

pounds that will be raised. While sweeps are countenanced, we should be allowed to take advantage of the position and raise additional funds from them.

Hon. J. Cornell: That is certainly the policy of a desperado.

The MINISTER FOR COUNTRY WATER SUPPLIES: That does not mean to say that we will manufacture sweep promoters, as has been suggested.

Hon. E. H. Harris: They will crop up like mushrooms.

The MINISTER FOR COUNTRY WATER SUPPLIES: They will not be allowed. Permits have been given for a few sweeps to be conducted between now and the 31st December. Before that time has elapsed, a proper scheme will be established that will give the Government adequate control. I again refer to a point I mentioned earlier, when I said that we cannot tax the people into prosperity. Those that we are taxing are those who can indulge in pleasure seeking.

Hon. J. Cornell: At a bob a ticket.

The MINISTER FOR COUNTRY WATER SUPPLIES: The price of the ticket is immaterial. When we have regard to the total amounts involved, it will be seen that in the aggregate the value is high. A tax upon what is regarded as a luxury is different from the imposition of a tax upon the whole community. The moment we tax the whole of the community, we withdraw from circulation money that could be put to much better use. To members who voice that opinion, I say that if we persist in taxing the people, we cannot bring down the cost of production.

Hon. W. J. Mann: We are considering taxing measures every day.

The MINISTER FOR COUNTRY WATER SUPPLIES: But they are not designed to take money out of the pockets of the people and interfere with industry.

Hon. W. J. Mann: They are not putting money into the pockets of the people.

The MINISTER FOR COUNTRY WATER SUPPLIES: The hospitals bill is the one exception. The Bill under discussion has certainly had a mixed reception, but members might well consent to put the Government in a position to collect a few thousand pounds from sweeps until next session, when we shall be prepared to submit a measure which I am sure will re-

ceive the approbation of Parliament, and which will place sweeps in a much more satisfactory position than they are in today.

Question put and a division taken with the following result:—

Ayes	..	..	..	..	10
Noes	..	..	..	..	11

Majority against .. 1

#### AYES.

Hon. C. F. Baxter	Hon. G. W. Miles
Hon. V. Hamersley	Hon. Sir C. Nathan
Hon. A. Lovekin	Hon. E. Rose
Hon. J. M. Macfarlane	Hon. H. Stewart
Hon. W. J. Mann	Hon. G. A. Kempton
	(Teller.)

#### NOES.

Hon. F. W. Allsop	Hon. J. J. Holmes
Hon. J. Cornell	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. J. Nicholson
Hon. G. Fraser	Hon. H. Seddon
Hon. E. H. H. Hall	Hon. E. H. Gray
Hon. E. H. Harris	(Teller.)

Question thus negatived; Bill defeated.

*House adjourned at 9.5 p.m.*

## Legislative Assembly,

*Tuesday, 25th November, 1930.*

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

## FARMERS' DEBTS ADJUSTMENT BILL SELECT COMMITTEE.

*Extension of time.*

**THE ATTORNEY GENERAL** (Hon. T. A. L. Davy—West Perth) [4.38]: I move—

That the time for bringing up the select committee's report be extended till Thursday, the 27th November.

I should like to tell members that the committee have made very good progress. We have sat continuously since being appointed, and have completed the evidence. We are now engaged in framing certain amendments to the measure, which we hope we shall be ready to present to the House next Thursday.

Question put and passed.

### BILLS (3)—THIRD READING.

- 1, Entertainments Tax Act Amendment.
- 2, Friendly Societies Act Amendment.
- 3, Land Act Amendment.

Transmitted to the Council.

### BILL—HOUSING TRUST.

*Standing Orders Suspension.*

On motion by the Premier, Standing Orders suspended to permit of the Bill passing its remaining stages at this sitting.

*Report.*

Report of Committee adopted.

*Third Reading.*

Bill read a third time and transmitted to the Council.

### BILL—HOSPITAL FUND (CONTRIBUTIONS).

*Second Reading.*

Debate resumed from 20th November.

