

Legislative Assembly.

Thursday, 17th September, 1942.

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The SPEAKER took the Chair at 2.15 p.m., and read prayers.

QUESTIONS (6).

WOOL STORES, ALBANY.

Mr. HILL asked the Minister for Railways: 1, What is the area of the land leased from the Railway Department for the wool stores under construction at Albany? 2, What is the rental for the land?

The MINISTER replied: 1, $2\frac{3}{4}$ acres approximately. 2, £50 per annum.

EDUCATION.

Effect of Closing Various Schools.

Mr. NORTH asked the Minister representing the Minister for Education: 1, What effect has the closing of various metropolitan schools had on the hours of education received by the children? 2, Is it a fact that, in some schools, shifts are now worked of classes from different schools?

The MINISTER FOR THE NORTH-WEST (for the Minister for Education) replied: 1, Where it is necessary to work two shifts at a school the daily times are 8.30 a.m. to 12.30 p.m., or 1 p.m. to 5 p.m., and extra home preparation is required, otherwise normal times are adhered to. 2, Classes from the evacuated schools attend at other schools but their entity is preserved.

RAILWAYS.

State Assistance to Commonwealth.

Hon. W. D. JOHNSON asked the Premier: Will he explain to the House the full terms and conditions of the arrangement between the Commonwealth and the State under which the Commissioner and the Chief Mechanical Engineer of the State Railways are absent for such long periods from their important posts in the State?

The MINISTER FOR WORKS (for the Premier) replied: These and other highly valued State officers have been made available to the Commonwealth Government in accordance with the declared policy of the State Government to co-operate to the fullest extent in matters relating to the war effort. The Government had no hesitation in acceding to the strong request made by the Commonwealth for their services, because it was shown that they would be engaged on vital war work. The salaries of these officers will be paid by the Commonwealth Government while they are employed on Commonwealth duties and suitable arrangements have been made to carry on their work in this State. One of the conditions of our agreement was that they should be available to visit the State at frequent intervals for consultation on important matters affecting their department.

FORESTS DEPARTMENT.

Cutting Rights.

Hon. W. D. JOHNSON asked the Minister for Forests: Is the refusal of the Forests Department to grant cutting rights over Crown lands situated within the Transport Board's declared carting distance, i.e., 15 miles, to sawmillers operating within the metropolitan area authorised by (a) the Forests Act, (b) regulations under the Act or (c) by Government policy?

The MINISTER FOR THE NORTH-WEST (for the Minister for Forests) replied: (a) Yes. (b) and (c) Answered by (a).

CITRUS FRUITS INDUSTRY.

As to Manpower.

Mr. SAMPSON (without notice) asked the Minister for Industrial Development: In view of the grave difficulty faced by lemon and other citrus growers in regard to the absence of a reasonable market, will he discuss with the Minister for Agriculture the possibilities of action whereby the staffs of those interested—subject to the availability of sufficient manpower—may be increased, thus enabling the manufactories concerned to work more than one daily shift?

The MINISTER replied: Yes.

RAILWAYS.

Wheat Haulage.

Mr. SEWARD (without notice) asked the Minister for Railways: In view of the state-

ment in the Press on the 5th September last that the manager of Co-operative Bulk Handling, Ltd. had said that the original plans of the Railway Department were to move the 1941-42 wheat harvest at the rate of 22,000 tons per week, but that in April last this figure was reduced to 12,000 tons per week and later further reduced to 7,965 tons per week: 1, Has neither he nor his department seen this statement? 2, If the statement is not correct, as his reply to a question asked by the member for Guildford-Midland indicates, why was the statement of the manager of Co-operative Bulk Handling, Ltd., to which great prominence was given by the Press, not contradicted? 3, If the statement of the manager of Co-operative Bulk Handling, Ltd., was correct, how does the Minister reconcile it with his answer to parts 1 and 2 of the question asked by the member for Guildford-Midland on the 16th September?

The MINISTER replied: 1, The statement made by the manager of Co-operative Bulk Handling, Ltd. has been read. 2, The reply given to the member for Guildford-Midland had no reference to such statement. It is not the practice to rush to the Press to agree with or contradict articles. 3, Answered by No. 2.

LEAVE OF ABSENCE.

On motion by Mr. Wilson, leave of absence for two weeks granted to Hon. P. Collier (Boulder) on the ground of ill-health.

BILL—WATER BOARDS ACT AMENDMENT.

Read a third time and transmitted to the Council.

ANNUAL ESTIMATES, 1942-43.

In Committee of Supply.

Debate resumed from the 15th September on the Treasurer's Financial Statement and on the Annual Estimates, Mr. Marshall in the Chair.

Vote—Legislative Council, £1,890:

HON. C. G. LATHAM (York) [2.18]: I feel sure that every member of this House is as delighted as I am to see the Premier again in his seat.

Members: Hear, hear!

Hon. C. G. LATHAM: We are extremely pleased that he has recovered his health and

hope he will maintain it at a high standard for a long time to come. It is not usual for me to throw out compliments, but on this occasion I must compliment the Acting Treasurer on his very comprehensive speech on the delivery of the Budget. He left little to the imagination and I am sure must have had many conversations with the Treasurer, which enabled him to obtain first-hand information on many of the subjects with which he dealt. It was an extremely fine effort. I hope, however, that it will not be his lot again to undertake the duties of Acting Treasurer in similar circumstances. So far as the finances of this State are concerned, there was never a time when so much money was in circulation as there is at present. From that angle, it is rather easy to deliver a Budget speech when the Government is not cramped for finance. Facing the other side, which is the most serious one, we never previously reached the stage when we faced so serious a war crisis as at present. So, one should counteract the other. I am hoping that when the next Budget speech is introduced in this State the people will have been able to gain some relief.

The reason why the Government has so much money is that the Commonwealth Government is spending such large sums for war purposes, and I am not going to say that I agree that that money is being altogether wisely spent. In many instances extravagance is going on but, whether it is possible to check it, I cannot say. If the people of the State, by their representatives, had control of the expenditure they would be able to have a far better check made than is carried out at present. When speaking previously I pointed out that this State has only five members in the House of Representatives, while in this House there are 50. We have six members in the Senate—only five at the moment—and 30 in the Legislative Council. A very careful watch is maintained from one angle or another upon the money expended by the State, but we have little opportunity to investigate the large sums of money spent by the Commonwealth to see whether that expenditure is wise or not.

I am much concerned, too, because a great deal of this money is borrowed. We are borrowing it at a very fast rate. The war expenditure is estimated at £1,000,000 per day and, on top of that, or-

duary expenditure is going on for the Commonwealth services, so that the Federal expenditure must be considerably over £1,000,000 per day. A lot of this money is borrowed and unfortunately on short-dated loans. A problem faces Australia in that respect. We cannot have big sums of money falling due in one year, more particularly if it happens to be when our industries are not flourishing. It appears to me that this war will throw us into financial bondage and it will take many generations for us to get extricated. I am mentioning these facts because I want to impress upon Ministers the necessity for carefully watching State expenditure. After all, it is the State people, whom they represent, who are taxed, and they are also the people represented by the Commonwealth members.

I regret, too, that the Commonwealth Government is taking this opportunity to put into operation the Federal Labour policy. The full time of Ministers should be completely occupied with the big problems involved in the war, without dealing with the extreme Labour policy which they have from time to time advocated. Such a course of action does not give much confidence to the people who are anxious to help. After all, we can set aside our individual political views as long as we feel we are making an effort to bring about a successful issue of the war. When part of the time of the men occupying these important positions is taken up in enforcing their policy upon the people it is a step in the wrong direction. The trouble is they get a Federal germ.

The Premier: They do!

Hon. C. G. LATHAM: I do not know how long it takes for a member to develop it; or before he controls it.

The Premier: Are you looking to the future?

Hon. C. G. LATHAM: I do not know what the future has in store for me but, if I ever obtain a position in either of the Federal Houses, I sincerely hope I will not forget what this State demands of its representatives.

Members: Hear, hear!

The Premier: The trouble is that the Commonwealth Ministers and members have never been in State Parliaments, and lack that experience.

Hon. C. G. LATHAM: I agree! It seems that they desire to keep State members out of the Federal House. They put obstacles

in the way of their getting there. No member from either of these two State Houses can go into the Commonwealth Parliament unless he resigns his seat 14 days prior to an election by the people. Why should that statute-bar be there? Surely one would have thought they would have been glad to have had men with State political experience! That evidently is not their desire. As a matter of fact, the Committee will remember that Parliament removed from the Electoral Act of this State a bar which prevented any person who had been a State member prior to the vacancy from being eligible to nominate. Some doubt existed whether a member could nominate at all without being statute-barred from taking his seat. Instead of encouraging State members, they discouraged them. It was a very unwise and selfish attitude to adopt. The framers of the original Constitution had in their minds the idea that such a House as this would be a training ground for the higher Houses of Parliament in Australia. Instead of carrying out that desire, Federal members—whether they are afraid we will outclass them in their politics or not—have never given any encouragement to State politicians. I do not know of any member of either Federal House coming back to a State House.

The Minister for Works: Mr. Corboy was one.

