledge, with the result that there has been an increase in output representing four bushels to the acre. That might not mean a great deal to some people, but it certainly means that the annual output has increased by 350,000,000 bushels. When we consider that the amount we annually export is something like 110,000,000 bushels, we can understand the murderous effect on our revenues and our credit in London by the increased European production.

The Premier: It all points to the fact that we will not be able to sell so much.

Mr. DONEY: That is the principal reason for the falling-off.

The Premier: And so we cannot keep on producing so much.

Mr. DONEY: It indicates that it is essential for this State to agree, and to agree quickly, to a reduction in output.

The Premier: Or at least to control it.

Mr. DONEY: Yes; so control it as to reduce output to the level of world demand. That much is plain. Neither is

there anything comforting in the extremely independent and offhand manner in which the Argentine is dealing with the question. That country can afford to bonus exports to the extent of £10,000,000, and continue to do that and so put Australia, and also Canada, for that matter, right out of the wheat export business. We cannot regard that prospect with equanimity, particularly when we know that the Argentine can grow wheat at considerably less cost than, as a general rule, we can in Australia, remembering, at the same time, that the Argentine is so much nearer to the markets than we are. All this means that the outlook is just about as dark as it can possibly be. In those circumstances, therefore, it is absolutely essential that the Government should adopt a far more helpful attitude than it has done in the past. The Premier and the Minister for Lands patted themselves on the back for the work they did at the conference, and whilst the speech delivered in this House by the Minister for Lands was extremely interesting to us and is worth preserving for future reference, it seemed to indicate that the efforts of both gentlemen at the conference represented the utmost in effort and achievement. We do not agree with that at all.

The Premier: Of course, seven millions is nothing!

Mr. DONEY: I do not say that at all. I pointed out to the Minister for Lands that he must not for one moment consider that his job is done. Members on these benches gave whole-hearted support to the Premier when he went to the conference for the purpose of stabilising wheat, but the hon. gentleman did not stabilise it. I admit that in the circumstances it could not be done to the extent of more than a few shillings.

The Premier interjected.

Mr. DONEY: I agree that the requirements of war finance interfered very materially indeed with the success that the Premier might otherwise have achieved, but I remember also that discussions took place on the supposition that there would be no war, and I do not want the Premier to run away with the idea that what he has done is all that could have been done.

The Premier: What could I have done with Mr. Dunstan?

Mr. DONEY: The Premier of Victoria might have followed the same line, but he

did not do so, although at the outset the stand he took did not appeal very strongly. Nevertheless it may conceivably lead, and is likely to lead—and again it might not—to a better result. I am not deceiving myself about what happened at the conference. It appears that the voice was the voice of Mr. Dunstan, the Premier of Victoria, but the hand, was the hand of the Leader of the Opposition in the Victorian Parliament. It is essential that not only the members of Cabinet but also members on the opposite side of the House will recast their attitude towards this great problem.

The Minister for Labour: You did not answer the Premier's question.

Mr. DONEY: I did not hear it; what was it?

Mr. SPEAKER: Order! Never mind what the Premier asked.

Mr. DONEY: I may be doing the Government an injustice, but I always feel that in the matter of farm relief measures, it never seems to go further than it is pushed. My complaint against the Government is that it never seems to initiate anything in the way of rehabilitating the farmer. At the same time—and I consider I am entitled to speak my mind on this matter—the Government merely passes legislation that is necessary to give effect to relief measures that have been put in hand at Canberra.

The Premier: We forced the Federal Government into imposing a flour tax.

Mr. DONEY: The Premier has not yet taken public credit for that.

The Premier: Mr. Troy told the people of the State what we did. Moreover, we do not brag, and neither do we want to be subjected to criticism.

Mr. SPEAKER: Order!

Mr. DONEY: I do not take exception to what the Premier says. I have stated my view in the hope that in future the Government will be even more helpful than it has been in the past.

The Premier: And a little more helpful than Mr. Dunstan.

Mr. DONEY: Yes, I am putting the Premier on a higher level. Anyway, at the present moment the Minister for Lands, with representatives from the other States, is attending the conference to further discuss the position. He certainly must not ultimately reject any offer made by the Federal Government: any offer will be something,

but he should first press for more. That may sound a very trite statement, but I submit that instead of saying, "That was all we could get," it would have been better if the Premier and his Minister had pointed out that the farmers' production costs were so much a bushel of wheat, and that fair play demanded that that amount at least be returned to them. By and large we can take the figure at 2s. 9d. a bushel, and I consider that when the discussion is reopened that should be the amount the Minister for Lands should aim at obtaining. When the Minister was addressing this House last week, he said that anything over 2s. 3d. was a fantastic figure. I desire to please the Premier by saying that that was not the Minister's meaning at all. What he meant was, that in the circumstances, and having regard to war requirements and so forth, it would be futile to press for any amount beyond that figure. He also said, and this has been the subject of a lot of misunderstanding, that if we are correctly to interpret the requirements of the present position, 50 per cent. of the farmers would need to go out of production. In fairness to the Minister I point out that he did not recommend that course. As a matter of fact, his view is that that certainly should not be done. My personal view is definitely that we have not too many farmers. I hope that my view will take root, because an idea seems to prevail in the House that half our farms should go out of production.

The Premier: We are producing too much wheat.

Mr. DONEY: But the point is that we want our farmers. We want them for wool and we still want them for wheat, but with restrictions on output, of course. This State wants its farmers, because it is far better that they should be rearing families in the healthy conditions prevailing in the out-back districts, than that they should be rearing families in the towns. I put this aspect of the question to members, too: During the past 10 years farmers have managed to withstand many mental and financial shocks. If they are capable of successfully surviving so long a period, under those conditions, they must be specially good men. If the policy of restriction of output is adopted, or if there should be a major war, such as we are threatened with now, or if there should be a drought, then conceiv-

ably in a couple of years we may cut the carry-over in half, and wheat will again rise to 4s. per bushel. So far as concerns the future of the industry, there is no doubt that men must consume wheat and the products of wheat. Men also must wear wool in some form or other. Of the industries of Australia that are at present threatened it follows therefore that those surest of survival are the wool and wheat industries. I have no fears whatever about the future of farming.

I return for a moment to the question whether any more can be done for the farmers of our State. All we have done so far is to increase the price of bread by one-halfpenny a loaf. The assistance to come from this State to buttress the proposed Federal States scheme will just be about sufficient to represent one-halfpenny a loaf. I put it to the Premier that one penny a loaf is surely not the limit of assistance that the State can afford. The flour tax, unfortunately, falls heaviest upon those who can least afford it; for the obvious reason that the poorer the family, the more bread it will consume because of the relative cheapness of bread. Consequently, per family, the poorer families will make a greater contribution to the flour tax.

Hon. C. G. Latham: Are you advocating putting up the price of bread by a halfpenny?

Mr. DONEY: No. I am leaving the responsibility of that to the Premier.

Hon. C. G. Latham: Because that would bring in another four millions.

Mr. SPEAKER: Order!

Mr. DONEY: I am suggesting to hon. members that one penny a loaf ought not to be too much. I desire members opposite to realise that what the Government has done should not represent the most that can possibly be done. It should be possible, by some means or other, to increase the assistance proposed for the wheat industry.

During the course of this debate, an hon. member referred to the superannuation fund. If I remember rightly, he considered that municipal and road board employees should be brought under the scheme. I support that view. Presumably, the councils and boards would contribute to the fund. The question of providing for their employees as they retire at 65 years of age is one that has been exercising the minds of local governing bodies throughout the State for a long time. I know it has

been a question of importance with the Narrogin Municipal Council for the past three or four years. I think members will appreciate that many men at 65 years have comparatively young families and that many such men are strong enough and anxious to carry on with their manual labour, but for the reason I have stated—their forcible retirement—they are prevented from doing so. This happens to them at an age when it is well nigh impossible for them to secure other employment. Those men, their wives and families, represent just as big a tragedy as do the jobless young men from 15 to 25 years of age. The problem is one to which the Government should certainly devote its attention. I would like the Premier to give an undertaking that the fund will be examined to ascertain whether the employees to whom I have referred, and any others who may be on a somewhat similar footing, might not be accommodated within the scheme.

I had intended dealing with the very urgent question of a high school for Narrogin. I had also intended to deal with another very important question—soil erosion.

Mr. J. Hegney: That is a very important question for Western Australia.

Mr. DONEY: I shall take the opportunity of dealing with those matters on the Estimates. I was saying at the outset that I would have something pleasant to say to the Minister for Works. I am glad, Mr. Speaker, in concluding my remarks, to say a few words of well-deserved congratulation to the Minister for Works.