**MR. MARSHALL** (Murchison) [4.45]: I suppose very little can be done to retard the imposition of this tax. It is evident from the discussion on a Bill which passed this Chamber some time ago that Government supporters are determined that this

measure shall become law. I would not have raised so much objection to it were it not for its all-embracing character. A large section of the community has for years insured against the cost of hospital treatment, and paid away large sums for that purpose. These people have financed their hospitals and done a great deal toward helping themselves. There are others, however, who have done nothing whatever in this direction. They have been utterly indifferent to their own welfare, and have been of no assistance whatever to the Government in the matter of the cost of hospital maintenance. If this tax was designed to apply to those indifferent persons, I would not so much mind it, but it will be imposed equally upon those who have been paying out as much as £5 a year towards the support of their local institutions. To tax people, who are already generous, to the extent of 1½d. in the pound on the wages they earn is to duplicate the tax they already pay whereas the others will be taxed only on the basis of 1½d. in the pound. The Bill will therefore, hit the generous section of the community as well as those who are indifferent.

**Mr. Munsie:** They will also have to continue to pay for their hospital treatment just the same.

**Mr. MARSHALL:** Those who are now insuring themselves against hospital treatment are paying as much as 2s. 2d. a week and these will be hit doubly hard. Through their voluntary contributions they have made it possible to keep a doctor in their centre and to relieve the Government of a great deal of responsibility. If they will free hospital treatment to go on, they will have to continue paying 2s. 2d. a week on top of the special tax that is to be imposed upon them. In addition to helping themselves, they are also assisting in the maintenance of the sick and indigent persons living in their centres. Notwithstanding their generosity the only consideration the Government intend to mete out to them is to put them on the same basis as those who have done nothing to maintain any hospital. In Committee I am going to move an amendment to reduce the tax unless the Minister will agree to some method by which the people I speak of are rendered exempt from paying the tax. I cannot see what is in the Minister's mind that he should increase the financial burdens upon those

who are already doing so much for themselves. The measure that was brought down by the previous Government went a long way towards the exemption of these people, but the Minister now proposes to put on the same level those who are helping themselves and those who are doing nothing. It is grossly unfair to bring down an all-embracing tax of this nature. On the goldfields it is one of the conditions of employment that the workers shall contribute to the local hospital fund. Large sums of money have been raised by these weekly subscriptions, but I fear the people will resent the tax so much that they will allow the whole burden to fall upon the shoulders of the Government. Contributors will not tolerate this tax to the extent of keeping up their voluntary contributions. When people are coerced into paying out money in the way proposed there is always a tendency on their part to avoid payment. Surely in the circumstances a little reciprocity might have been expected on the part of the Government to the end that some exemption would be provided for the communities on whose behalf I am speaking. In Wihuna, for instance, the voluntary contributions used to be at the rate of 6d. a week, but they have now risen to 2s. 2d. Despite this, the Government want to get further moneys out of them.

Mr. Willecock: And the men are all getting over £230 a year.

Mr. MARSHALL: They cannot hope to secure free treatment under the Bill because they are all drawing above the amount of exemption. I do not know why the Minister sticks so firmly to this measure. He should be only too glad to encourage those who are already helping themselves. Without the contributions they have for years made to the Treasury, the Government would have been obliged to find the deficiency from Consolidated Revenue. Particularly would they have been obliged to put up sufficient funds as a guarantee for the local doctors.

Mr. Withers: The public will not go on contributing on a voluntary basis.

Mr. MARSHALL: That is so.

The Minister for Health: What are those people contributing now?

Mr. MARSHALL: They are finding up to 2s. 2d. a week.

The Minister for Health: Not for hospitals; for doctors.

Mr. Munsie: For hospitals and doctors.

Mr. MARSHALL: I admit that certain complaints are treated free, but the hospitals will not take certain other cases. I hope the Bill will be defeated if the exemption is not increased. I do not know what action the local people will take, but I do know they will not continue to contribute 2s. 2d. a week. Perhaps I would be correct in saying that all members of friendly societies are in the same position as the communities I speak of.