Hon. C. G. LATHAM: Yes, and the member for Perth is another. He went from the State House to the Senate and then came back. There are a few but not many men who have been defeated in this House and have found a comfortable seat in the Commonwealth Parliament. I am very worried about the future position of unification. It will be serious. Long ago, in 1928, when we adopted the Financial Agreement, I said that was the first step towards unification because after all, finance is the most important thing. More recently we have handed over, by an Act of the Commonwealth Parliament, the control of the country's finances during the war and for one year after. That agreement was hardly reached when—without quoting the statement made by the Acting Treasurer—it was practically being extended without the consent of the people. Certainly the people will have an opportunity to express themselves on the subject when the referendum is taken towards the end of the year. It is unwise to take a referendum just when the people are not at all

peace-minded. Most of us today are thinking of the manner in which we can help most. Many men are thinking of their sons and daughters away on war service. We do not want to be discussing or dealing by referendum with matters that can be easily put before us at the conclusion of the war. It seems to be a breach of faith after the decision recently arrived at by the High Court of Australia, which only gave authority to impose a tax for the period of the war and one year after.

For this reason I desire to impress upon members of the State Parliament the need for becoming imbued with a sense of their responsibilities. If a referendum is taken at the end of this year, every one of us should go out into the country and explain to the people that the adoption of unification will mean the giving away of their birthright. If a referendum is taken, it will not be confined to the question of finance. The Commonwealth will want to take control of arbitration—several attempts have already been made to this end—of health, education and many other activities, and the States will be so restricted in powers as to be nothing more than glorified provincial governments, and we in Western Australia would be worse off than is any other country in a federation within the British Empire. We still have control of many important activities, and our people should be educated to the point of refusing to allow any of them to be passed over to the Commonwealth.

There is nothing to commend the handing over to the Commonwealth Government of additional territory. The Northern Territory was transferred to the Commonwealth in 1911—31 years ago. The population at that time was 3,248, and ten years later it was only 3,867, so that it had hardly increased in a decade. At the 30th June, 1933, the population was 4,850, and in 1939, the latest figures I have been able to obtain from the "Year Book," the number had reached 6,973. The most important problem is to populate the sparsely-peopled parts of Australia. I admit that considerable sums of money have been expended in the Northern Territory, but this expenditure has not attracted people to any extent, and certainly the increase of population has not been proportionate to the expenditure. It is essential that the population of Australia and particularly of the sparsely-peopled

States be increased as rapidly as possible for two reasons; firstly, for defence, and secondly, to assist in carrying the heavy financial burden with which the country will be saddled as a result of the war. Not only must we have increased population but we must also have development of our industries, and the history of the management of the Northern Territory certainly does not inspire any confidence in the matter of handing over to the Commonwealth this State, situated as it is so far from the larger centres in eastern Australia.

In order to increase our industries, both primary and secondary, they must be stabilised. It is of no use haphazardly throwing land open for selection or disposing of land if the people engaged in rural industries have to carry on as they have done in this State during the last three decades. Thirty years ago the price of wheat was about the same as that ruling today. The value of the commodities produced from the land is very little higher than it was 30 years ago, but the price of everything the man on the land has to buy has increased by one hundred to two hundred per cent., and some articles of which I have a list have increased in cost to the extent of 250 per cent. This sort of thing cannot continue. We cannot load industries to this extent and expect to have a satisfied rural community. People on the land cannot possibly be successful financially if they have to sell their goods at the prices ruling 30 years ago, and pay heavily increased costs for all their requirements.

The Minister for Commerce who, I regret to say, changes his mind almost as frequently as he changes his clothes, has, according to yesterday's Press, proposed to fix the wages for dairy hands—for men £4 10s. per week, and for women £3 17s. 6d. per week. This would be all right provided the price fixed for the commodity is such that the farmer, after meeting all costs, is no worse off than his employees are. If the Minister for Commerce fixes the wages for dairy hands as suggested, he will have to increase the price of the commodity to the consumer, and if we are still exporting some of these lines, the price of butter and dairy produce to the local consumer must be increased considerably. I cannot see how the Minister for Commerce can hope to get assistance from members on the Government side of this House for his proposal. Every time

there has been any advocacy from this side of the House to increase prices, we have not received much assistance from the representatives of city constituencies or from a number of Labour representatives on the cross-benches. But we have to face these facts. We cannot make an industry flourish unless we make it financially sound. I have no objection to the fixation of high wages so long as the employer is able to pay them and is not rendered worse off than are the hands he employs. If he is rendered worse off than his employees, he will immediately abandon production and, instead of being an employer, will become an employee.

Mr. McLarty: The dairy farmer cannot pay those rates on present prices.

Hon. C. G. LATHAM: No. The next step, of course, would be to fix the hours of labour in rural industries. Unfortunately, the cow is a peculiar animal. I do not know how the eight-hour day, the 48-hour week, or the 44-hour week could be applied to the cow. I have always regarded dairying as the slave industry of Australia. The dairy farmer has to work seven days a week; he has to work in all sorts of weather. Sometimes cows, like ourselves, become ill-tempered.

Mr. Wilson: Cows of cows!

Hon. C. G. LATHAM: Yes. In those circumstances, the best results cannot be obtained.

Mr. McLarty: Some of the dairy farmers have to work the whole 365 days of the year.

Hon. C. G. LATHAM: Yes. Cows, like most other animals, acquire a liking for the people who work amongst them, and behave much better with people they know and like than with strangers whom they dislike. I have seen a man go amongst a herd of cows and move from one to another without their taking much notice but, immediately a stranger went amongst them, they would try to get out of the yard by any means possible. Because the cows become accustomed to the dairy hands, nothing but ill-results can follow if those hands are changed every few days. The Minister for Commerce has not stated how he proposes to treat the agriculturists engaged in the production of cereals. If he does deal with them, let us hope he takes into consideration the points I have mentioned as applicable to dairy farmers. A big problem confronts any Minister seriously desirous of placing the rural industries on a footing to

make them as attractive to workers as are the secondary industries.

Australia cannot become a great country until we are able to develop the back country and people the sparsely-populated parts of the continent. We must do it if we are to hold this country. A severe challenge faces us now, and that challenge will not be the last one. Let it not be said that we omitted to make the necessary alterations in our life as quickly as we could! In the past many complaints have been made regarding emigration. I have done my share of complaining. Nevertheless, the invited immigrant is far better than the immigrant who forces himself upon us. It is entirely preferable to invite white people to migrate to this country than to have our lands lying idle—with consequent danger.

Secondary industries, too, can benefit Western Australia to a certain extent. We ought, however, to have Australia-wide arbitration courts. It is not good to have States vying with each other in granting better conditions and higher wages. Let us develop industries which provide a decent standard of living, but in doing so let us not place Western Australia in a worse position than, for instance, Victoria. That has been the downfall of this State as regards secondary industries. In the past we have been handicapped by higher taxation, but during the war period all the States have been and should be on the same level. Formerly, however, we were handicapped by shorter hours and higher wages, commended by the Government. Just prior to the last election, I believe, a prosperity loading was imposed upon our industries. That was quite a nice thing for those working in our secondary industries, but no prosperity loading was granted to workers engaged in our primary industries. The two sets of industries must go together.

It is useless to grant workers in secondary industries a prosperity loading of 5s. per week, while people engaged in the primary industries were unable to bear the additional cost involved. The Minister for Industrial Development recently, through powers conferred upon the State Premier, increased the cost of commodities and provided a further handicap by granting an increase of 4s. 6d. per week which had not been granted by the State Arbitration Court. That court thought consideration should be given to the prosperity loading on wages

granted in 1938. But the Minister for Industrial Development said, "It does not matter about industries; we must look after our people." But, in fact, the Minister does not look after the people at all. We find industries starting here and closing down. The main secondary industries of this State are flourishing only because of the flow of Commonwealth money. As soon as the flow ceases, we shall not be able to compete, I fear, with such States as Victoria and New South Wales.

We must build up a population, not of slaves or mendicants, but of people who can hold up their heads. Accordingly we must recondition our primary industries on the basis that those engaged in them and their employees shall have appropriate standards of living. The same thing must apply to secondary industries. In these latter, many people are receiving very high wages, while in other industries other people doing more work are receiving considerably less. Let us balance up the position. I am a believer in the standard wage; and, if something in that direction is desired for the purpose of aiding the war effort, I am quite agreeable to such a proposal. Most members of Parliament could live on £300 or £400 a year quite comfortably, and could let the balance of their salaries go towards helping in the war effort. The Minister for Industrial Development needs controlling. A little while ago he increased the cost of coal in this State, a commodity whose price affects many industries. Luckily up to date there has not been an increase in the cost of electric current and power, but such an increase was just as likely to occur as not. Comparing the price of coal 30 years ago with its present price, I find the price is slightly lower in these days. Therefore, the coal-miner evidently is receiving no more pay now than he was receiving 30 years ago, whereas his cost of living has increased.

Today's trouble is to secure sufficient labour to carry on our industries. We shall not be highly successful in that respect except as regards war work. The labour actually available is mostly inexperienced; men who have retired from active work have returned to it, and women are taking the places of men who have enlisted. The labour of inexperienced men and women means greater cost in point of efficiency. The Minister for Lands has pointed out that the military authorities are most

anxious to get hold of men who have worked in the country. The best type of recruits comes from the country. In consequence of their training, they are better fitted mentally and physically to be soldiers. Country people must be more resourceful than are people living in the city. Even the Premier knows that if he is in the country and has some trouble with his motorcar, he cannot run to a workshop and get this or that part. He must improvise.