Hon. C. G. Latham: What has he done?

Mr. DONEY: I have a very friendly feeling towards the Minister. I compliment him. Mr. Tindale and Mr. Crimp.

Hon. C. G. Latham: Another railway into Narrogin?

Mr. SPEAKER: Order!

Mr. DONEY: I shall not run any risk of another railway. I am anxious to congratulate those gentlemen whom I have named and the officers of the Country Water Supply Department for the splendid job they carried through on the Narrogin reservoir catchment.

Hon. C. G. Latham interjected.

Mr. DONEY: My leader's interjections, for the moment, are not particularly helpful. For two years I was pressing for the bituminising of portion of this catchment as an aid to its shedding capabilities. Hon.

members will recall what I said on a number of occasions, that the Narrogin catchment is probably the most porous of all catchments in the State. However, the Minister was responsive to persuasion. The job has been done, and it has been done especially well. Certainly, as the years pass, maintenance costs will be incurred, but present indications are that such costs will be forced down to a minimum.

Hon. C. G. Latham: Did you say drainage costs?

Mr. DONEY: No, maintenance costs. Shall I continue and say that a great number of visitors, both from outside and within the State, including many of our local railway engineers, have visited the catchment and commented favourably on the work done. Some 50 acres has been put down at a cost of between £12,000 and £13,000. I think it right to include in my complimentary remarks Mr. Allen, the supervisor of the job, and the large number of relief men who worked under him throughout the duration of the job.

The Minister for Works: You have not mentioned the main man, the Treasurer.

Mr. DONEY: I attribute his assistance to the particular form of persuasion exercised upon him by the Minister for Works. All the men to whom I have referred were especially anxious to do a good job, for the reason that they knew it was a pioneering job. They knew the engineers of the State and elsewhere had their eyes upon the job, and consequently were anxious not to let the department down. I think it is the only work of its kind in Australia; as a matter of fact, I am confident that that is so. It may be that it is the only work of its kind in the world. Whether that be so or not, I would like to commend a similar course to other centres which may have water trouble comparable with ours in Narrogin.

MR. HUGHES (East Perth) [6.14]: I wish to add my congratulations to those that have already been tendered to you, Sir, and repeated so often. I think we ought, at the present time, to take a rather bigger view of affairs generally. We are speaking in the shadow of a war. It is difficult for me to understand how any nation can afford a war. For many years past we have been told that money cannot be

found for this or for that; but now, with the war talk, apparently there is no suggestion that money will not be found for war.

I think our friends of the Country Party are tackling the wheat problem from the wrong angle. In my opinion, the trouble to a large extent is internal, and I consider we can rectify it, to a large extent, if we so desire. We in Australia can almost snap our fingers at the rest of the world. We can have a high standard of living without getting very much from outside of Australia, except such goods as other countries are prepared to give in exchange for ours.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. HUGHES: There is no reason why we in Australia should not progressively raise the people to a standard of living that would not only abolish poverty but would also give the poor a standard much above that of the present middle-class. I do not agree with the contention that we cannot do this because someone in a far distant land does something else. We have the problem in our own hands, and whenever we like we can solve it. The reason we do not do this is because it is to the interests of certain people to have widespread poverty. Wherever extremes of poverty exist, we find extremes of riches. I am prepared to say it would be better to have no one above the basic wage than anyone below it. In these days when there is continual interference with the rights of the individual, and when people trying to earn a living are restricted by regulations, monopolies and quasi-monopolies, there has been default on the part of the controlling authorities to take the responsibility of seeing that the individual gets a proper standard of living. At one time we could do many things to earn a living, but to-day a license is required from someone or other, and so we are extending into monopolies and quasi-monopolies.

That the problem has become very pronounced has been shown in this House in the last few days. The Minister for Lands made an able and constructive speech from one point of view, but all he told us was the effect of certain things. There were two other chapters that he might have dealt with, first the cause, and second the remedy. We know that the farmers are unable to sell their wheat, but I should be very sorry to say that we should take fright and tell them to stop producing. If 5,000 farmers

ceased producing wheat in Western Australia, what would they do? They would merely come to the city where there is a superabundance of people without the necessities of life. I would prefer to see them continue the growing of wheat and store it, hoping that something would turn up. If they grow wheat and it is thrown away, we as a community are no worse off than we would be if they stopped growing wheat, but events might happen in other parts of the world that would make wheat a valuable commodity. I have a statement that sums up the position of Australia and indeed of the world. What we in Australia are suffering from is set out in this statement. The statement is by a man whom I have repeatedly been told is a sort of lunatic, or one devoid of brains. He said—

When I heard Gottfried Feder's first lecture on "The Abolition of Interest Servitude," I understood immediately that here was a truth of transcendental importance for the future of the German people. The absolute separation of stock exchange capital from the economic life of the nation would make it possible to oppose the process of internationalisation in German business without at the same time attacking capital as such, for to do this would jeopardise the foundations of our national independence. I clearly saw what was developing in Germany and I realised then that the stiffest fight we would have to wage would not be against international capital. In Feder's speech I found an effective rallying-cry for our coming struggle.

Here again later events proved how correct was the impression we then had. The fools among our bourgeois politicians do not mock at us on this point any more, for even those politicians now see—if they would speak the truth—that international stock exchange capital was not only the chief instigating factor in bringing on the war but that now when the war is over it turns the peace into a hell.

That might well be said of Australia. I hope to show the House that we, too, suffer from the type of capital that Hitler referred to as turning the peace into a hell. Hitler is not regarded as such a fool as he was thought to be in bygone years.

We are now possibly on the verge of a war. There is no question of not having a war on the ground that the French Government, the British Government or the Australian Government cannot afford a war. I venture to say—and there is no great prophecy in the statement—that if war broke out to-morrow Australia would find

£100,000,000 in the next three years with which to wage it. Yet, in past years, when our people have been without the necessities of life, all we have been told is, "You cannot do that because there is no money." If a war occurred, the whole of the resources of the nation would be organised in such a way as to provide the essentials of war, but we never can organise to prepare essentials and give people necessities in times of peace. The reason is that in times of war fear shocks the people out of their complacency, and they are prepared to do things they would not do in times of peace.

In 1914 the Commonwealth Government had no national war debt, and owed only £19,000,000. At the end of 1919, after four years of war, the Commonwealth Government had a war debt of £281,000,000, and an ordinary debt of £44,000,000. Thus the Commonwealth Government during those four years borrowed and created a war debt of £281,000,000. Let me say in passing, that although we incurred £281,000,000 of war debt during that period, we have already paid £330,000,000 interest on it, and we still have the £281,000,000 debt intact after 25 years.

Mr. Marshall: I thought Germany would have had to account for that payment?

Mr. HUGHES: Yes. At the end of the war the representatives of the nations assembled and Mr. Lloyd George had an election at which his cry was, "Make Germany pay." In 1932 he wrote a book on "Reparations and War Debts," in which he pointed out that nobody but a fool would believe that Germany could pay. After the war conferences were held, and the most extraordinary demands were made by France. In fact, France demanded by way of reparations for one devastated area, a sum greater than the value of all the house property in France. Finally, after a lot of discussion, the German war debt was fixed at £8,600,000,000. Immediately it became apparent that once the gold was drained from Germany she would be able to pay only if the other countries accepted imports of German goods. This, of course, they could not do without throwing their own men out of work.

Mr. Sampson: And closing down their factories.

Mr. HUGHES: That is so. The German worker was compelled to toil 12 hours a

day to supply the goods with which to pay the war debt, and consequently the factories in other countries could not make their operations pay. And so—

Mr. Sampson: The dole became established.

Mr. HUGHES: The war debt and reparations of Germany led to a series of whitening down. There were various plans, and the final adjustment was that Germany was to pay £150,000,000, or a little more than the present public debt of Western Australia. The chairman stated that Germany could not pay more, and he was thanked for his frankness, and that was the end of the war debts and reparations. As a result of the lifting of that load of interest the German nation was relieved of a burden that has been crushing certain other nations. There is hardly one nation that has paid its war debts. As soon as it became apparent that Germany could not pay, France did not pay, Italy did not pay, and various other countries did not pay.

Hon. C. G. Latham: England did not pay.

Mr. HUGHES: England did not pay for long.

Mr. Needham: Australia did not pay England, either.

Mr. HUGHES: After the war Italy was heavily indebted to the United States of America.

In November, 1925, the principal of the debt amounted to 2,042,000,000 dollars. No interest was charged for the first five years. Interest then begins in 1930 at one-eighth of one per cent., and gradually rises to two per cent. in 1980. The payments run for 62 years and cease in 1987. Their present value is 538,000,000 dollars, and the effective reduction of the principal of the debt is 74 per cent. of the total. It was of this agreement that Ludwell Denny said:—

Mussolini was granted by the Washington Government a cancellation of the bulk of Italy's debt, and was then given a New York loan as a reward for accepting the cancellation or so-called friendly agreement.