Mr. Munsie: All who are earning above the exemption amount are in the same boat.

Mr. MARSHALL: Members of friendly societies contribute so much a week and insure against hospital treatment. They are all entitled to consideration. It is not fair to tax communities who have been so generous. I earnestly hope the Minister will show a little more consideration for them. The Bill will reflect upon the Government and give them a great deal of trouble. It will also lead to a far greater financial liability than they at present expect.

**HON. M. F. TROY** (Mt. Magnet) [4.58]: I rise to express my opposition to the Bill, for the reason that it imposes disabilities upon people who have already shouldered their responsibilities very well in the matter of hospital treatment and maintenance generally. The Minister expects a revenue of £150,000. His estimate is based on last year's figures, but these are misleading. The position cannot be as good as it was 12 months ago. The incomes of the people will not be so great, and salaries and wages will be smaller than were paid during last year. Furthermore, there are many more people out of employment this year. The Minister will have to moderate his estimate very much, for he will not receive the amount he anticipates. Many of the sources of wealth of this country have been seriously affected, and the fountains from which charity so readily sprung have to a large extent been dried up. For years past people in the mining areas have taxed themselves for the upkeep of committee hospitals, and have sacrificed themselves in a most complete manner. I admit they have received certain benefits for that. Under the Bill, however, they are to pay a tax and will not get any benefit from it. If they require in the future the benefits they have had in the past, they must tax themselves again, in addition to

paying the taxation under this measure. The people in the more remote portions of the State—I do not refer to the people in the metropolitan area, because they have not in the past taxed themselves for hospitals—will be called upon to pay double the taxation they now pay in order to reap in the future the benefits they now enjoy from the hospitals. That is all they can expect from this measure. The committees controlling hospitals in the back country have great responsibilities. In the mining areas especially, the hospitals have to be prepared to cope with accidents. In addition there are now probably a larger number of indigent cases on the goldfields than anywhere except in Perth, due to the fact that our prospectors have become aged and in many cases indigent. They have not been able to make provision for the future, but are still dependent upon their labour to live. Nowadays they get very little return from their enterprise. The mining industry, unfortunately, has been depressed. Some of the prospectors for years and years have worked for practically nothing. There are large numbers of these old men now; and when they go into a hospital, the hospital must maintain them. Thus small communities on the goldfields, until lately the least prosperous portion of the State, are called upon to shoulder an additional burden. They will have to pay this tax, and then tax themselves locally in order to secure the benefits they have enjoyed. This legislation is not of the slightest value to our people. It does not confer the slightest benefit upon them. Rather does it impose a further penalty in order that they may retain the benefits they now enjoy. I speak of a town in my district where the people subscribed £9,000 to build a hospital, which is their property while they use it but will afterwards become the property of the Government. I protest against this legislation. If the people who are to pay the tax were to get some benefit, I would not raise so much objection, but would say that in the circumstances something must be done. Men on wages and salaries on the mines receiving in excess of £230 a year will, if they are married, have to tax themselves additionally. I object to this measure. So far as the outback districts are concerned, it confers no benefit whatever but imposes a disadvantage.

Question put, and a division taken with the following result:—

Ayes	..	..	..	21
Noes	..	..	..	19
				—
Majority for	..	..	..	2
				—

#### AYES.

Mr. Angelo	Mr. McLarty
Mr. Barnard	Sir James Mitchell
Mr. Brown	Mr. Parker
Mr. Davy	Mr. Patrick
Mr. Doney	Mr. Piessie
Mr. Ferguson	Mr. Richardson
Mr. Griffiths	Mr. Scaddan
Mr. Keenan	Mr. J. H. Smith
Mr. Latham	Mr. Thorn
Mr. Lindsay	Mr. North
Mr. J. I. Mann	(Teller.)