The Premier: Fencing wire has been used for all sorts of purposes!

Hon. C. G. LATHAM: It is marvellous how one can improvise with greenhide and fencing wire. In the past we have given every convenience and luxury to the city people. I regret to say that all parties have followed that course. We have given sops to the people just before elections because we wanted their votes. We must now educate them so that they will understand they cannot get such sops unless the money comes out of their own pockets. The money must be found, in exactly the same way as the Minister found the money to pay the recent increase in the basic wage. Prices are increased here and there—the money must come from some source or other. I hope our future policy will be to make country life more attractive than it has been in the past. It should be made so congenial that city people will want to go on the land. The life is a good one; I do not know of a better. It certainly will ensure our building up an "A" class people.

During the last few years our agricultural industry has had a strenuous time. Some people are advocating that we should go out of production. Personally, I hope that advice will not be followed; but I am afraid that, unless we make country life more attractive, we shall be unable to induce people to settle on the land. We must produce foodstuffs. It does not matter if we waste a little, so long as, when peace comes, food will be available. We know the peoples of many lands are today much under-fed. We should, therefore, produce sufficient food for ourselves and provide a surplus for distribution to other countries immediately the war ends. People of all parts of the world will be calling out for food then. Let us consider how we feel, because of the shortage in tea, coffee and other commodities that are

imported. All these matters will be discussed from time to time at conferences between the Premiers of the States and the Commonwealth Government. I regret there is but little time to discuss these problems at such gatherings. The Premier loses time travelling backwards and forwards, but leaves much undone when he has to return. We should have the best brains to discuss such matters from an Australian point of view.

The Premier: There is not the time in which to do so.

Hon. C. G. LATHAM: I know!

The Premier: The Federal Ministers have not the time.

Hon. C. G. LATHAM: I make the suggestion that it would be far better for us to have a Minister, either in Melbourne or Canberra, representing the State. Such an appointment will have to be made at some time in the future, and the sooner it is made the better. This State is now almost as badly off in this respect as it is in our relationship with London. I am aware of the difficulty in obtaining suitable accommodation in the Eastern States, but it would pay us handsomely to have a Minister stationed there. I do not know what is happening as between this State and Great Britain, but I would recommend that the Agent General be recalled and transferred to Canberra. We could close down our London office for the time being and re-open it after the war. I think we could afford to have a Minister at Canberra; he would do the State a wonderful service. He could speak authoritatively for our Government. I am not concerned about the actual appointee. I am, however, convinced that such a Minister could get a lot done for the State, as he would be able to interview Federal Ministers at their convenience.

Mr. Berry: What about our Federal members?

Hon. C. G. LATHAM: They cannot meet Federal Ministers, nor can they make authoritative representations, such as a Minister could make. That is why Australia sends Ministers to New York and London, and other parts of the world, because they can speak authoritatively on behalf of the Government. Private members cannot do that. Not the same notice is taken of them. Again, a Minister has entrance to many places to which private members would not have access. I submit that proposal to the Pre-

mier because I think it well worth consideration.

The statement made by the Acting Treasurer regarding the speeches of the Prime Minister and Federal Ministers was perfectly true, and I regret that men in such positions express intentions they do not mean to give effect to. When a man in high authority makes a statement, we should be able to rely on his word. I do not like Federal Ministers doing what they are doing today. They make a statement one day and, almost before the print is dry, the statement is contradicted. There cannot be good government under those conditions. I can quite appreciate that the Premiers of the States are getting tired of being associated with Federal politics for that reason. I regretted to see the news of the resignation of Mr. Forgan Smith as Premier of Queensland. My politics are not the same as his, but I do not know of any man who has so successfully led a party as Mr. Forgan Smith has led his during the last ten or 12 years. I hope we shall soon have a representative in the House of Representatives or the Senate who will join with Mr. Forgan Smith in maintaining State rights. I saw in this morning's paper that Mr. Dunstan, the Premier of Victoria, is also talking about deserting his State because he wants to give it a better deal elsewhere.

Mr. J. Hegney: They are all getting out!

Hon. C. G. LATHAM: I could pick out three men in this House—two on this side and one opposite—that I would be glad to see enter Federal politics because they, with representatives from other States that have not yet awakened but must soon do so, would be able to represent the States in a solid manner and maintain their prestige and the sound government of Australia. If democratic government is to live, it can do so only by people honouring their undertakings. If there is any desire for fetters to be broken, let the people be told why and let the change be made by constitutional means. I have always been in favour of compulsory savings, which I regard as a very wise procedure. That would assist us in finding money for the war, and when the war is over would provide money for people needing it between the time they leave the Forces and re-enter private life.

Financial assistance will be required at that time and by this means it could be provided, and these people would be placed in

a much sounder position. At the same time, compulsory savings would materially help the war effort. For some reason, people earning £3 a week and under are being exempted from taxation. I did not like the present Treasurer's last method of taxation, but it had a good deal to recommend it. He considered that single people should make some contribution to the services provided by the State and taxed them, but those people are now being excluded. Many single persons earning £3 a week do not pay any board in their own homes, and have all that money to spend. Perhaps by indirect taxation they contribute a certain amount of it to the war effort, but they are not directly taxed. It is unwise to allow young people to have a lot of money to spend injudiciously. When they settle down later in life, they will have become used to spending but will not have so much to spend, and their home life will be ruined. It would be a good plan to tax them, if only to a small degree, and make them feel they are contributing to the war effort.

I was interested in a statement made in a book entitled "The Truth About Compulsory Savings." I think that is a book concerning which you, Mr. Chairman, have a fairly good knowledge. It was written by Mr. K. S. Isles and Mr. B. R. Williams, the former being Professor of Economics in the University of Adelaide, and the latter being a lecturer in Economics at the same place. The book was published in 1941. I propose to quote from page 25, and what I quote will indicate the difference of opinion that exists amongst people who are regarded as authorities. The passage to which I refer reads as follows:—

Considered as a means of obtaining the additional funds required by the Federal Treasurer, compulsory loans are in several ways preferable to increased income tax. For there are several ways in which they are more effective in collecting revenue from a national income of a given size. The primary reason for this is peculiar to Australia. For the States have priority over the Commonwealth in the field of direct taxation, and impose different rates of taxation on incomes of a given size. If, for the duration of the war, the States would agree to hand over to the Commonwealth their rights to levy income tax, it would be possible for the Federal Treasurer to raise the same amount from each level of income throughout Australia. As things are, however, it is unconstitutional for the Commonwealth to differentiate between the States in levying income-tax; so

that, in the lower-taxing States, there must always be a field of untapped ability to pay taxation. By means of a combined War Levy to include State and Federal Income-Tax and Compulsory War Loan, it would be possible, as will be explained later, for the Commonwealth to draw on these untapped sources of revenue. Reading that, one would imagine these authorities on economics must have advised Mr. Fadden at the time, because that seems to be the policy he enunciated.

Mr. Hughes: Who, do you suggest, should repay these compulsory loans?

Hon. C. G. LATHAM: I am satisfied that there are sufficient resources in Australia to enable the loans to be repaid if we had the population. Population is essential. Our resources cannot be developed without it. I know that those of my friends who are monetary reformers think these loans can never be repaid, but I have a good deal of confidence in the people of this country and I believe the money can be repaid.

Mr. J. Hegney: A lot of our population has been destroyed. It will have to be increased.

Hon. C. G. LATHAM: I hope there will not be a great deal of destruction of our population. However, there are many places peopled by white folk. I do not believe God intended that the countries in which they live should be overcrowded while other countries are sparsely populated. There should be a better distribution of the population, and I am sure many of these people from overseas would make good citizens. They are not liked by some people, and are called dagoes and other names of that kind, but in the future I am sure they could become true Australians, like the hon. member. I know people with foreign names who are quite loyal Britishers. We have to take that means of peopling the State.

Mr. Hughes: You want to import them here and then start them off with a big burden of debt.

Hon. C. G. LATHAM: The member for East Perth can start them off with what he likes. He starts a lot of people off with bad advice.

Mr. Hughes: That is not half so bad as when he gives good advice and it is rejected!

Hon. C. G. LATHAM: It cuts both ways. Sometimes we accept bad advice and sometimes we reject good advice. I want to say something about the finances as referred to

by the Grants Commission on page 13, paragraph 19—

The heavier demand on the loan market was met in part by the banks. The Commonwealth Bank increased its holdings of Government securities and Treasury bills from £87.9m. at June, 1940, to £100.6m. twelve months later. Thereafter its holdings were enlarged rapidly to £150m. in December, 1941, and £182.6m. in April, 1942. This expansion largely reflects both the support given by the bank to the war loans, and the advances made in connection with various acquisition schemes, particularly wheat and fresh fruits. The trading banks, too, subscribed to the war loans, and their security holdings increased appreciably. Over the twelve months ended 30th June, 1941, the holdings of government and municipal securities by the nine trading banks increased from £43.7m. to £61.9m. Their holdings of Treasury bills at June, 1941, were substantially the same as they were twelve months earlier, but they increased by nearly £13m., to a figure of £48.8m., in the ensuing half year to December, 1941.