Now as to France—

In accordance with the Mellon-Berenger agreement, signed April 29, 1926, the principal of the debt was funded at 4,025,000,000 dollars. Interest is not charged for the first five years. Interest then begins at one per cent. and rises to 3½ per cent. in and after 1966. The payments run for 62 years and cease in 1987.

That is an error because France ceased paying much sooner. The present cash value of the payment is 2,003,000,000 dollars, and the effective reduction in cash is 50 per cent. And so on. All those European countries had their war debts wiped out, for the simple reason that they could not meet their obligations. There was no possibility of that. The injury to the countries that did not receive payment, namely Britain and the United States of America, was that the British and American Governments had borrowed money from their own nationals to lend to foreign countries, and that when those foreign countries defaulted the British and American Governments were not able to default on their own nationals. Thus when the British and American Governments relieved the French and Italians of their debts, they simply relieved the French and Italian peoples from paying taxes to meet their war debts, and passed the burden on to British and American citizens. The cancellations would have been all right if the Governments that gave them could then have said to the persons from whom they had borrowed the money, "Our debtors have not been able to pay us what they owe us, and therefore we in our turn cannot pay you." But the result of the post-war cancellation of debts in Britain and America is that the burden has been shifted from the German, French, Italian and Turkish peoples to the shoulders of the British and American peoples. We in Australia have been suffering from an interest servitude which other nations of the world knew they could not bear and made no effort to carry.

A very curious thing about wars is this: The two most valuable forms of wealth to possess are firstly Government bonds, and secondly first mortgages on real estate. Any financial adviser will say that the two safest forms of investment are Government bonds and real estate. Now, although Australia had four years of war during which there was nothing but destruction and devastation, yet at the end of those four years there was in Australia £281,000,000 more wealth than before the war. We smashed up everything for four years, and finished up wealthier by £281,000,000; because at the close of the four years there were £281,000,000 worth of war bonds in Australia—a first-class security, the best form of investment. It simply meant that during the war period, when everything was

being destroyed, some Australian citizens were obtaining a wonderful form of wealth entitling them to levy toll on the rest of the community for all time. When war broke out in 1914, the British public debt was £645,000,000, £600,000,000 of which was owing from the Napoleonic wars of some hundred years before. In March, 1919, the British public debt stood at £7,435,000,000. Thus there was approximately £6,790,000,000 more value in Britain after the war than there had been before it; for there were in Britain people holding nearly £7,000,000,000 worth of the best form of wealth known. Ever since then the British people have been struggling to pay off that enormous debt.

We Australians have an external problem. External debt is the most oppressive form of debt. In the case of an internal debt one can by reference to one's own legislative power distribute the burden amongst the people. But one cannot distribute the burden of an external debt. The only way to pay an external debt is that lenders shall be prepared to accept the commodities debtors are prepared to send them in payment of the debts. At the end of the war Australia had a Commonwealth public debt of £320,000,000. To-day there is a Commonwealth debt of £386,000,000, of which amount £273,000,000 is regarded as war debt. Through the Commonwealth Government Australians have paid on account of the war £800,000,000. That amount has been paid for war services since the war. Strangely enough, the bulk of the amount has gone in payment of interest. Over £330,000,000 has been paid for interest service on Commonwealth war loans. If war were not such a tragic business, it would be an interesting experiment to see what would happen if we had another four years of war and added another £300,000,000 or £400,000,000 to the Commonwealth debt, and another £7,000,000,000 were added to the British debt. I have not the slightest doubt that those who control the financial system would discover an expedient for carrying on and still levying the interest required. Altogether Australia has a public debt of £1,200,000,000. The figures I am quoting are a year old, but in a matter of this kind a hundred millions is neither here nor there, is merely infinitesimal.

Mr. Marshall: You are only £72,000,000 out.

Mr. HUGHES: In these figures £72,000,000 does not matter. Unfortunately for us, half of that debt is owing oversea. When that money was borrowed oversea it was borrowed on a specific contract, upon the basis of certain things. The basis was that the Australian States which were borrowing that money oversea were producers of raw materials; and everybody knew that the only chance Australia would have of paying the oversea debt was that the oversea world should take Australia's primary products—its four main exports being wool, wheat, meat and gold. That was the whole basis of the liability. As Lloyd George points out—if I had more time I would weary the House by reading the whole extensive quotation—

There was a complete understanding that these countries which were borrowing the money were relying on their exports to repay it.

As a result of post-war economy, European countries are not taking Australian exports. Therefore the whole basis upon which the debt structure was built up has been destroyed. As regards the oversea debt, the Australian Governments did not tackle the problem like European countries tackled it. The German Government was able to tell Germany's creditors, "If you will not take German goods, how are we to pay you? You demand enormous sums by way of reparations, and you will not accept the goods to pay them. Then how are we to pay you?" If the people to whom we owe debts will not take the commodities we have to offer, we cannot pay. Why should the Australian Government keep on pressing the Australian people and holding them in poverty and misery by trying to make them stand up to an obligation on a basis that no longer exists? Why should not the Australian people have the same relief as the French, Italian, German, Belgian and Turkish people have received? Why should the Australian people forever stand up to this obligation? Ultimately a day will come when our people will not be able to pay. A day will come when the United States of America, owing to their extremely heavy internal borrowings, will not be able to meet their obligations. The Australian people are suffering just as the German people suffered, from a debt servitude that means permanent poverty.

Now as regards the Australian internal debt. Every European country had an internal debt after the war. To pay that debt in full would mean that the people would be kept in intense poverty. Therefore the Governments of European countries got rid of their internal debts. They did not repudiate those debts. No responsible or respectable statesman will either inflate currency or repudiate a public debt openly. What was done in Italy? There, the course adopted was not to repudiate the public debt but to devalue the lira. The result of devaluing the lira was to reduce the public debt, because that debt was repaid in debased currency. When that ceased to work, Italian statesmen had another devaluation. And so on. In France, within the last 12 months, the Government devalued the gold franc and made 170,000,000,000 francs overnight. In other words, it cancelled that proportion of debt. All those European countries have relieved their nationals of debt by the respectable process of paying off the debt in devalued currency. Lloyd George's book on war debts and reparations at page 92 says—

It becomes less surprising that Germany has in practice found it impossible to pay a larger proportion of her total liability across her frontier when we remember that France, Belgium and Italy, to say nothing of Germany, Austria and Russia, have failed to pay even their own nationals for moneys advanced by them to meet the cost of the war. The French franc has been stabilised at about one-fifth of its pre-war value, thus wiping out four-fifths of France's internal debt. The Belgian franc has been stabilised at one-seventh, wiping out six-sevenths of the Belgian debt, while in Italy, with the lira now stabilised at slightly over a fourth of its pre-war value, nearly three-quarters of the debt has been obliterated. Yet the demand is still made in quarters that have been driven to default in their payments to their own nationals, that Germany could be expected to pay twenty shillings in the pound across her frontier.

On the other hand, American, English, and Australian taxpayers are called upon to pay twenty shillings in the pound of the external debt, and of the internal debt as well. The time has arrived when we should give attention to this matter.

Mr. Abbott: The Australian currency has been inflated.

Mr. HUGHES: Yes, by 25 per cent.

Mr. Abbott: Not only was there 25 per cent. inflation, but the exchange on the English pound as well.

Mr. HUGHES: It has not been inflated seven times.

Hon. C. G. Latham: It has been inflated more than 50 per cent. on the gold standard.

Mr. HUGHES: The British Government has £400,000,000 worth of fiduciary notes in circulation. That course was forced upon the Government. I will advance a suggestion regarding what ought to be done with our national debt. Government bonds represent the best security in the world. They are the best first-class securities. If members peruse the balance sheet of the Commonwealth Bank and consider the position of the note issue department, they will find that against the notes in circulation a very small percentage of gold is held, the balance being covered by debentures. For 25 years the advancing of notes on debentures has been regarded as a sound policy and has caused inconvenience to none. This is what I suggest we should do, even if we have to take the initiative as a State Parliament and submit the proposition to the Federal authorities. I would prohibit the sale of existing bonds from one person to another, and whenever a person who held a Government bond wished to cash it, he should be compelled to go to the note issue department of the Commonwealth Bank and secure Commonwealth notes to the face value of his bond. Australia would then hold the security for the issue of the notes, and the notes so issued would be backed by the best security available within the Commonwealth. The result would be that the note issue department would collect the interest payable on the bond. There would be no repudiation of the bond, which would still be in existence, the only difference being that the note issue department of the bank would collect interest on the bond instead of the individual who formerly held it. By such methods, we would gradually bring about a reduction in the number of bonds in existence. In the second place, people who own bonds are constantly dying. In those circumstances the necessity arises for the bonds to be turned into cash. If there were a prohibition on the sale of bonds, in the event of a person dying and his estate including Government bonds, the natural course would be for the executors to go to the Treasury and secure cash for them.