#### NOES.

Mr. Collier	Mr. Munsie
Mr. Corboy	Mr. Panton
Mr. Hegney	Mr. Sleeman
Mr. Johnson	Mr. Troy
Mr. Kenneally	Mr. Walker
Mr. Lamond	Mr. Wansbrough
Mr. Lutey	Mr. Willcock
Mr. Marshall	Mr. Withers
Mr. McCallum	Mr. Wilson
Mr. Millington	(Teller.)

#### PAIRS:

AYES.	NOES.
Mr. Sampson	Mr. Cunningham
Mr. Wells	Mr. Coverley
Mr. Teesdale	Miss Holman

Question thus passed.

Bill read a second time.

#### Message.

Message from the Governor received and read, recommending appropriation for the purposes of the Bill.

#### In Committee.

Mr. Richardson in the Chair: the Minister for Health in charge of the Bill.

Clause 1—agreed to.

Clause 2—Contributions to the fund:

Mr. SLEEMAN: This clause should not be allowed to pass without a protest being voiced. We ought to stop the Bill from going through, or at least prevent this rate of tax from being imposed. How is the Fremantle Hospital, which is now going to the bad at the rate of £5,000 a year, to avoid being worse off under the Bill? The only hospitals which can possibly benefit are Gov-

ernment hospitals. Committees controlling hospitals should resign if this measure passes. I will resist the Bill to the last ditch. Paragraph (a) of Subclause 2 refers to exemption from liability to contribute to the fund, but how many people will secure exemption? Persons earning even £25 a year will have to pay the tax, and then will have to go through departmental red tape to obtain refunds. A man earning just over £230 a year will be taxed without obtaining any benefit. I move an amendment—

That in line 1 of paragraph (a) the words "one penny" be struck out.

This will reduced the tax to one halfpenny in the pound.

Mr. MARSHALL: I support the amendment, for the obvious reason that it is unfair for the Government to tax those sections of the community which have always been prepared to look after themselves. Moreover, a Bill recently passed was so cutely worded as to lead people to believe that unless one earned £52 a year one would not be subject to taxation. Later it was discovered that anyone earning a week's pay at the rate of £52 a year would be taxed. In the circumstances, a tax of one-half-penny in the pound should suffice. Even that amount will be too much to levy upon people who have paid for their own hospital treatment in years gone by. The Bill means that the casual worker who is in employment for a week and then out of work for months, will have to pay a tax of 1½d. in the pound on the wages he earns. That is unjust.

Hon. W. D. JOHNSON: I have previously stated that I consider the Bill unjust. It is purely a taxing proposal. Under the Bill submitted by the Labour Government, it was proposed to provide hospital accommodation for those who paid the tax, but nothing of that sort is included in the Bill now under consideration. Much of the tax will relieve revenue, and I oppose the imposition on principle, because it is wrong. Even the tax of 1½d. in the pound will be wrong, but it will certainly be less wrong than one of 1½d. in the pound. A graduated tax would enable those best able to pay to contribute in accordance with their capacity to pay. Members representing country districts must appreciate the unfairness of

the proposal and must have received protests regarding the imposition of the tax.

Mr. BROWN: I am surprised at the inconsistency of the Opposition. During the second reading debate on the Bill, they preached that insufficient money would be provided for the hospitals under the Government's proposal and now they seek to reduce what money will be contributed by the public. I am much opposed to increased taxation, but I do not know how it can be avoided.

Hon. W. D. JOHNSON: There is a better way of imposing it. You would not support a policy that is wrong!

Mr. BROWN: I fail to appreciate how it is wrong. The Opposition members have not mentioned anything better.

Hon. W. D. JOHNSON: Why not increase the income tax?

Mr. BROWN: And then the few only will continue to pay the impost, and not sufficient money will be raised for the hospitals. The tax suggested is equitable because everyone will contribute towards it. In these times of financial stress, everyone must be prepared to make sacrifices to enable the State finances to be balanced.

Amendment put and negatived.