So that if one complains that the banks are not doing their share of finding the finance for the war, it seems that one would be wrong. According to the report of the Grants Commission the banks have assisted in that way. What I am concerned about, more than anything else, is whether the money advanced by the Commonwealth Bank means inflation. If we are going to pay for the war in that way the people who will suffer most will be those who today are small security holders, and those who are on small salaries and wages.

The Premier: The people on fixed incomes.

Hon. C. G. LATHAM: Yes. It is a dangerous procedure, and I hope the Government will bear in mind that the war cannot be financed in that way without reaching the danger point. I wish to get on to something a little more congenial. I read today that the grant to be paid by the Commonwealth Government to this State is £800,000, which is £170,000 less than the amount the State is entitled to draw. I cannot understand why £170,000 is to be withheld. The Commission last year recommended a grant of £1,400,000 to South Australia, and it was paid in full.

The Premier: No. A quarter of a million pounds was held back.

Hon. C. G. LATHAM: That is so. But what is the good of the Commonwealth anticipating what we might want next year? As a matter of fact, I suppose we will get our £170,000 next year, even though we

may be so prosperous that we will not want any assistance, and that our prosperity will be on a basis equal to that of the contributory States.

The Premier: They say that £800,000 will enable us to balance the Budget, and that is all they are concerned with. That is their attitude.

Hon. C. G. LATHAM: I admit there is a considerable lag between the time of the investigation and the making of the grant. But there is no justification for the increased amount when we had a surplus last year, except to cover the cost of increased liability to the Government due to the effect of the increase in the basic wage and some departmental increases. I believe the statement contained in the paragraph referring to the position of Western Australia, but what I am interested in is that last year we passed an Act to take from the license fees a sum equal to about £30,000 and put it into Consolidated Revenue. But prior to doing that, according to a telegram read to the House by the Minister for Lands, we received an additional sum of £340,000. On that basis it would pay us handsomely to take all the traffic fees and pay them into Consolidated Revenue. If they increase our grant proportionately we will be comfortably off. I do not, however, think that is the case. It seems to be an afterthought. I hope what the Minister for Lands read was not inspired. On page 61 of the latest Grants Commission report, paragraph 140 states—

The grant indicated for Western Australia by our methods is £970,000, which is payable in 1942-43. This is £340,000 more than the grant paid in 1941-42. The increase is due to changes in the relative financial position of the States in 1940-41, the year on which the grant payable in 1942-43 is based. The severity of taxation in Western Australia in 1940-41 was relatively high, and an adjustment of £416,000 was included in the grant on that account.

Traffic fees were not increased. Paragraph 141 states—

The Commission is of opinion that the grant based on the year 1940-41, viz., £970,000, which is payable in 1942-43, is in excess of Western Australia's current needs, and we recommend that payment of £170,000 of that amount be deferred until 1943-44. Our reasons for this recommendation are based upon a consideration of Western Australia's financial outlook for 1942-43. The year 1941-42 ended with a surplus of £1,768 compared with an estimated deficit of £198,000. This improvement was due mainly to increases in railway receipts and taxation revenue. Factors which will affect

the Budget for 1942-43 are Commonwealth war expenditure, compensation under the uniform income-tax plan, the trend of railway revenue and expenditure, diversion of manpower from goldmining to war industries, the restriction of wheat production, the recent increase in the price of wool and the trend of costs. It is impossible to assess accurately the effects on the State Budget of these factors, but after a survey of the position we are of opinion that £800,000 should meet the financial needs of the State in 1942-43.

The State Government will commend the Grants Commission for that, because it is a substantial amount and should meet the needs of the State.

The Minister for Lands: There is an interesting commentary on Western Australia on page 24.

Hon. C. G. LATHAM: I do not intend to read all of the report. I spent most of the night going through it to see if I could find anything to support my argument. It is a well-prepared document. Whilst I disagree with the methods of the commission I think it is trying to do its best. Perhaps the grants will increase in size with the prosperity of the Eastern States, more particularly New South Wales, Victoria and South Australia.

The Premier: South Australia is a claimant State.

Hon. C. G. LATHAM: I know, but surely there must be a terrific revenue coming in from Federal expenditure.

The Premier: But that does not affect the position. The contributory States are Queensland, New South Wales and Victoria.

Hon. C. G. LATHAM: Is the stage never reached when a claimant State becomes a contributory State?

The Premier: It might be eliminated from being a claimant State.

Hon. C. G. LATHAM: I cannot see why South Australia should be a claimant State at the present time. Because we are to receive additional money, it does not follow that we should expend money unwarrantably. The increase of revenue from taxation is £189,500—this I take it is the pegged amount that will be provided by the Commonwealth—but this is off-set by a sum of £275,000 representing hospital tax. I have looked through the Estimates and have not been able to find how that money will be made available to the hospitals. What provision is made for the payment from revenue for hospitals? Will the machinery of the hospitals legislation be used? Now that the

money is being returned to the State under the Commonwealth taxation scheme, I think some items should appear on the Estimates to show how the money will be expended on hospitals.

The Premier: The money will be utilised in the same way as it was last year and the year before.

Hon. C. G. LATHAM: The money for hospitals, then, will be paid into a trust account at the Treasury and made available to the Minister for Health.

The Premier: Yes, and used for hospitals exclusively.

Hon. C. G. LATHAM: The increase in territorial and departmental is £164,782. Mining, of course, will decline considerably, but other territorial and departmental revenue might increase. It will depend upon the prices we obtain for our commodities. If producers are paid a fair price for their commodities, the Minister for Lands will get his departmental revenue, because Agricultural Bank interest and such-like money will be paid. Therefore that amount should show an increase. Public utilities are expected to increase by £72,349. If the Minister for Railways managed his railways, tramways and ferries a little better, he should have a balanced budget instead of a deficit year after year. The present is a wonderful opportunity for the Commissioner of Railways and he should not be absent from the State. His place is here looking after the business of the railways.

The Premier: Every man in these times should be where he can serve Australia best.

Hon. C. G. LATHAM: If the Commissioner of Railways was here, he could serve this State very well. He has not been here for some time.

The Premier: He was here last week.

Hon. C. G. LATHAM: Twenty-two million pounds of the people's money is locked up in our railways, but apparently we can run our railways without a Commissioner.

The Premier: No, we cannot.

Hon. C. G. LATHAM: I want to see the Commissioner brought back to his job. I understand that the work he is doing in eastern Australia is not very important.

The Minister for Justice: He is doing very important work.

The Premier: And will be the means of bringing a lot of work to this State.

Hon. C. G. LATHAM: I hope he brings us more than we have had in the past.

The Premier: So do I.

Hon. C. G. LATHAM: Seemingly we can operate our railways without him. A wonderful opportunity exists for him today. It is of no use officials thinking that the people exist for the benefit of the railways. The railways exist for the benefit of the public. Officials should not get the idea that, because goods are carried at owners' risk, they may be thrown into the trucks without care. Sheep are being brought to Midland Junction in dirty trucks and prices suffer in consequence. Admittedly the position is difficult; probably the number of employees has been reduced. I propose to question the amount of money expended last year and the increases proposed for this year. I should like to know whether the Treasury has considered the increases. I think the Acting Treasurer told us that the additional amount in respect of the last increase of the basic wage was £160,000.

The Minister for Lands: That is the total.

Hon. C. G. LATHAM: There does not appear to have been any application of that increase to the expenditure for the current year. It may be that the number of employees has decreased.

The Premier: That applies to every phase of governmental activity.

Hon. C. G. LATHAM: I checked some of the figures and it did not appear that that was so.

The Premier: Women are doing men's work.

Hon. C. G. LATHAM: But in some instances they are being paid very high wages.

The Premier: Not more than the men get.

Hon. C. G. LATHAM: I should think not. Those people ought to be well paid, but married women on the trams are being paid the same wages as their husbands, who were tramway men, received.

The Minister for Justice: Because they are doing the same work.

Hon. C. G. LATHAM: I am wondering how they will shape when they return to their homes after having had the advantage of all this additional money. Are they going to be satisfied in the homes? Female teachers are not paid the same rates as male teachers.

Mrs. Cardell-Oliver: They should be.

Hon. C. G. LATHAM: The hon. member has come here amongst men because she feels that she can usefully associate with them. A point that ought to be considered is our duty to the nation.

The Minister for Justice: The member for Subiaco is paid the same as any other member.

Hon. C. G. LATHAM: I do not say that, if we can afford it, women should not be paid the same rate as men are paid, but how are they going to shape when they return to their homes and have to manage on half the money they receive today?

Mr. J. Hegney: That point has already arisen. Many of them, before they married, received good wages.

Hon. C. G. LATHAM: Apart from the member for Subiaco, I know of very few women who receive equal pay with men.

Mr. Hughes: What about the medical profession?

Mrs. Cardell-Oliver: And the legal profession.

Mr. Patrick: Women in those professions have to earn it.

The Minister for Lands: I think they will ultimately get back to the normal home life.

Hon. C. G. LATHAM: But they will then not have as much money to spend as they have at present. I know what it is like for men to have to do on less money, and I should imagine that it would be much more difficult for women.

The Premier: I have known of women who had received £3 or £4 a week marrying men on the basic wage.

Hon. C. G. LATHAM: Yes, and many of them were greatly dissatisfied afterwards.