The Premier: You would never float a loan if the bonds were not transferable.

Mr. HUGHES: Does not the Premier think it would be wonderful for Australia if the moneylenders cut off credit and stopped the lending of money? They could say to Australia, "Feed and clothe yourselves, there will be no more loans." Such a step as I propose would not put a period to loan flotations, because people who prefer that type of security would continue to invest in Government bonds, for they would be sure of getting hold of fresh bonds so long as they lived, and they would secure from those bonds an income during their lifetime. As most of the wealth is owned by elderly people, if bonds were cashed at death they would pass into the hands of the note issue department of the Commonwealth Bank and be held as security against the notes issued. One stumbling block would be the fact that insurance companies hold a proportion of the bonds, and those institutions should be compelled, when paying out on a policy at maturity or death, to place the bonds with the Treasury in return for Commonwealth notes. Thus, by a gradual process, the burden of the national debt would be removed from the people of Australia. Naturally one effect would be that an abundance of cheap money would be provided at low rates of interest.

At one stage we heard that 39 experts had plans for the solution of the world's economic difficulties. A perusal of these different plans shows that they all boil down to this, that the world's requirements are summed up in the need for plenty of cheap money. Particularly does that apply in a country like Australia where the lack of a plentiful supply of cheap money prevents people from securing better homes and industries from being fully developed. In an expanding country, if plenty of cheap capital is not available, progress is hampered. I never could appreciate the difference between a bond valued at £100 and a £100 note. The security behind each is the capacity and willingness of the people to honour the obligation, apart, of course, from the fact that in one instance the security bears interest. As was proved in Germany, when a country has a capital indebtedness such as I have indicated, the interest burden becomes too great, and the position of the community becomes hopeless. To my mind that is what Hitler meant when he said he realised the difference between "stock ex-

change capital" and "real capital." In reality, there was not a whit more real wealth in Australia after the Great War than there was before the outbreak of hostilities, because the real wealth of a nation comprises its land, machinery and scientific knowledge. There was no more of any one of those factors in Australia after the war than before it. By means of the creation of fictitious wealth, the people of Australia were confronted with difficulties.

Mr. Marshall: The wealth you refer to is actually a debt.

Mr. HUGHES: If the hon. member had 200 Government bonds, I do not think he would regard his holding as an indebtedness.

Mr. Marshall: They would represent a debt against the nation.

Mr. HUGHES: Yes, but nevertheless the wealth is fictitious. I suggest that we in Australia should seriously consider the position. I wonder if many farmers have ever sat down and worked out how much they have paid in interest during the last 25 years. I refer to interest paid on the public debt, on their farms and on loans and advances. I suggest that nearly all the accumulated indebtedness of farmers in Western Australia to-day is the equivalent of the interest they have paid. On one occasion I was prompted to segregate carefully a farmer's indebtedness to find out how his debt had been created, how much was due to compound interest, and how much was for real service. I found that the bulk of the indebtedness was for interest, and even compound interest. I submit that we as a State are suffering from interest servitude. The farmers would be well advised to tackle the problem from that angle. The interest burden is great. In every direction the people are paying interest. Should we experience an era of prosperity, the invariable guide is the building trade. If that trade is brisk in the metropolitan area, business in every direction is buoyant. As soon as the building trade slackens off, there is a falling away of business and even the printers complain of having nothing to do.

Mr. Sampson: Business not only slackens; it stops.

Mr. HUGHES: The building trade depends largely on the capacity of the people to secure decent and improved homes for

themselves. I believe that if a man desires a home, he should pay for it, but the system is wrong that compels a man who desires to fulfil that requirement to pay for two homes. If a man pays for one, that should be sufficient. Let members consider the different forms by which the provision of homes for the people is made possible. We have the war service homes, the Workers' Homes Board, the Perth Building Society and so on, all the same in principle. In order to secure a home valued at £750, a man can go to the Workers' Homes Board and secure an advance to the extent needed, with 35 years within which to pay off the indebtedness. He is required to pay £4 5s. 6d. a month for 35 years, and then the home becomes his own. If members work out the monthly payments, they will find that the man has to pay £51 6s. a year, which means that by the end of 35 years he will have paid £1,795 10s. Thus for a £750 home he pays £1,795 10s. In other words, he pays £750 for bricks and mortar and £1,045 for interest. That means to say that for every £1 he pays for his home, he pays 30s. interest. Thus the worker who buys one of these homes and pays it off in 35 years, pays not for one home but for 3½ homes for the privilege of using one. If he should secure a wooden home, he has to pay off the advance in 25 years at the rate of £4 16s. 7d. per month, which means £57 19s. a year, and that works out at a total expenditure of £1,398 15s. In that instance, the worker pays for his £750 home no less than £648 as interest. That means that for the privilege of securing one home, he has to pay for an extra home.

Mr. Sampson: But he has to pay maintenance, which makes a big difference.

Mr. HUGHES: In both instances the worker has to pay insurance, rates, maintenance and other charges. The point I am making is that in order to secure a home under the financial arrangements that obtain, the worker must pay twice or 2½ times the value of the premises that he desires to occupy. If a man were to go to the Perth Building Society, he would find that for every £100 that is borrowed, the society charges 3s. 4d. per week, and he pays the principal and interest back in 20 years. That means that if £750 is borrowed from the Perth Building Society, the borrower pays £65 a year for 20 years, which is £1,300.

Thus even by paying the extra money in a shortened period, the advance of £750 costs the individual £550 in interest. In such circumstances, it is impossible for people to secure improved homes or for the building trade to flourish, in view of the enormous burden of interest that has to be shouldered.

Mr. F. C. L. Smith: What about the man who rents a home for 25 years?

Mr. HUGHES: I doubt very much if he is any worse off than the man who enters upon one of these long term contracts.

Mr. F. C. L. Smith: He is better off.

Mr. HUGHES: Yes, because when he rents a home, should he encounter misfortune, he can move to a less expensive house. If he is paying off a home, he cannot do that.

Mr. F. C. L. Smith: It means he is renting money instead of a home.

Mr. HUGHES: At any rate, he is no worse off. But that is no answer to the problem. The fact that the man who rents a home for a long term does not in the end own his house does not furnish any justification for saying that in order that he may secure one, he must pay for 2½ homes. I know that when we start interfering with the existing system, we tend to cut off a profitable avenue for investment by those who have money to lend. I know that the avenue of profitable investment of money at 5½ per cent. on first mortgage will be taken from the member for Brownhill-Ivanhoe if we start to interfere with this sacred right of private investment. That is regarded as the next best form of investment of private means. I am sure that when the hon. member reaches—if he has not already reached—that happy state of looking for investments, war bonds will first claim his attention and, secondly, he will turn to real estate. He will not be putting his money into factories, or that sort of thing. The advice that will be given to him will be that if he wants a first-class investment, he had better subscribe to war bonds first and to first mortgage on real estate second. Then some worker will have the privilege of paying for one house for himself and one for the hon. member in the process.

The one circumstance that has always cramped the building trade in the metropolitan area has been the lack of money to finance building operations. Every home—whether it be a worker's home or one financed privately—is generally erected on

the basis that two-thirds of the money is obtained on first mortgage and the balance is paid off over a period, the balance containing the builder's profits. Then the equity is sold for two-thirds of its value, so that right away there is a loading of that money and whenever a poor person who cannot pay cash tries to get a home, he has to undertake an enormous burden of interest. As this first mortgage security is the best security or the second-best security in the community, I do not perceive why money could not be advanced straight out from a note issue, taking real estate as security. The financial institutions and the banks would say, "You cannot do that," but it is a good enough security for them. As soon as anyone requires an overdraft from the bank, the first thing the bank wishes to know is whether that person has any real estate, because the bank is aware that whatever happens real estate will be there all the time. Wars may occur but the real estate remains.

Hon. C. G. Latham: Of course they can tax it.

Mr. HUGHES: Who can?

Hon. C. G. Latham: The Government.

Mr. HUGHES: They do not.

Hon. C. G. Latham: Yes, they do.

Mr. HUGHES: Of course, the Government can tax it in theory. The Government could resume land from every private citizen of the Commonwealth. What Governments should do if war breaks out is to compel everybody to make a return of his wealth, and at the end of the war he should be compelled to make a further return of his wealth, and any increase should be taken from him for the State.