Mr. MUNSIE: I again draw the attention of the Minister to paragraph (b) of Clause 2. As it stands, it applies to every section of the community. As a matter of fact, the Minister will find that he will not collect one-third of the amount that he hopes to raise from the imposition of the tax because advantage will be taken of Clause 10 of the Hospital Fund Bill. That clause was included to overcome legal objections that might be taken by employees of the Federal Government. That will not be the only limitation. I could take exception to the tax under that clause, and the Government would not have any power to deduct the tax from my salary. The Government have practically invited people to lodge objections under the terms of Clause 10.

The Minister for Health: The objection will have to be in writing to the Commissioner of Taxation.

Mr. MUNSIE: That will entail no trouble. When he was Leader of the Opposition, the present Premier took exception to a similar proposal that we embodied in our Bill. He said we intended to make the

employers tax collectors for us, and that the employers would not agree to be placed in that position. I now take that objection against the Government's Bill. If the employers refuse to deduct the tax, that will be the end of the measure. The Minister will not agree to any alteration to his Bill, although I merely desire to get more money for the hospitals.

Mr. MARSHALL: I move an amendment—

That in line 1 of paragraph (b) the words "one penny" be struck out.

The Minister will not object to my amendment because it applies to wages and salaries specially mentioned in paragraph (b). The effect of the paragraph is that anyone who accepts sustenance as part of his wages will have to pay the tax. I do not know of any more atrocious proposal submitted to Parliament than the Minister's suggestion that he should take from people, who have had to apply to the Government for sustenance, a tax upon wages that include the sustenance. I appeal to the Government to exclude from the payment of the tax those who receive sustenance.

The Minister for Health: It will not come from sustenance.

Mr. MARSHALL: The Minister cannot say that in view of the provisions of the Hospital Fund Bill. This means that those who receive a pound a week will have to pay the tax, and their employers will have to deduct the tax from the wages paid.

Mr. Kenneally: And the Government defeated an amendment that would have excluded those people.

Mr. MARSHALL: That is so. It is the cruellest form of taxation that has been attempted since I have occupied a seat in this Chamber.

Mr. SLEEMAN: I hope the member for Murchison will be more successful than I was. The Minister should listen to reason and recognise that the casual worker, or the man on sustenance, should not be taxed. A man working out sustenance to the extent of 30s. a week will be taxed; a man drawing £2 2s. a week by way of sustenance and doing no work for it will escape taxation.

The Minister for Health: This will not exempt him.

Mr. SLEEMAN: We are justified in fighting the Bill until the Minister listens to reason and extends consideration to the men

in question. It is unfair that a man receiving a little over £230 a year, and having a large family to keep, should not be eligible for hospital treatment in return for the tax payable.

Mr. PANTON: The Minister should indicate how far he proposes to carry the tax. Surely he does not intend to tax the inmates of an institution like the Institute for the Blind who may be earning £1 or £2 a week. The Government subsidise the institution to the extent of £2,800 a year to keep the inmates employed and contented. Do the Government intend to give with one hand and take away with the other hand?

The Premier: I let you off a little the other night.

Mr. PANTON: That is so. The probationer nurse in the Perth Hospital receives 10s. a week and board and lodging. She will be taxed 1½d. per week. It is despicable to ask a girl to work 52 hours a week for 10s. and then take 1½d. by way of taxation. The Minister should agree that people in institutions should not be taxed. If he will not give an assurance, I shall support the amendment. The member for Pingelly said we were not consistent. The hon. member is the only one on that side of the House who has spoken on the Bill. We heard something about the discipline of members when the Labour Party were in power, but that was nothing compared with the discipline exercised over supporters of the present Government.

The MINISTER FOR HEALTH: All these questions were discussed on the assessment Bill. The member for Murchison does not desire to exclude from taxation men receiving high salaries.

Mr. Sleeman: He is entitled to do anything to wreck the Bill.

The MINISTER FOR HEALTH: If that is the intention, he will not get anywhere. I am not going to tax people who are on sustenance. No such thing will happen.