Mr. J. Hegney: What do you suggest these women should be paid; half of what their husbands received?

Hon. C. G. LATHAM: The hon. member might suggest that.

Mr. Needham: Give them the Federal basic wage?

Hon. C. G. LATHAM: I do not know the amount of the Federal basic wage, but I do know that the hon. member's leader has made that suggestion. I heard the Prime Minister say that the Federal basic wage should prevail throughout Australia.

Mr. J. Hegney: Do you support that idea?

Hon. C. G. LATHAM: The hon. member need not concern himself with what I support but, when he is asked by the Prime Minister to hand over to the Commonwealth control of finance, arbitration, trade and commerce and other things, he will agree and will go out and advocate it. The hon. member would not dare to refuse.

An opportunity exists in relation to our railways, trams, buses and ferries to improve the financial position. The revenues of those State undertakings can be increased. It would be far better for our men to be employed looking after rolling-stock and generally aiding in the war effort, than that they should be doing work on which some of them are engaged at present. We are now given a chance. We have practically a fixed income from year to year. If we can do anything to build up our State Trading Concerns past the mere self-supporting point, we shall achieve something worthwhile. When speaking on the Address-in-reply I pointed out to the Minister for Industrial Development that it is all very well to be generous, but that the recent increase in wages of 4s. 6d. per week must come from somewhere. The principle which the present Government has adopted of handing over our industrial questions to the Commonwealth Government may cut the other way some time in the future, and then there will be occasion for members opposite to regret what has been done.

Whatever spare time can be devoted to the question of post-war reconstruction ought to be given to it by our Ministers and also by our senior civil servants. Many of the latter, I know, are employed on Commonwealth duties; and with that I have little fault to find. But let us not be faced, when the war ends, with nothing at all done towards repatriation. I should have liked a committee to be appointed from both sides of this Chamber on the same lines as has been done in the Commonwealth Parliament. Members are desirous of doing something. Such a committee need not bind the Government, but it could from time to time investigate proposals for repatriation. I do not say we have done all we can from the aspect of State finance, but it is no use to continue on the basis which we have adopted during the past few years. Concerning new industries, I do not know whether flax can be produced in this State profitably, but the industry should be an excellent one for Western Australia if the fibre is good.

The Premier: The fibre is all right.

Hon. C. G. LATHAM: Of course the flax industry could not be carried on by private enterprise on the war basis. That aspect should be investigated. We have proved that flax can be produced here in large quantities. Let us investigate whether flax-

growing can be made a profitable business after the war is over.

The Premier: If the flax produced here were all used in Australia, probably we could achieve success. The wheat problem, however, is entirely different.

Hon. C. G. LATHAM: All such problems should be investigated. Members of this Parliament want to know something about the Atlantic Charter, to which I understand Australia is a signatory. I understand, further, that that charter means freetrade not only between all portions of the British Empire but with other parts of the world as well—international freetrade. I believe freetrade will bring prosperity. If it does not, at any rate it will bring about improved international relations. Let us be ready to avail ourselves of any opportunity to give effect to the Charter. Members may say I am a little beforehand with these remarks, but we do not know how soon the war may end. During the next fortnight members might make investigations in the directions I have indicated. It is useless for us to depend entirely on the Commonwealth Government. We ourselves must look after Western Australia's interests. We have had Commonwealth promises which have not been fulfilled.

I recall the Minister for Industrial Development making available to members a report by a committee appointed by the Commonwealth Government with a view to improving Western Australia's financial position. There was a proposal to build wooden ships here, but little more has been heard of that project. Let us investigate for what purposes wooden ships can be used. As regards Commonwealth promises, I remember an undertaking given by the Commonwealth Government to pay to the farmers of this State 3s. 10d. per bushel for wheat in bags and 3s. 8d. for wheat in bulk, free on rail at ports, to the extent of 140,000,000 bushels. The Minister for Industrial Development told me recently that it is no longer proposed to carry out that promise, the reason being that there has been an increase of 10,000,000 bushels, because of which a reduction must be made. No one can carry on a business under such varying conditions. I want to know whether we can rely on the last promise of the Minister for Commerce regarding wheat prices. Many of our farmers are producing 6,000 bushels and upwards

annually, and on that basis they will receive only 3s. per bushel. Is that price of 3s. net at siding, or are handling costs and charges to be taken out of it? Is the price for bulk or for bagged wheat? Is there any difference between the price for bulk wheat and that for bagged wheat? Not long ago we were told to encourage our farmers to increase their production of pig-meat and mutton. There is still a shortage of pigs. But now we are told that our flocks, instead of being increased, must be reduced as quickly as possible.

The Premier: There has been a misconception of what was said.

Hon. C. G. LATHAM: We have merely Press reports to depend on, and those reports conflict. Thus we do not know where we are. Probably the Premier will agree with me on that point. Ministers themselves do not know exactly what the position is relatively to the Commonwealth Government. The necessary information cannot be obtained. Representatives of this State go to Canberra for the information desired, and suddenly find themselves listening to many things that are not of especial interest to Western Australia. Finally they return to Western Australia without the information required. That is an extremely good argument in favour of our appointing a Minister at Canberra who could advise the Government exactly what the position is. Statements such as I have referred to should not be published, if untrue. Mr. Beasley makes a statement; and I consider some of his statements are rather wide of the mark. Then Mr. Scully (the Minister for Commerce) makes a statement. We also have Mr. Dedman coming along saying something different altogether, and that this or that cannot and shall not be done.

The Minister for Labour: One consolation is that we have Mr. Ward!

Mr. Doney: I do not know what we would do without him!

Hon. C. G. LATHAM: Mr. Falstein and Mr. Ward create a diversion from time to time. One would think that we had too great a surplus of food supplies. In my opinion, we have not enough. The Acting Treasurer interested me when he referred to the surpluses for the two past years. I commend the Government for those surpluses; it had a large sum of money to spend and evidently was able to save a little.

The Premier: We did not waste any.

Hon. C. G. LATHAM: I will not concede that there was no waste. I do not back the Premier in that statement. The Acting Treasurer, when referring to the surpluses, said that since 1900 we had had eight surpluses, five of which had been achieved while Labour Governments were in office. Let us examine that statement. I do not mind the Minister's giving credit to the Labour Government for anything to which it is entitled. The true story, however, is that prior to Labour taking office in 1911 there was no deficit at all. The deficits shown total £631,501 and the surpluses £632,428, leaving a surplus of £927 since 1911. Labour has been in office 21 years, while the National-Country Party was in office ten years.

The Premier: You made a welter of it in three of those ten years.

Hon. C. G. LATHAM: Every time the finances got into a bad way, the people made a change to rectify the position. They put a sound Government in power. They felt they could afford to take a risk when things were good. When our Party took office in 1931, things were at their worst. The deficit was over £1,000,000, and this was reduced in two years to £148,000. Therefore, when Labour took office the finances of the State had been put in such a position by our Party that it was impossible not to achieve a surplus.

The Minister for Lands: Thanks very much!

Hon. C. G. LATHAM: When the finances were balanced, a change to a Labour Government took place, and such a change is always for the worse. There is but little difference between these Estimates and other Estimates; but, now that income is pegged, greater care will have to be exercised. The amount to be provided for hospitals does not appear to be shown. Perhaps the Minister will tell the House how he proposes to expend the money. It will no doubt be provided from the monthly amounts paid by the Commonwealth Treasurer into a trust account at the Treasury. The Minister will find that the cost of his department will be higher, as the cost of drugs and other commodities is higher, and I put in this word to assist him because our country hospitals will suffer first.

This year will be a testing time for Australia. Our servicemen, who have done so well in the past, will be called upon to ex-

ert still greater efforts; while our workers engaged in making munitions of war will have to work still harder. Everyone who can help must do so. Money, and still more money, will have to be found. We must always keep in front of us the best war effort possible, at the same time planning post-war reconstruction, so that our people may be returned into civil occupations without fear of poverty or want. At the moment our thoughts go out to all our kith and kin in other parts of the British Empire who are, while suffering intensively the horrors of war, bearing themselves so gallantly. They call for our greatest admiration: they make us feel proud that we are of British stock. We are also watching patiently and with deep feeling the heroic stand of our Russian allies. We pray the day is close when the victory they so richly deserve will come. We are also grateful to our Allies who speak the same language as we do—the Americans. We feel sure when the time comes that we are all able to strike, the offensive will be successful. At the conclusion of hostilities, we trust there will be a meeting of representatives of the British Empire and of all our allies to effect a fair and honourable peace on terms such as will effectively banish war.

[Mr. J. Hegney took the Chair.]

MR. McDONALD (West Perth) [3.48]: On behalf of members seated on these cross-benches and myself, I would like to say how pleased we are to see the Premier back in his seat—

Members: Hear, hear!

Mr. McDONALD: —and to satisfy ourselves, by visual inspection, that he looks so remarkably well. It is a great gratification to have him back with us after his severe illness. Rather a short time has elapsed since the Acting Treasurer delivered his Budget speech for an examination to be made of it. I am conscious that much more consideration of it would be beneficial as far as I am concerned. I should have liked a little further opportunity to go into the implications of the Acting Treasurer's able speech. The Budget is a reflex of the economic position of the State and of such trends as can at the time be estimated. In the Budget now before us there have been no great changes either in expenditure or in revenue, and in the year which has just closed the bookkeeping position as regards the Budget

was generally very similar to what it had been in previous years. But important factors have affected the economic structure and future of the State, and these have had some impact upon the Budget and will have still further impacts on the future Budgets of this State. I propose to make some reference to those economic factors that are new or that are taking a different turn owing to prevailing conditions.