Mr. McDonald: Hear, hear!

Mr. HUGHES: In that way we would ensure that, in the event of a war, no person in the community would be better off at the end of it than at the beginning.

Mr. Rodoreda: Would you allow for inflation and a difference in values?

Mr. Raphael: There would be more wars if you did that.

Mr. HUGHES: Inflation is a dangerous word to play with. I had the privilege of studying economics at the University of Western Australia. I do not know whether I was any more enlightened when I finished the course. If I was not, the fault was not that of the professor, who tried hard enough. He obtained a job after the war, advising

financial institutions, and he preached deflation. The last time I met him before he died, he was going to the University and I said, "Well, you have deflated the currency and put everybody out of work. Now you will have to inflate the currency to put them back." He said, "No, not inflate it; but reflate it." Of course, a good dose of inflation would not hurt Australia, though, like all things, we should not go to extremes. But, as I said before, no respectable or responsible statesman in an Anglo-Saxon country would inflate the currency. I cannot see why, if real estate is a good security for the banks and financial institutions—if it is regarded by those who know as the soundest of all investments—I do not see why it would not be a good investment for the Commonwealth Government. Why is it that what is good enough for them is bad for the nation as a whole? Why is it that we cannot do what they do? I suggest that if we want to give our people a better standard of living, if we want to give them better houses and to organise labour, we can take from the banks and financial institutions the monopoly of lending on this particular security, and that would be a sound proposition. If a man has £900 worth of real estate and desires to build a home, he should be able to go to the Commonwealth Treasury and on the security of his real estate obtain £600 in Commonwealth notes, just the same as he would if he went to a bank with his security. If this were done, we could supply a worker with a home at a reasonable cost. If a worker wanted a home valued at £750, he could get the first £500 from the note issue at one per cent, mostly to cover losses and interest charges. If he could secure £500 at one per cent, he could borrow the remaining £250 at 6 per cent. He could repay the £250 in six or seven years and could then concentrate on paying off the second mortgage. Every pound he paid off the second mortgage would be increasing the value of the security against the notes issued. In ten years, at the rate of £1 a week, he could repay the £500 plus interest and at the end of 17 years he would have paid off the whole £750 owing and a total interest bill of £100. The result would be that we should have what the experts all agree we ought to have—cheap money and plenty of it. Further, a person who wished to invest his money would not buy war

bonds and would not be able to undertake first mortgages. The result of the first mortgage being secured in that way would be that the second mortgage would be as good as the first mortgage to-day. Thus we would have cheap money which is what is wanted in Australia at the present time.

Some people say, "You must have war debts." There are people walking about saying what John Ruskin's father said, "If there were no war debts, where would you invest your savings?" If we could get advances of currency against realty, what a boon that would be to the farmers of this country. Consider farmers who have been paying interest over the last 30 years. If they could have secured two-thirds of the money from the Government at a nominal repayment, they would not be in the plight they are in to-day. Many of their properties would have been cleared. I know of a farmer who bought a farm for £10,000 from an insurance company. It was a bankrupt estate. He struggled through the depression and paid £14,000 to the company. After that he still owed £8,000, so all that was paid off the principal was £2,000. Wherever we turn we find people in Australia burdened with interest charges. I have indicated the manner in which the problem should be tackled. We should be prepared to get away from the old ideas and to say that if real estate is good enough for financial experts and institutions to invest in, it is good enough for the Federal authorities. Of course certain people would complain, mainly those with a few hundred pounds to invest. The very last words of Lloyd George's little book are as follows:—

Democracies are not nearly as timid as their leaders. The statesmen responsible in each country must boldly make up their minds as to the course of action necessary to deal with the situation and abandon or brush aside all attempts to quibble, to temporise or to obstruct the prompt carrying out of sound, constructive measures.

After all, this is a changed world; but we in Australia have not changed with the other nations. We are trying to conduct this country on pre-war economic lines, and we are one of the few countries in the world doing it. We are still standing up to the full burden of the war debt. Although the war cost only £300,000,000, we have paid £800,000,000 so far. We have paid £180,000,000 in pensions, and £330,000,000 for interest. We have paid nearly twice as much in interest as we have for pensions.

Mr. Lambert: The national debt went from £260,000,000 to over £1,200,000,000.

Mr. HUGHES: When?

Mr. Lambert interjected.

Mr. SPEAKER: Order!

Mr. HUGHES: We in Western Australia are not too badly off. Nobody can point a finger at us in the matter of the creation of debt. We have never looked behind. The accumulated debts of the States in 1933 was £807,000,000 and in 1937 £875,000,000, or £68,000,000 additional debt in four years. This is a post-war period. How are we going to pay interest in ten years' time if the debt increases at the same rate? In Western Australia from 1933 to 1937 the debt increased from £83,000,000 to £92,000,000 in the four years. Of course this will go on and on. I suggest it is time that the people of Australia looked at our public economy from this angle. That is keeping our people poor and oppressed. I think the dawn of hope is approaching. We were all gratified to hear the member for West Perth (Mr. McDonald) express some very sound and advanced views on the subject of land ownership.

Mr. McDonald: I have been advocating those principles for 25 years.

Mr. HUGHES: I was pleased when I received my invitation from the Henry George League to find that the meeting was to be at the Karrakatta Club, and that the hon. member would be the chief speaker. Although he is convinced he is on sound ground I suggest it would be better for the people if the ownership of land never left the Crown, and if the stupid freehold tenure system were abolished in favour of the leasehold system. That would do good for generations to come. The hon. member might do wonderful service to future generations in this State were he to bring down a Bill to provide that at any time in the future either the State or Federal Parliament could resume for any purpose whatever any land that was unimproved or partially improved at the value placed upon it by the owner at the end of 1938. In the years to come when the Government wished to settle immigrants, to give people land for factories, or upon which to build homes, it could go upon any vacant land and resume it at the value placed upon it in 1938.

Mr. Lambert: That can be done under the Public Works Act.

Mr. HUGHES: Not at all. Legislation such as I suggest would prevent all speculation in idle land. No one would find any use for idle land if at any time the Government could resume it under such conditions. Land would have appreciated in value very considerably since 1938, but it would not pay anyone to hold it for the unearned increment that would accrue beyond 1938. Such an Act on the statute-book would confer a wonderful boon upon the people of Australia. The subject is one for which I have a weakness, but I do not propose to weary the House further, as I have to make another speech elsewhere. Roads and bridges do not constitute the problem of to-day, neither does the percolation of water from the Narrogin swamp to some other place. The real trouble lies in the fact that we are trying to run this country in a post-war period under a system of pre-war economy. We are carrying the burden of a huge war debt, and people are steeped in poverty because of the servitude that those who are the leaders of the people have not the courage to tackle and abolish.

MR. J. HEGNEY (Middle Swan) [8.35]: I congratulate you, Sir, upon your election to the high office of Speaker, and also congratulate the new members on both sides of the House upon their election as representatives of the people. I have listened to the various speeches of members, some of whom have endeavoured to solve the wheat problem, while others have tackled the question of usury and interest, war debts, and so forth. I am reminded of the words of Hamlet when he said—

The time is out of joint; O cursed spite!

That ever I was born to set it right.

That is the position confronting us in the endeavour to solve some of our economic problems.

Mr. Sampson: Do you think we can put them right?

Mr. J. HEGNEY: I hope so. The member for East Perth (Mr. Hughes) has given us some useful information concerning the payment of interest on war debts, etc. Many of our difficulties are due to the present system of capitalism. The Speech points out that the State's revenue last year amounted to £10,949,660. Before we can do anything for our people we have to devote 41 per cent. of our revenue to

the payment of interest and exchange and sinking fund contributions. If that continues, very soon 50 per cent. of the revenue will be absorbed in that direction. Many services are clamouring for attention, but, because the Treasurer is not possessed of sufficient funds, very little can be done to improve the situation. We have hardly any say in this Chamber in the raising of loans.

Mr. Sampson: And not much on the Loan Estimates.

Mr. J. HEGNEY: The Premier and Treasurer represents the Government at Loan Council meetings, and takes with him the works programme for the year. He meets the representatives from the other States and from the Federal Government. The council comes to a decision as to the extent of the works required, and the proposals are then submitted to the Commonwealth Bank Board. After examination the experts invariably tell the chairman of the Loan Council to rescrutinise the programme and see what amounts can be struck off. The Loan Council then meets again, reconsiders the position, and the intermediary between the Commonwealth Bank Board and the council tells the representatives that they will be advised as to what amount can be raised. In this House we have no say on the question of raising loans. As I have indicated, nearly 40 per cent. of our revenue goes to the servicing of our debts, so that we have only a say with respect to 60 per cent. of it.