Mr. Kenneally: Of course you are.

The MINISTER FOR HEALTH: I repeat that I am not.

Mr. Panton: But if a man is working out his sustenance, he will be taxed.

The MINISTER FOR HEALTH: Regarding the blind people and probationer nurses, the clause applies just the same as that in the Bill which was introduced by the member for Hannans. If the amend-

ment were accepted, everyone receiving salary or wages would be excluded from the operations of the Bill.

Hon. W. D. Johnson: Will you meet us to the extent we wish to be met?

The MINISTER FOR HEALTH: The opportunity was missed when the assessment Bill was before us.

Hon. W. D. Johnson: It was refused.

The MINISTER FOR HEALTH: The tax is a flat one and will affect rich and poor in proportion to their incomes.

Mr. McCALLUM: The Minister has deliberately thrown out a smoke screen. He says it is not intended to tax the man drawing sustenance, but if a man works for his sustenance, he will be taxed. The Minister proposes to tax the maimed, the halt and the blind, and will not exempt even those subsisting on State charity.

The Minister for Health: Not State charity.

Mr. McCALLUM: So long as a man works for his sustenance, he must pay the tax. A man in Blackboy Camp who does a day's work will have to pay, but if he sits idling in the camp, he will not pay. How is it that the independent primary producers are silent on the measure? Not one of them dares raise his voice in opposition to the Minister. All these things are decided upstairs. Members' opinions are moulded and decisions arrived at for them.

The Minister for Health: You flatter me.

Mr. McCALLUM: It is obvious that the Minister is trying to camouflage the situation and does not want the public to know just how brutal this tax is going to be. Why does not the Minister stand up courageously and tell the people exactly what the Bill means. Perhaps the Minister hopes that when the Bill reaches another place it will be thrown out. Then his speeches in this House will be quoted to show what he intended to do.

Amendment put and negatived.

Mr. SLEEMAN: To give Ministers an opportunity to say whether or not they are prepared to exempt certain people, I move an amendment—

That the following words be added to the clause:—"Provided that no tax shall be imposed under this Bill on any casual worker until he shall have earned £52 in that year."

The CHAIRMAN: The clause has already been put to the Committee on the question

"That the words proposed to be struck out stand part of the question." The Committee decided that the words should stand part of the clause, and therefore I cannot accept the amendment. The amendment is purely a proviso and should have been added to the clause when under discussion. I rule the amendment out of order.

Mr. SLEEMAN: Do I understand you to rule that because the Committee agreed that the words it was proposed to strike out should stand, I am now not able to move an amendment to the clause; or must I let the clause go through and submit my amendment as a new clause?

The CHAIRMAN: The hon. member should have moved the proviso while the clause was under discussion.

Hon. W. D. JOHNSON: I submit that the object of the proviso is to reduce the amount of the tax. If it was in order to move that "one penny" be struck out, then it is equally in order to move in the direction of preventing the tax from applying to certain people. The clause is still before the Committee and any amendment may be submitted until the clause is adopted. If we are to let your ruling stand, that the hon. member's amendment is out of order, the scope of the Committee will be limited in the future in respect of other measures. I submit that the clause is still before the Committee and therefore may yet be amended.

Hon. P. COLLIER: What is the question before the Chair?

The CHAIRMAN: The question is that the clause stand as printed.

Hon. P. COLLIER: Has that been carried?

The CHAIRMAN: No.

Hon. P. COLLIER: Then the amendment is in order.

Mr. PANTON: Do I understand that in respect of this particular clause we are still able to add to or take from it? The member for Murchison endeavoured to amend paragraph (a) by striking out the words "one penny." That amendment was defeated. Then the member for Fremantle endeavoured to amend paragraph (b) and you, Mr. Chairman, have not yet put the question that the clause stand as printed. Until that is done the clause is before the Committee. I will admit that it would be impossible to attempt to amend any part of the clause before the words "one penny."