The uniform tax measure is not without its benefits to this State. We have the pledge of the Commonwealth Government that it is a wartime measure, and I am not prepared to believe or credit any suggestion that it will be otherwise than a wartime measure, unless the proper procedure is taken of holding a referendum to alter the Constitution to enable the uniform taxation system to be a permanent feature of the Australian economic structure. During the operation of the measure we shall have the advantage of an assured revenue based on the two highest revenue years in the history of the State. In his Budget speech, the Acting Treasurer very properly pointed out that in this State we are facing a number of difficulties that are likely to affect our revenue. He said that Western Australia has been the most severe loser of income—with the possible exception of South Australia—as a result of calls for defence on primary production manpower, in the goldmining, wheat and other rural industries. It is very possible that with the accentuation of the difficulties involved in the needs of manpower for defence, the revenue of this State will show a not unsubstantial decrease. We have at all events an assured revenue equal to our highest revenue figures, and that assured revenue will be ours for the period of the operation of the uniform taxation measure.

We must be prepared, however, to have a clear idea in our minds as to what we want when that period expires. I think the public will desire one scale of income taxation and one collecting authority, and the public should be given those conditions. At the same time there is no reason why, even with these alterations in our system, the State should not be master of its own taxation powers. In the year 1939-40 the total revenue from income-tax drawn by the Commonwealth Government and the State Government from Western Australia was about £3,000,000. Of that sum, in round

figures £500,000 was Commonwealth income-tax, and £2,500,000 State income-tax. I see no inherent difficulty—although there may be one scale of taxation and one collecting authority—why the Commonwealth and the State cannot separately budget for their income-tax requirements after the uniform taxation measure is no longer law in its present form. The State budgets for, say £2,500,000 and the Commonwealth for £500,000. The scale of taxation could be drawn to recover those figures from the taxpayers of the State, and then the money received could be divided in the proportion I have mentioned. I personally want to see the State recover in due course power over its taxation field, and I think that can be reconciled with one scale of tax and one collecting authority.

Mr. Patrick: We had one collecting authority before.

Mr. McDONALD: We did, but there was a separate hospital tax and then a form which had separate provisions for Commonwealth tax and State tax.

Hon. C. G. Latham: Those were only the assessment notices. We had only one form.

Mr. McDONALD: I want one basis of income taxation because, in view of the multiplicity of forms and taxes now involved, it would be a material help and saving to the taxpayers of the State if they could have a simple form of income taxation procedure. In connection with the position regarding revenue from income-tax collections, and with relation to other powers which we may have to transfer to the Commonwealth Government in the future, I hope advantage will be taken of that provision in the Constitution under which the States can delegate powers to the Commonwealth Parliament. When we have a referendum to alter the Constitution, the alteration so made will be permanent unless a further referendum revokes it. But if that power in the Constitution is used under which State Parliaments delegate on such terms and over such a period as they think fit any additional power from time to time required by the Commonwealth Parliament, the State retains the control of its own inherent powers. It seems to me that with some goodwill and understanding between the State Premiers and the Commonwealth Prime Minister, it should be possible to use that provision in the Constitution much more than we have, particularly

in relation to the problems that will arise in connection with the post-war period.

As the Acting Treasurer said very rightly, this State is going to face a peculiarly difficult position owing to manpower demands. We have contributed per capita more to the Defence Forces of Australia than has any other State. On account of our tremendous distances we are in any case placed in a more difficult position in relation to manpower than are closely-populated and small States like Victoria. I wish to support any measure the Government may take, as suggested by the Acting Treasurer, to have a searching survey made of the people now in the Defence Forces to find out how far they are usefully employed. I deprecate the stories we are told about so many people in the Defence Forces and sometimes in munition factories having practically no work to do, but I feel that there is a substratum of truth in such stories. While it is a matter always of reconciling the conflicting demands of the defence of the country with those of the maintenance of our industries and while defence considerations must at all times be paramount, I think there is room for further examination of the manpower inside the Defence Forces to make sure that there are not many people in those forces that could be more usefully employed outside.

At a conference the Minister for Lands attended this morning I mentioned the question of the utilisation of that section of our manpower represented by boys and girls who have reached ages between 14 and 18 years. I appreciate the difficulties associated with that section, but the fact remains that it has been the subject of a survey that has just been made in England. So far as I am aware, nothing has been done here to examine the potentialities of that class of our people for use in connection with the maintenance of civil industries. There are some activities, such as fruitgrowing, where there may be possibilities for obtaining the services of a proportion of our youngsters between 14 and 18 years of age, with, of course, proper safeguards, in industries where the utilisation of those young people might make all the difference between the successful harvesting of a crop or comparative failure.

There is much to be said in regard to the comments recently made by Mr. Forgan Smith, the former Premier of Queensland,

who spoke under two headings. Under the first he repudiated the encroachment of the Commonwealth Government upon State spheres and, under the other heading, he repudiated what he thought was an apparent tendency to make some use of the war situation to implement political theories. I do not wish to suggest that the State Government has taken any great steps towards implementing political theories during the progress of the current war, but I am told there is a tendency on the part of the Public Works Department unduly to invade what is normally the sphere of private enterprise. There are, and always will be, public works to be carried out in Western Australia that are at the instance of the Commonwealth Government. Very often they are associated with defence operations; sometimes they are not completely associated with defence matters but apply in other directions. I am told—I would like the Minister for Works to look into this matter—that the first opportunity to tender in particular instances is reserved to the Public Works Department. At all events the department has the first chance regarding such contracts and it, perhaps not unnaturally, takes the best that are available while private contractors have to put up with what are left. Obviously they are left with the contracts that are not of a particularly attractive description.

It has been represented strongly to me that contractors and their regular employees, many of whom have been with their employers for many years, together with the contractors' plants, are reaching a stage when they may not be able effectively to carry on. We should be careful to maintain the constructional and manufacturing resources that are in private hands, for it would be a very severe blow if men who had been operating here for many years, men of ability and great enterprise, find conditions so difficult that they cannot maintain their businesses or keep intact organisations that I hope in better times may be able to do good work for Western Australia. I trust that in these matters there will be a full measure of justice and consideration extended to those who have done so much for the State in the past and who, by private enterprise, will be able to do so much for the State in the future.

There are two matters which relate rather to the post-war position. I hesitate to

speak much about reconstruction; nevertheless it is important. We must be prepared to some extent to deal with problems that will face us after the war, but I feel it would be fatal if we allowed public attention to be diverted for one moment from the paramount necessity to devote all our energies to the salvation of our country, without which we need not worry about post-war reconstruction. However, there are these two matters of our public debt and the possibilities of immigration. Our public debt, as the Leader of the Opposition remarked, has to be viewed in relation to the possible increased population over which that debt may be spread. There is a school of thought which believes that the appearance of the world has to be altered after the war. There are people who think that there will be the possibility that many thousands or many millions, even in the British Isles, will avail themselves of the new world-to-be, where they think there will be the best opportunities for their families and their descendants.

Because of that, countries like Australia and Canada must be on the alert to be able to take advantage of what might be termed almost a mass-movement of population which may follow the conclusion of the war. Not only may there be an impetus to migration from the British Isles by people who believe there will be a greater future for posterity in the new world, but there may be opportunities for Australia to gain desirable immigrants from Scandinavian countries and from some European countries, too, where people will feel, like those in Great Britain, an inclination to settle down in newer and undeveloped countries that will provide them with better opportunities for their future. So we must not be unaware of this possible widespread population trend, and Australia and our own State in particular must not be slow to take a proper share in any benefits there may be in such movements.

During this war, as the Premier commented just now, many of our departments are very short in staff, and I hope it may be possible to utilise what is really a golden opportunity—if one can associate the words "golden opportunity" with anything arising out of a war—to rationalise our public administration, including that of public utilities such as the railways. After a period of time, and especially during a depression

such as we recently experienced, there is a tendency for the public administrative services of a country to carry a great many passengers not only in connection with our railways but with other sections of the public service. Many people by proper administrative methods would not be needed at all, but they are very hard to get rid of because naturally one hesitates to terminate the services of a man who may have given, for many years at all events, willing although not valuable service to the department in which he is employed. But now there is a chance without imposing any individual hardship but doing full justice to the men who are away on service and whose positions have to be kept for them, to reform the administrative methods and cut down the numbers engaged in the public service to the requisite minimum consistent with efficiency. By that means we can start the new order by a public administration which will represent a minimum cost to the people of the State.