Hon. C. G. Latham: Most of that was accumulated whilst we had control.

Mr. J. HEGNEY: Those are the facts. The only time when we can discuss the loan problem is when the Premier submits his schedule of loan works. We may then say yea or nay to his programme. It is little wonder State Parliaments have been criticised. Although the Labour Party has been criticised as a unificationist party, we find that the Country Party in the Eastern States is complaining bitterly about the ineffectiveness of State Governments. It is urging the abolition of State Parliaments and the granting of greater powers to the central authorities. State Parliaments have been shorn of much of their powers, and we cannot wonder that people should complain of their ineffectiveness in many ways. Members are elected

to this Chamber, and others are elected to another place. The latter often nullify the legislation that is passed in this Chamber, or defeat the objects in view.

Hon. C. G. Latham: Another place cannot repeal any legislation without our authority.

Mr. J. HEGNEY: Legislation that we pass is very often rendered ineffective in another place. That sort of thing causes people to complain of the cost of Government. No doubt some improvement in the position could be brought about.

Mr. Sampson: You should not blame an other place; it has often helped your side.

Mr. J. HEGNEY: The Minister for Labour has, since his new appointment, been endeavouring to develop existing local industries and induce others to establish themselves in the State. He has been criticised in many quarters. Great emphasis has been laid on the statement that in Western Australia our standards must be reduced to the level of those found in other States before we can hope that local industries will prosper or that new ones will come to us. Not long ago we were told that the standard of living in this State was certainly equal to that in the other States, if it was not better. At first that statement was denied, but, when it suited the critics of the Government to take the contrary view, they did so. In the Press recently a controversy was carried on between a member of another place and the Minister for Labour. The member in question set out to prove that the Workers' Compensation Act in this State gave the workers in some directions greater consideration than did similar legislation in the Eastern States, and that that was one reason why it would be difficult to establish new industries in Western Australia.

Hon. C. G. Latham: Although wages may be higher here the workers may still be worse off than they are in the other States.

Mr. J. HEGNEY: The member of another place spoke of the standard of living. That standard is equal to, if not better than, the standard in the Eastern States. Indeed, this applies also to Queensland, where a Labour Government is in office. A great deal has already been done to promote the welfare of secondary industries in this State. The Government also has in mind the matter of improving conditions for the youth of the country. That problem is

cries out for solution. Opportunities must be afforded to place them in industry. Many are capable young men, possessing education and plenty of ability. All they require is to be given a chance to get on in life. Because of the economic conditions difficulty is found in absorbing them into industry.

Mr. Sampson: We do not produce our own requirements yet, and our boys are untrained.

Mr. J. HEGNEY: I was an apprentice, and worked in industrial establishments in various parts of Australia. I know that criticism is levelled at the apprenticeship system, and that people say an insufficient number of boys is being apprenticed. In most of our Western Australian industries the trade unions are quite fair and reasonable, and do their utmost to see that boys are trained. Further, the proportion of apprentices to journeymen is fair and reasonable, having regard to all the circumstances. The engineering industry, in which I have worked, trained in our workshops hundreds of boys who either have gone elsewhere to work at their trade or are engaged in other industries in Western Australia. With the spasmodic buoyancy of industry, there is at times a greater demand for certain journeymen; but generally speaking, there are sufficient journeymen-tradesmen for the work available. At present the building industry, which had been buoyant for a number of years, is slack; and many of the men and boys formerly engaged in it are now walking the streets looking for work. The engineering industry is perhaps more buoyant; but many of the men in that industry, such as fitters, turners and copper-smiths, are at present unemployed. This refers particularly to men trained at the Midland Junction Workshops. Unfortunately the Western Australian engineering industry has not the scope to give them employment. In connection with the manufacture of foods and similar commodities the position may be different. However, the question of finding employment for the youths of this country is of the utmost importance. It is closely linked with the problem of finding employment for our adults. There has been a trend in industry for private employers, where possible, to dismiss adults and in their stead employ youths. Further, there has been a trend to dismiss youths upon their attaining the age of 18

or 19 years, and to replace them by young boys. Employers have a heavy responsibility from that aspect. Although the Government is criticised, it must be borne in mind that we have no subsidised industries. Thus the Government is called upon to accept the full responsibility. However, there is a trend towards retiring youths of 18 and 19 years, whereupon they drift into any kind of avocation and their future becomes indeed hopeless.

Mr. Sampson: That does not apply in the various trades.

Mr. J. HEGNEY: It may not apply to apprentices. If an apprentice is indentured, he goes on until he has completed his five years; and then he passes out into the world. If he can get employment at the trade in which he is skilled, so much the better; but in many instances he fails to do that.

Mr. Sampson: I understand there is a shortage of mechanical engineers in Western Australia.

Mr. J. HEGNEY: I doubt whether that is so, but possibly there may be, owing to the fact that war is considered imminent and that there is a demand for that type of tradesman in connection with munition work, and also for the repair of ships in Eastern Australia. It is not the case in Western Australia, to my knowledge. Our workshops are not too active at present. For example, they have not the necessary facilities for repairing locomotives. Youth employment is a highly important problem. It is useless to criticise here and bewail the fact that industries have not been developed in Western Australia. The same problem confronts the people of those two large cities Melbourne and Sydney, where all kinds of industries operate. The problem confronts the Governments as well as the workers. It represents part of the system. I am not optimistic enough to believe that the Minister for Industrial Development will be able to solve the problem completely. If he even half-solves it, the establishment of his department will be fully justified. The Government has done and is doing its best to provide work for those dependent upon it. I remind the Minister, however, that the winter months are the most difficult months for unemployed workers. This State is passing through a severe winter, and many of our people have had extreme difficulty in providing the needs of their families, especially in the way of cloth-

ing, home requirements, and food. A further fact is that during the last three months sickness has been much more prevalent than in former winters on account of the severity of this season. The Government cannot relax its efforts, because there is urgent need for providing work on behalf of those who would otherwise be employed. Many workers have been put out of industry, the building trade particularly, and have fallen back on the Government. It is incumbent on Ministers to use their utmost endeavours to provide as much work as possible for these men. I have been brought in contact with many of them. They have come to me for aid in their search for employment. I know their homes, and I know their difficulties. Certainly it is a hard struggle for them to make ends meet. Therefore, I emphasise, the Government cannot relax at all in this respect. No matter what Ministry may be in power, we shall have a permanent army of men dependent on the Works Department for employment, failing which they will be in need of sustenance.

In the same aspect there is the difficulty of men with large families. Such men experience extreme difficulty in paying their way. Years ago the Federal statute-book should have contained a law to provide for child endowment. Such a scheme obtains in New South Wales; but it should be operating throughout Australia, to help families where the children number more than two. The basic wage provides for a man, his wife, and two children; but in my electorate there are numerous families with six, seven, and up to 10 children. Since the basic wage allows for only two children, a family's standard of living is reduced by each third and subsequent child. Urgent need exists for the application of child endowment to Western Australia. When Mr. Bruce was Prime Minister, during the regime of the Bruce-Page Government, he appealed to the country for support on the question of child endowment. He succeeded, and appointed a Royal Commission to investigate the problem. That body sat for two years and accumulated a mass of evidence. Finally, majority and minority reports were presented. Mr. John Curtin, M.H.R., and Mrs. Muscio, in their minority report, recommended a payment of 5s. per child as an endowment.

Hon. C. G. Latham: That was per week.

Mr. J. HEGNEY: Yes, for each child. Effect was not given to that proposal. The Government won the election on the issue and received a mandate from the people. Much money was spent on the investigation by the Royal Commission, but nothing has been done. The same position exists with regard to unemployment insurance. The question of national insurance assumed important proportions throughout Australia, and again a National-Country Party Government was elected on the issue. Everyone realised the urgent need for unemployment insurance. The Government received approval and could have introduced a partial scheme, if a complete scheme was beyond its reach. Experts were brought out from England to advise the Government. We know the whole sorry story. The Government passed the necessary legislation and proclaimed the Act, but subsequently failed to give effect to the scheme. Again the people were deceived.

Hon. C. G. Latham: What was done by your own party?

Mr. J. HEGNEY: The Government failed to give effect to its own legislation.

Hon. C. G. Latham: What about the Labour Party?

Mr. McDonald: Yes, your own Labour Party—

Mr. J. HEGNEY: The Federal Government, if it could not have given effect to a scheme to deal with medical and health benefits, could at least have introduced one to deal with unemployment insurance. Here again much money was spent on a Royal Commission, but nothing was done.