The ATTORNEY GENERAL: It does not seem to me that the member for Fremantle is out of order, because we still have to decide the question whether the clause shall stand as printed. We have just decided that the words it was proposed to strike out should stand part of the clause. Does that not leave the whole of the clause still open to discussion? I imagine so. Apart from that, however, the amendment is irrelevant to the scope of the Bill.

Mr. Panton: It is a different question the Chairman is now asked to decide.

The MINISTER FOR HEALTH: The point I raised the other night that an amendment that had been moved was contrary to Section 46 of the Constitution Act, I submit, can apply in this instance also. I would like your ruling on this point.

Mr. PANTON: Your ruling, Mr. Chairman, if given effect to will mean a great deal to this Committee in future. It will mean that we shall never be able to deal with a clause thoroughly before it is carried. I should like you to deal with that question.

The CHAIRMAN: I must confess to the Committee that when the member for Fremantle rose to move his amendment I was under the impression that the Committee had passed the clause as printed. I admit now I was in error. I think the hon. member's amendment is in order but the Minister for Health has raised the point that as I ruled out of order an amendment that was moved on the previous sitting I must also rule out this amendment on similar grounds. On those grounds I cannot accept the hon. member's amendment. I regret the error I made in the first instance; it was made under the impression that the whole clause had been put and passed.

Mr. SLEEMAN: Seeing that you have ruled my amendment out of order, I feel that I cannot let the Bill go through without having another parting shot at it. I move an amendment—

That in the second last line of the clause the words "every such person" be struck out.

I submit this amendment because I do not think "every such person" should be asked to pay this tax. If the Minister wants to be fair, he should not collect the tax from people who are working for sustenance. It is not desirable that the Bill should be sent to another place in this form. We should put it in order before it leaves this House.

The only thing left for me to do is to move to strike out the words I have quoted in the hope that the Minister will guarantee the casual workers not earning £52 a year will not be taxed, or that the people working out their sustenance will not be taxed. If the Minister were to promise that he would instruct the Government paymaster and also ask the local governing bodies to instruct their paymasters not to deduct the tax from the sustenance, it would go a long way.

Mr. Panton: What would the Auditor General say about that?

Mr. SLEEMAN: We could find some way out of the difficulty.

The MINISTER FOR HEALTH: I cannot accept the amendment. We have already passed the stage where we empowered employers to deduct the tax, and this paragraph deals only with those who shall pay the tax. I cannot believe that the hon. member wishes to prevent us from collecting hospital tax from those who are able to pay. I hope he will not press the amendment, for it would only destroy the paragraph.

Mr. SLEEMAN: I do not object to the collection of tax from people who can afford to pay it, but I do object to the collection of tax from those who cannot afford to pay. Before the year is out there will be thousands who will be taxable under the Bill, notwithstanding that their earnings have not reached £52 for the year.

The Minister for Health: They will be able to get a refund.

Mr. SLEEMAN: The Minister rightly believes they will not apply for a refund. Even people living in Perth would find it more trouble to secure a refund than the refund would be worth, while people living in outlying districts would certainly not find it worth while to endeavour to save the paltry few shillings at stake. There are all those people who will be taxable under the Bill and who should get free hospital treatment, but who will not get any benefit whatever from the Bill. The Bill is full of anomalies.

The Minister for Health: Another place will correct anything of that sort.

Mr. SLEEMAN: I do not want another place to have to do our work. I hope the Committee will agree to the amendment and so bring the Minister to his senses.

Amendment put and negatived.



Clause put and passed.

Title—agreed to.

Bill reported without amendment, and the report adopted.

## BILLS (2)—RETURNED.

1, Roads Closure.

2, Reserves.

With amendments.

## BILL—TOTALISATOR DUTY ACT AMENDMENT.

### *Second Reading.*

Debate resumed from the 19th November.