The Grants Commission has played a very important part in the economic life of Western Australia. It has, in its last report, made a very pleasing recognition, or a comparatively pleasing recognition of the difficulties which have confronted this State by its recommended grant. I believe that at one time an economic chamber was established in France. It was composed of experts in economic science and its duty was to advise the ordinary Parliament of France. The same idea has been canvassed from time to time in Great Britain. Mr. Churchill himself was at one time, and perhaps still is, an advocate for an economic chamber not subject to election by the people, but one which was able to make an impartial, unimpassioned and scientific study of the economic structure of the State, and make recommendations to the elected Parliament of the people. It seems to me that the Grants Commission has gone some distance towards meeting the idea of an economic chamber. I am disposed to think that in relation to the changing times through which we are passing and the difficult times which we will have to meet after the war, the functions of the Grants Commission might well be extended. I see no reason why the examination undertaken of our finances should not be extended to the contributory States;

and I see no reason why it should not be extended to the Commonwealth administration itself! I am far from believing that that administration is free from waste, and does not need any scrutiny, whereas the administration of the claimant States is wasteful and requires to be carefully examined by this tribunal. I would like to hear the Grants Commission on the contributory States and I would also like to hear its criticism of the Commonwealth.

I also hope the suggestion made in this House by the member for Claremont will bear fruit, and that is that the Grants Commission may have its functions extended to inquire into and recommend to Parliaments the developmental aspects of the different States. The Commission has done great work, but I have always thought, with very great respect, that it has been perpetuating at least one fallacy, and that is the compulsion it continuously exercised to make this State equal in severity of taxation to the contributory States. If there is one thing we do need to avoid it is to have our taxation and any other economic factors such that they would not compare favourably with those of other States. If there is any State in which taxation should be allowed to remain on a lower level it is this State of Western Australia, so that people might be induced to come here and risk starting new enterprises. But by the insistence and the penalties imposed by the Commission, it has consistently endeavoured to force up the severity of taxation in this State. That factor, unless remedied, will place us in an extremely invidious position so far as competition with the other States of Australia is concerned.

If we are to reconsider the Grants Commission, or if the Commonwealth Government does, and its powers are enlarged, it should be clearly instructed as to what its purpose is going to be. Its purpose, I suggest, would be to make recommendations to permit of a balanced economy for the whole of Australia, and a balanced economy for the whole of Australia must mean the development of all the backward States, which in turn must mean all necessary aid to Western Australia to ensure that we should arrive at something like a parity in population, resources, manufactures and opportunities for our young people as are enjoyed by the more central States. If we had this expert, experi-

enced and impartial tribunal in possession of larger powers, together with a mandate to make recommendations for the balanced economy of all the States of Australia, then we might be able to use the Grants Commission legitimately to bring pressure to bear on the Commonwealth Parliament and on the other States to give this State the place in the sun which it is entitled to enjoy. Nor should we lose sight of the fact that a revision of our Constitution is necessary. If this State is going to survive the disadvantages imposed on it by war conditions and a concentration of manufactures and skilled people in the Eastern States, it will have to make strenuous endeavours to protect itself. I do not want to commit myself to any specific measure, but I would not put it beyond reasonable speculation that the Constitution might be altered to go back to the early days of Federation.

We might be allowed to have a reasonable tariff to protect our goods against the competition of the highly-industrialised Eastern States, and to build up the population here. Our Government might be allowed to bonus our manufacturers; to grant them a subsidy which is not permissible at the present time under the Constitution. At least we might have power to impose some dumping duties, which would prevent the Eastern States manufacturers sending their goods over here in unfair competition.

Mr. Cross: Do you expect the Eastern States to agree with that?

Mr. McDONALD: I do. If there is one thing which this war has taught anyone, or should have taught anyone, it is that it is just as dangerous to have this State unpopulated and unprotected as any other State. If the Eastern States are to prosper and defend themselves, then their first objective, even more than a consideration of their own interests, should be the building up of the outlying States. I do not think it would be impossible to secure their collaboration in some scheme of that kind.

A few words now about primary industries! It has been a completely indefensible feature of Australia's economy that the employees of Australia have been divided into two classes—those in the towns who are protected—and properly so—by arbitration awards governing wages and conditions, and those outside in rural industries who have no protection at all. This sort of thing cannot continue. It is quite correct, as my

friends on the right say, that if it does continue, there will be an end to our primary industries. Moreover, it is a matter of elementary justice in the administration of any country that a reasonable equality of treatment should be extended to all citizens. Bearing in mind a reference by the Leader of the Opposition, I recall a remark by Lincoln that no nation can remain half slave and half free, and I say this in relation to Australia and the disparity in the treatment between the protected workers in the city and the unprotected workers who are giving useful service in the country.

Mr. F. C. L. Smith: What would you say is the cause of it?

Mr. McDONALD: I cannot occupy much time in explaining that, but briefly the cause is that the industries protected by a tariff wall have a home market and a home price, while the primary industries, which rely mainly upon export and to only a limited degree on the home market, are compelled to compete with the rest of the world. That problem is not impossible of solution, and it must be solved if Australia is to maintain what has been and will be its great source of wealth, namely the primary producing industries.

I make no apology for introducing another subject because upon it depends this question whether we are going to have the responsibility and privilege of dealing with budgets in future. I refer to the defence of Australia. The Press yesterday published a statement by Sir John Latham, who was the first Australian Minister to Japan. He is a man, of all men, who uses words with a full sense of their value. One sentence was—

From our point of view, this is a war to save ourselves from extermination and extinction.

We cannot afford to pass over such words from a man who knows the Japanese mentality and aims better, I suppose, than does anyone else in Australia. The Acting Treasurer, in the course of his speech, said that our own State was particularly vulnerable on account of its vast coastline and sparse population. We all agree with him. In those circumstances, what is the role of the State and the State Parliament? Military defence is the primary responsibility of the Commonwealth Government, but I consider it is the role of the State Parliament—part of its responsibility—to make

suggestions and extend to the Commonwealth criticism in relation to the military and civil defence of our own State. If this Parliament or Government does not do so, who is more fitted to do it?

Members will agree that the war effort of Australia is falling far short of the supreme effort that is necessary. As we read the accounts of the battles at Stalingrad, we must realise what one country is doing to meet the realities of war which we have so far been spared, a country where soldiers and civilians alike are prepared to fight and fight to the last. Is it not equally essential that Australia and this State in particular should, like Russia, be a nation in arms in the fullest sense of the word? Is our war effort complete unless every able-bodied civilian is given some elementary training and is in a position to render military assistance to the regular troops in the event of our shores being invaded? I do not think anything short of mobilisation for military service of every able-bodied man in this State reaches the measure of defence at which we ought to aim.

Mr. F. C. L. Smith: Would you put them all in uniform?

Mr. McDONALD: Yes, and give them rifles. My remarks apply to the whole of Australia, but particularly to this State. If there should be an invasion of this State—I hope it will not occur but, in view of the warnings uttered by the Prime Minister, we are entitled to visualise and mention it—and if the people's homes are threatened, I believe tens of thousands of men not now in the Volunteer Defence Corps would be clamouring for rifles and uniforms in order to go out and do something to assist their country. The Commonwealth Parliament should consider this matter. Perhaps there are inherent difficulties that prevent this being done, but we in this country have not visualised the real and complete effort required of the 7,000,000 people in this island continent. Speaking in the hope that the Commonwealth Parliament may pay some attention to our views and feelings, I think the time for appeal has gone. The austerity appeal is excellent; I am behind the Prime Minister in that, but the time for appeal has gone. If we are to be austere or frugal, the Commonwealth Government ought at least to give us an austerity code, and tell us what we are required to do. In

England there is extensive rationing and, when we have rationing, we know just what we ought to do. In England, if there is no compulsory rationing of certain requirements, such as wood, coal and gas, the people are told how much they should use in their homes each week. Let us be given a target as in England; if that were done here we should know what the Commonwealth Government expected us to do to save under each heading.

The least we demand here in default of rationing, which takes time and organisation and money, is a clear indication of what we are to do to assist the war effort. To me it seems not beyond the power of the Commonwealth Government to tell people what is a fair amount to use in drink, what is a fair amount to use in tobacco, and what is a fair amount to use in fuel, and above all what is a fair thing to contribute to the loans for the war effort. I believe in compulsory loans; but, if we do not have compulsory loans, why could we not have a schedule made out based on men's incomes and their commitments? It could be set out that a man with £300 a year and two children does the fair thing, in the Commonwealth Government's view, if he contributes to this war loan so much a year; and if it is £15, for example, then let him put £10 into the next loan; and also let him put in £5 for the next following war loan or £5 into a war savings certificate. But do let us have at this stage, when the fate of the nation is in the balance, something clearer than we have had in the past. Do not let the individual judge merely on his own case, but let him judge against the inclination which naturally one desires to gratify owing to a long period of indulgence on what are normally quite reasonable pleasures or purchases, but which now are not permissible under the conditions obtaining. After all, even Moses was not merely told to be good, but was given the Ten Commandments. I do not think we are any less in need of the commandments than the prophet was.

Now a word of warning about wages! Australian wages under existing conditions are badly in need of rationalisation. I believe in liberal remuneration, especially for men working long hours under difficult conditions. But today employment is governed by manpower, and this sort of thing happens: One girl may be an assistant in a

private hospital, and she gets award wages of perhaps 35s. per week and her keep, and she cannot leave her position because the manpower people will not let her. Another girl of the same age and of no more ability or responsibility is manpowered into a munitions factory, and she gets £6 per week. I was told today of a youth of 16 or 17 years working in a State munitions factory who received £6 per week. The boy's uncle told me that is the pay he receives. Another boy is manpowered possibly in a machinery merchant's business or in a retail store; and he cannot leave his job under manpower restrictions, because he is wanted in that job and is essential to the business. That boy has an award rate of perhaps 35s. per week. Those are typical examples of two workers, one in this job and one in the other job, both of the same age, and one receiving two or three times the wage that the other gets.