Hon. C. G. Latham: I think the Federal Government dropped it to satisfy the Leader of the Opposition in the House of Representatives.

Mr. J. HEGNEY: That was not the real reason; the legislation was dropped because of internal dissension between the Nationalists and the Country Party members. Then there was the question of monetary reform. For years, particularly during the depression, there were agitations to secure reform. Many people of varying political opinions expressed their views on the intricate problem. We remember the sustained agitation by those in favour of the Douglas credit system. The member for Claremont (Mr. North) is fully aware of that agitation. Others expressed differing views. Again the Gov-

ernment discussed the problem. The Lyons-Page Government received a mandate to deal with it and appointed a Royal Commission. That Commission was duly gazetted on the 15th November, 1935, and the first public session was held on the 15th January, 1936. The Royal Commission held 105 sittings and examined over 200 witnesses. As a result of the investigation a valuable report was presented. Those comprising the Commission were not rabid monetary reformers, but they urged the necessity for some important alterations in the monetary and banking systems of Australia. What happened? Again, the people of Australia were hoodwinked. The Federal Government dilly-dallied with the question and did nothing. The whole problem has been shelved. The Commonwealth Government is in a position to do something to assist the people, but has failed to act.

Another matter of importance to the country relates to the wheat position. A Royal Commission reported on the wheat industry and advanced substantial proposals for effecting improvements. The Country Party held the balance of power in the Commonwealth Government and by virtue of that power plus its majority in the Senate, could have implemented the Royal Commission's proposals. Again, nothing was done. The farmers and the people generally have been hoodwinked. Contrast that succession of failures with the experience of the Labour Government under Mr. Fisher. That Government passed the Commonwealth Bank Act, and the Australian Notes Act. We know the profits that have been derived from the operations of the Commonwealth Bank, the Commonwealth Savings Bank and the Australian note issue. Part of those profits is devoted to the liquidation of the national debt and the rest is paid into Consolidated Revenue. That Government built the Trans-Australian railway and when completed it was handed over to the Commonwealth Commissioner of Railways free from debt. In those days there was no Commonwealth debt at all. The Fisher Government organised the Australian navy and developed a defence scheme, which has served its purpose ever since.

Hon. C. G. Latham: Did you say there was no national debt in 1917?

Mr. J. HEGNEY: When the Trans-Australian railway was built, there was no national debt. Australia's national debt was largely created by the Great War and the member for East Perth (Mr. Hughes) has referred to that this evening. The Royal Commissions that I have mentioned cost the taxpayers of Australia an enormous amount of money, but the Federal Government failed to do anything arising out of the reports submitted and has fallen down on its job. The difficulties of the wheatgrowers have been discussed in this Parliament almost ad nauseam. The farmers have had their Country Party friends in power in the National Parliament, but those friends failed to implement measures that would have assisted the wheatgrowers in their difficulties. The Royal Commission that inquired into the wheat industry submitted important proposals, but the Government failed to give effect to them.

Hon. C. G. Latham: Do you say the Government did not put into operation any of the recommendations?

Mr. J. HEGNEY: Practically none.

Hon. C. G. Latham: I shall have to tell you something.

Mr. J. HEGNEY: The hon. member can try to do so.

Hon. C. G. Latham: What about the £12,000,000?

Mr. J. HEGNEY: As to the problems confronting the farmers to-day, the Federal Government has done little to improve the position.

Hon. C. G. Latham: What about the £12,000,000 to which reference has been made?

Mr. J. HEGNEY: We know what a position arose with Sir Earle Page, and that the present Prime Minister is regarded as suspect. At a recent Country Party conference in New South Wales, Mr. H. K. Noek, M.H.R., was reported as having said—

Sir Earle Page and his colleagues have had four years and a half in the Cabinet with Mr. Menzies—quite long enough to learn whether it was possible to get along with him.

He certainly stayed with him as long as he could. Mr. Morse said—

Mr. Dauntan is the only man standing to his guns.

Regarding the agitation for wheat marketing we hear so much about, the Country Party—

Hon. C. G. Latham: You know that the Federal Country Party cannot introduce legislation.

Mr. J. HEGNEY: Why are we now looking to the Commonwealth to save the industry from the morass into which it has fallen?

Hon. C. G. Latham: Simply because the Federal Country Party has not power to introduce legislation.

Mr. J. HEGNEY: Mr. Dunstan is a member of the Country Party.

Hon. C. G. Latham interjected.

Mr. SPEAKER: Order! The Leader of the Opposition has already spoken in this debate.

Mr. J. HEGNEY: I do not pose as an expert on the wheat industry, but in my opinion the Commonwealth Government should find the money necessary to save the industry. As a matter of fact, the Leader of the Federal Labour Party (Mr. Curtin) told the Wheatgrowers' Union conference the other day that if he got into power he would find £15,000,000 for this purpose.

Hon. C. G. Latham: And your Minister says—

Mr. J. HEGNEY: I do not know what the Prime Minister says.

Hon. C. G. Latham: Your Minister.

Mr. J. HEGNEY: The Commonwealth Government is the authority that should find the money to assist the wheatgrowers. Our Government has not the necessary funds. The member for East Perth (Mr. Hughes) said this evening that when war was imminent funds could be found to carry it on. According to Senator Collett, in this morning's paper, the Commonwealth Government has established a reserve of £900,000 for the purpose of training men for six months in the year. Yet the Commonwealth Government says it has not funds available to assist the wheat industry. The cry always is that funds are not available. Funds are not available to meet the essential needs of people in time of stress; but immediately war is mooted, money becomes available.

Mr. Doney: Is not war an essential need?

Mr. J. HEGNEY: It may be. Nevertheless, before the war clouds had gathered, money to assist 10,000 wheatgrowers in this State, and thousands of other wheatgrowers

throughout Australia who were in difficulties, could not be found. Now that war threatens, men are being withdrawn from production and trained for military duties. Money can be found for that purpose. No help can be given, however, to farmers engaged in an industry producing wealth. The State Government is faced with many difficulties because of its lack of financial resources. Take, for instance, the question of education. Improvement of school grounds is urgently needed, as is better accommodation in the schools. New schools are required throughout the State. The Government no doubt would like to increase the Education Vote, but the Treasurer cannot find money for the purpose. Each member in turn pleads for the improvement of the school grounds in his electorate. It is a fact that in the metropolitan area schools have been built on low-lying ground in the worst areas, because land companies in the past sold their waste land for school purposes. The consequence is that school grounds are generally waterlogged and wholly unsuitable, yet the children must use them. We have heard criticism of school desks provided for children. It has been said that desks are sent from the metropolitan area to the country. Schools are certainly ill-equipped in many ways. If the Treasurer had enough money for education purposes, he could spend it to advantage.

There is no doubt that in connection with finance much hinges upon the question of monetary reform. Not so many years ago—not more than 50 years—interest was termed usury and denounced as immoral. To-day, interest is quite a proper charge to make for the use of money, and thus many people grow rich and obtain wealth from industry and from the nation.

Regarding the criticism that the standard of living in Western Australia was so high that our manufacturers could not compete with those in eastern Australia, I have been studying the balance sheets of various companies that have been published in the "West Australian" newspaper. Even during the past fortnight I have found that many of the companies are doing very well in Western Australia.

Mr. Withers: Western Australia in particular.

Mr. J. HEGNEY: I noticed that the West Australian Newspapers, Ltd., which has a virtual monopoly of the news-

paper business—at all events as far as the morning newspaper is concerned—has recently paid an interim dividend of 9.6d. per share, making 19.2d. per share in all. In addition, the company also paid a bonus of 3d. per share. The total dividend amounts to 20.7d. per share, which is a very substantial return for such an investment. I am sorry I have not a few shares in the company.

Hon. C. G. Latham: But that dividend was paid on the face value of the shares. That rate would not apply to the price at which the shares are being sold to-day.

Mr. J. HEGNEY: The net profit of the company for the year 1937-38 was £74,439, and for the year 1938-39, £72,320, so the company is established on a sound profit-making basis. There is no doubt the company's shares are a sound investment. If my friend, the Leader of the Opposition, has no shares in the company—he might have a few—

Hon. C. G. Latham: The members on the other side hold the shares, not the members on this side.

Mr. J. HEGNEY: Hadfields' (W.A.) Ltd. showed a profit of £11,139, and paid a dividend of 10 per cent.

Member: Did you say Litchfields'?

Mr. J. HEGNEY: No, Hadfields' Ltd. Litchfields' profits were very high recently! Several members interjected.

Mr. SPEAKER: Order!

Mr. J. HEGNEY: Wimble and Co. made a profit of £30,020. The company manufactures printers' requirements. It evidently is having a successful time in Western Australia. It paid 15 per cent. on ordinary stock and 8 per cent. on preference stock.

Mr. Sampson: They are merchants' suppliers.

Mr. J. HEGNEY: Motor Finance Ltd. paid a dividend of 7½ per cent. A few other instances are worth quoting. Peters Ice Cream paid a dividend of 9 per cent. Wigmore's Ltd. paid a preference dividend of 6 per cent., G. J. Coles and Co., Ltd., which carries on business in other States of the Commonwealth as well as in this State, paid a dividend of 18¾ per cent. The Broken Hill Proprietary made an enormous profit, well over £1,000,000. That company operates throughout the whole of Australia. The people of Australia help to build up its profits.

Hon. C. G. Latham: What is the capital of the Broken Hill Proprietary?

Mr. J. HEGNEY: It is enormous. I cannot say exactly how much. According to the report appearing in the "West Australian" newspaper, Mr. Darling said that for the 12 months ended the 31st May, the company made a record profit of £1,431,530, after allowing £850,669 for depreciation and £7,948 for debenture interest. The figure for Elder Smith and Huddart Parker is 14 per cent. Coming nearer home we find that the Swan Cement Company made a profit of 12½ per cent. I would point out that the biggest buyer of cement from that company is the Government. The State Government buys most of the cement produced by the firm.

Mr. Sampson: Are you sure?

Mr. J. HEGNEY: Yet it shows a profit of 12½ per cent. Recently Brisbane and Company amalgamated with Wunderlich Ltd. and the amalgamation has improved the position of the company considerably. Last year it made a net profit of £17,629. These figures indicate that many of the local companies are doing at least reasonably well, and the suggestion that if an inducement were offered other secondary industries to become established in this State they would not make a success, is unfounded. One thing is important; we must maintain the standard of the workers. God knows that the basic wage for a man, his wife and two children is not very high, and in many homes there are more than two children. In my electorate are industries in their initial stages. One is engaged in the processing of turtle soup and the canning of tongues. Turtle soup canned in this establishment has been marketed as far away as Cairns in Queensland. Last year I happened to be in a place called Mosman, which is out from Cairns, and the chairman of the local road board mentioned the fact that tomato sauce produced in Western Australia was being marketed in that town, which is in far North Queensland. This fact indicates that we are able to manufacture such goods in Western Australia and export them to the other end of the continent.

Mr. Doney: We are very glad to hear that.

Mr. J. HEGNEY: Some members seem to be opposed to the establishment of industries in this State. They criticise con-

ditions imposed by labour as being a bug-bear to the development of new industries.

Mr. Doney: You have not heard any criticism from this side of the House.

Mr. J. HEGNEY: I have heard a good deal of criticism, and the hon. member knows it.

Mr. Doney: Of course you have not.

Mr. J. HEGNEY: We do not know whether a war will occur in Europe or not. I hope it will be averted. Nevertheless, the Government would be wise to give consideration to the introduction of an anti-profiteering Act in this State. I think the Swan Brewery made a profit of from 15 to 20 per cent. last year. Why should companies exploit the people of Western Australia? If war occurs there will be further exploitation of the consuming public, and it is incumbent upon the Government to introduce an anti-profiteering Bill.

Mr. Doney: I hope it will bring down a measure of that description.

Mr. J. HEGNEY: I hope the hon. member will support the Government if it does do so.

Mr. Sampson: Of course, prices will be increased.

Mr. J. HEGNEY: I regret the fact that last year a Bill dealing with the disposal of certain reserves was defeated in another place. Had it been carried the Government would have been able to put in hand the erection of necessary public buildings.

Mr. North: Will the Government try to have the Bill accepted this year?

Mr. J. HEGNEY: I hope it will. Before such a Bill is introduced, I hope the Government will dissociate from its provisions the reserves the suggested disposal of which militated against the acceptance of the measure last year. I should like to see the programme of new buildings proceeded with. Such an undertaking would provide employment for tradesmen who are out of work. Another project the Government might well undertake is the completion of Parliament House. The time is long overdue for that work to be put in hand. If it were undertaken, employment would be provided for those engaged in the timber industry, in saw-mills and in brickyards and similar places. There is no doubt that the accommodation provided for members is absolutely inadequate.

Mr. Doney: Hear, hear!

Mr. J. HEGNEY: Members have to meet callers in the corridor, which is cold and draughty. Visitors desire to discuss private business, but when they do so, anybody nearby is able to hear what is being said. The time is opportune for the provision of rooms for Country Party, National Party and Labour Party members. No great expense would be entailed in the provision of such accommodation. I should also like to have the seating in this Chamber altered. To get in and out of these benches is most difficult, particularly as some of the members are a little on the heavy side. I am in the centre of three hefty individuals, and I have to fall all over them to get in and out of my seat. If the centre seat were removed it would be easier for us to move about.

Mr. Sampson: There would not be much profit in that for the Government.

Mr. J. HEGNEY: Another matter to which I wish to refer is the Bayswater school ground. Ever since I came to this Parliament I have tried to have an improvement made to that school ground. From the time that the member for Nedlands was Minister for Education up to now I have been endeavouring to have this work put in hand, and I have dealt with every Minister for Education. However, I have pleaded in vain, and I am almost weary of pressing the matter.

The Minister for Mines: I think the member for Nedlands must have been the Jonah, because I started with him and never got anywhere.

Mr. J. HEGNEY: Be that as it may, I have brought the matter under notice time after time without result. There are 500 children at the school, and the playing area is quite inadequate. In earlier days the school was built on a hill, and there was a very restricted playground. The Government provided funds to level down the hill, but the space for recreation is still insufficient. The supports of the ramps leading to the schoolrooms are only temporary and should be replaced by more substantial material. Further, the walls are showing signs of dampness and the schoolgrounds require to be gravelled or bituminised. I hope that the Minister representing the Minister for Education will take steps to ensure that the improvements are effected without further delay. I thank members for their attentive hearing and trust that the

session will prove beneficial to all the people of the State.

Question put and passed; the Address adopted.

BILLS (13)—FIRST READING.

1. Contraceptives.
Introduced by the Minister for Health.
2. Reserves (No. 1).
Introduced by the Premier (for the Minister for Lands).
3. Metropolitan Milk Act Amendment.
4. Plant Diseases Act Amendment.
5. Noxious Weeds Act Amendment.
Introduced by the Minister for Works (for the Minister for Agriculture).
6. Life Assurance Companies Act Amendment.
Introduced by the Minister for Labour.
7. Rights in Water and Irrigation Act Amendment.
Introduced by the Minister for Works.
8. Qualification of Electors (Legislative Council).
Introduced by the Minister for Justice.
9. Railway Level Crossings.
10. Tramways Purchase Act Amendment.
Introduced by the Minister for Railways.
11. Inspection of Machinery Act Amendment.
Introduced by the Minister for Mines.
12. Workers' Compensation Act Amendment.
Introduced by the Minister for Labour.
13. Swan River Improvement Act Amendment.
Introduced by the Minister for Works.

House adjourned at 9.35 p.m.

Legislative Council,

Wednesday, 30th August, 1939.

	PAGE
Motion: Metropolitan Milk Act, to disallow regulations	404
Address-in-reply, tenth day	406

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

MOTION—METROPOLITAN MILK ACT.

To Disallow Regulations.

Debate resumed from the previous day on the following motion by Hon. C. F. Baxter (East):—

That Regulations 102, 103, 104, and 105, and new Sixth Schedule made under the Metropolitan Milk Act, 1932-1936, as published in the "Government Gazette" on the 9th June, 1939, and laid on the Table of the House on the 8th August, 1939, be and are hereby disallowed.

HON. W. J. MANN (South-West) [4.35]: It is not my intention to allow this motion to be dealt with before I have made a few comments concerning it. Ever since the Metropolitan Milk Act was placed on the statute-book I have been keenly interested in it. Members who knew of the acute conditions appertaining to the whole milk industry prior to the passing of that legislation will agree that it has brought great benefit to those concerned. If we cast our minds back to 1933 we will recall that many of the milk producers were in a precarious position. Milk was being purchased at prices below the cost of production. For a great many people, particularly those living in the vicinity of the Peel Estate, the outlook was very poor. The passing of the Act removed many of the disabilities from which the producers were suffering. The industry has been stabilised, and the producer is getting a livelihood, but perhaps not as great as should be expected when we take into account the retail price. Too big a gap between the price paid to the producer and that which the consumer is called upon to pay seems to exist. Apparently that is brought about by high overhead charges. If these regulations do anything they should effect a reduction in such charges and make for a cheaper supply to the great masses of the people who have to purchase milk every day.