Mr. Cross: Did not the Victorian Government give £230,000 as extra wages to its employees in order to keep them in their positions?

Mr. McDONALD: That would be only playing with the problem. There are other people who under war conditions are receiving two or three times their normal wages, and other people yet who are compelled to keep on—perhaps in retail shops in Perth—at the same old basic wage as previously. If a visitor from Mars came to Western Australia and had a look at our wages system in time of war, he would think this one of the strangest countries in existence. Our wages system is long overdue for rationalisation and justice and equality as between the workers.

Mr. Cross: Would you bring the whole lot down?

[The Speaker resumed the Chair.]

Mr. McDONALD: I did not hear what the hon. member said. Perhaps it was, "Bring the whole lot down." I say nothing like that. I say, give all the workers something like justice at fair wages. But there is another aspect—are not we laying up for ourselves a period of the utmost trouble after the war, when these people come back to normal wages, as they must do if we have to compete with the world? Will not there be, then, a sense of disillusionment and of discontent that will gravely threaten, at all events for a period, the ability of this State

to make the best move towards reconstruction and for restoring its people to civil life? I think this inequality of wages represents one of the greatest barriers to the success, or immediate success, of any venture we may make for reconstruction. In my opinion the matter should be adjusted without delay.

One has a sense of futility in speaking 2,000 miles away from Canberra. In this Chamber we may make the wisest statements, but I do not know that they are ever heard of by the authorities in Canberra. I hope our State Government will listen to the debate on the Budget, as well as to the debate on the Address-in-reply and other subjects raised during this session, and will, as part of its functions, make strong and continuous representations to the Commonwealth Government as to what we here think ought to be done about the war effort of this country. I do not think—to be candid, I am as much to blame as anyone else, I suppose—that we in Australia have had the imagination to visualise one half of what this country has to do if it is going to put up the best possible defence against a very determined aggressor of tremendous powers, which are still very largely unimpaired.

I hope, therefore, that if necessary, in view of the increasing gravity of the times, the Government will periodically consider and talk over, not in session but by way of private conversation between members, what it does in regard to matters of defence. I think the adoption of that suggestion might prove of advantage. We are seeing today such a wonderful defence by Russia that, I think, we all feel the need to examine our own country and to decide how far we are worthy to be an ally of a nation such as Russia. A period of self-examination will not do us any harm. I desire to say to the Government, on behalf of those sitting on these benches, that our services have been and continue to be available to it to the utmost of our power, to assist Ministers in doing the best they can for our State and for Australia in the testing period that may very shortly lie in front of us.

Progress reported.

BILLS (2)—RETURNED.

- 1, Feeding Stuffs Act Amendment.
- 2, Dried Fruits Act Amendment.
Without amendment.

ADJOURNMENT—SPECIAL.**THE DEPUTY PREMIER AND MINISTER FOR WORKS [4.41]:** I move—

That the House at its rising adjourn till Tuesday, the 6th October, at 2.15 p.m.

The reason which actuates the Government in moving the adjournment of the House for a fortnight is that the Prime Minister, on the 10th August, addressed the State Premiers asking for their co-operation in the stupendous task of raising a war loan of £100,000,000. I believe that of this huge amount the sum of £70,000,000 is new money. Following on that conference an assurance was given by the State Premiers that they would co-operate, and subsequently a letter was received by each State Premier suggesting that he should make broadcasts in support of the loan and also circularise the local authorities in his State requesting their co-operation. This has been done. The adjournment will afford members of both Houses an opportunity to visit their constituencies. Already Mr. Lloyd, the organiser of war loan raising in this State, has interviewed the Party to which I belong.

Hon. C. G. Latham: He has interviewed the other Parties also.

THE DEPUTY PREMIER: We have supplied Mr. Lloyd with a list of the members of Parliament and their constituencies, and have informed him they will be prepared to assist in organising efforts in their own districts from this date onward. In my opinion, that is where members can be most usefully employed at present. In this State there are about 150 local authorities, including municipalities and road boards. They represent in each case a sphere of influence. There are also other public organisations and bodies which will, I feel sure, throw themselves whole-heartedly into this effort. In consequence, members of Parliament—who are leaders in their districts—will be looked to by such bodies to give them full co-operation in this effort. The task is a stupendous one; and, although the actual date of launching the loan is still a few weeks ahead, the organisation is well in hand. We must put first things first. In respect of our Parliamentary duties, already this year two special sessions have been held, in addition to the present session. I remember saying to the Leader of the Opposition, during the term of the Menzies Government, that I felt our State Government would be loyal to whichever Commonwealth Govern-

ment was in power when it came to assisting Australia's war effort. I am confident we all feel that way, whatever may be our differences of opinion. I am certain that all our local authorities—indeed, every public body—and every member of Parliament will assist to the utmost in this task. The proposed adjournment will afford the required opportunity.

I am sure that after the adjournment, if the motion is agreed to, members will be in a position to proceed right ahead with the work of the session. Already the Budget has been delivered. There does not appear to be much debatable legislation before the House, and we should have ample time to complete the session's work after the adjournment. In the meantime, the inspiring appeal made by the Prime Minister himself, backed up by the assistance of members, who will place the position fairly and squarely before the people of the State, will have the desired effect. I am sure every Australian will be anxious to help. This is the largest loan that has been launched in Australia during the course of the war. I am satisfied the people of Australia will rise to the occasion and am fully confident that the citizens of this State will not be found wanting.

HON. W. D. JOHNSON (Guildford-Midland): I endorse all that has been said by the Deputy Premier, but I feel I must make some observations in regard to the atmosphere in which we are adjourning. Yesterday I heard the most serious charges, the most definite accusations of hypocrisy and corruption—according to the headlines in the Press—against our public life. Most definite and serious charges were made against the Police Department and its administration. The worthiness, the honesty and straightforwardness of our police force were questioned and accusations of a most serious character made against it. If we adjourn without some recognition that those charges will disorganise the public mind—

The Premier: Do you think the source of those charges was very responsible?

Mr. SPEAKER: I hope the hon. member will not enter into a discussion of the charges made. The matter is now on the notice paper for future discussion.

Hon. W. D. JOHNSON: I do not know that there is anything on the notice paper.

Mr. SPEAKER: Notice was given today.

Hon. W. D. JOHNSON: The matter is not actually on the notice paper.

Mr. SPEAKER: Notice was given.

Hon. W. D. JOHNSON: I recognise there might be something of that kind, but there is nothing on the notice paper at the moment.

Mr. SPEAKER: I am ruling that notice has been given, and ask the hon. member not to enter into a discussion of the matter.

Hon. W. D. JOHNSON: I do not propose to do that. The position is that in ordinary circumstances one would go away with the utmost enthusiasm, and with the full realisation that one was going away for a purpose and that the affairs of the State could well be left as they are. But today every member must appreciate that the administration of the State is under a cloud. I do hope the Premier will give an assurance to the people of the State that these definite charges will be investigated during the adjournment, and that Parliament will be afforded the very earliest opportunity on its re-assembling to consider a definite report from the Government as to its attitude towards the statements and charges made. I submit that we have a duty as public men to the public life of this State, and that we cannot ignore this matter for a fortnight. We cannot allow it to hang over our heads and to be in suspense for a fortnight, particularly when the public Press this morning gave for public consumption a report of the charges made, with special headlines. Those charges were of a most definite character. I have been in Parliament for many long days and have never heard a graver indictment of public men than I heard last night.

The Premier: You may have heard that member making such charges before.

Hon. W. D. JOHNSON: It is not often that we hear such definite charges. I hope the Premier will not pass the matter over and try to comfort the public mind by expressing the opinion that after all the statements were irresponsible. They were not so irresponsible that they did not reach the leading columns of the newspaper. The charges received a special report with special headlines. The public take that as coming from a member of Parliament who is responsible, who is a representative of the people and part and parcel of this Chamber. He should be called upon either to justify the confidence of the public in

electing him and substantiate the charges he made, or there should be changes in other directions by which we can have an assurance that the standard of public life is not as low as the hon. member's speech would lead us to believe.

MR. McDONALD (West Perth): I support the motion. The reason for this £100,000,000 loan is directly associated with the defence our Army is putting up in New Guinea today.

Hon. W. D. JOHNSON: I am not opposing the motion.

Mr. McDONALD: For the influence of members of this House to be exercised when the loan had almost closed would be no good. The time to get to work is now, when there can be organisation throughout the whole State towards making the loan a success. With the Deputy Premier I feel that the House would be guilty of a grave dereliction of duty if it failed to give the necessary time to assisting the Prime Minister in raising this money.

THE DEPUTY PREMIER (in reply): All the assurance I am going to give the House is that the innuendoes and misrepresentations made by the member for East Perth will be dealt with in due course, and also some of the misrepresentations of the irresponsible member for Guildford-Midland who took it upon himself to lecture the Government. Let him get out and do his job the same as we have decided to do! Never mind lecturing the Government! We have no apologies to make. We will go out and do our job during this recess and afterwards.

Question put and passed.

House adjourned at 1.55 p.m.