**MR. MUNSIE** (Hannans) [6.10]: This is another of the Treasurer's little Bills from which he is going to get revenue. For once I think he has estimated correctly what he will get if the Bill becomes law, namely £10,000. The main purpose of the Bill is to give the Government  $1\frac{1}{2}$  per cent. more from totalisator investments than they are getting now. While it increases the total deductions by only 1 per cent., it reduces the amount collected by the clubs running totalisators by  $\frac{1}{2}$  per cent., making the percentages total  $13\frac{1}{2}$  per cent., of which  $7\frac{1}{2}$  per cent. will go to the Government and 6 per cent. to the clubs. That is what the Bill aims at. The Premier expects to get £10,000 from the Bill. I think that estimate is about right, because the probable falling off in the total receipts has to be taken into account. During the last three months in Western Australia totalisator receipts have fallen considerably, as indeed they have in every other State of the Commonwealth. Last year the Government collected from their 6 per cent. on the total takings on the totalisator, £61,155. Adding  $1\frac{1}{2}$  per cent., if they have the same investments on the totalisator this year as they had last year the Government will receive this year an extra £15,788, making a total of £76,943. But I am sure there will not be totalisator investments this year corresponding with those of last year; and so, probably the Premier's estimate of an extra £10,000 will prove correct and will bring the total to £71,155. Many members of this House and a fair number of people outside, believe it

does not matter how much we tax the sporting community, that they are well able to pay, and even if they are not it would be a good job if sport were taxed out of existence. I do not agree with that. I do not wish to see the people of this State or any other State deprived of their sport. From a general revenue point of view, and not from the point of view of what the sporting man pays direct to the Treasury, I believe the sporting community in this or any other country are the best spenders, and so put more money into circulation than does any other section of the community handling an equal amount of money.

The Premier: Then they must have more.

**MR. MUNSIE**: No, it is that they spend more freely.

**MR. H. W. Mann**: And no people are more charitable.

The Premier: I agree with that.

**MR. MUNSIE**: No people are more charitable. The Government get a lot of revenue from the sporting people in ways other than through the totalisator tax. Presently I shall quote some figures to give an idea of what the sporting public do pay in this State. But I am afraid if the Premier goes much further in the taxing of sport he will kill the goose that lays the golden egg.

The Premier: That is not original.

**MR. MUNSIE**: No, but it is worth repeating. As I have just pointed out, the Premier received £61,155 from the totalisator tax alone last year. This year, if he gets the Bill through, he will receive £71,155 from that source; that is, provided his extra  $1\frac{1}{2}$  per cent. does not prevent a considerable number of people from betting on the totalisator. Some people have the idea that the totalisator is always the fairest method of betting.

*Sitting suspended from 6.15 to 7.30 p.m.*

**MR. MUNSIE**: Many people imagine the totalisator pays a greater percentage by way of dividends than do the bookmakers. I am prepared to admit that on every occasion the patrons of the totalisator get some return from a race. There are cases when an outsider wins and the bookmakers pay nothing. There is no doubt in the mind of anyone who knows anything about racing or betting that the bookmaker gets nothing

like 12½ per cent. on his total turnover, such as is taken by the totalisator. If the Bill becomes law this figure will be increased to 13½ per cent. on the amount invested. If the bookmakers secured that, there would soon be no punters left. I should like to show what the sporting community do pay. First of all, I would emphasise the fact that there is no tax imposed upon the general public that is not borne also by the sporting community. Those who engage in this class of sport pay income tax, land tax, municipal and road board rates and everything else that is paid by the general community. On top of that, members of the sporting community paid last year £81,155 in totalisator duties to the Government, and £999 in totalisator licenses. The tax on bookmakers' tickets last year was £6,286. The stakes tax, which is a special tax imposed on horse-racing and represents a percentage deducted from the stakes won, yielded £2,342, and the entertainments tax paid for admission to the races yielded £1,775. This State therefore collected in revenue from the sporting public, in addition to what was collected from other taxes, £73,553. The Bill proposes to increase that amount by £10,000. Already we have passed an amendment to the Stamp Act which will increase the amount paid in stamp duty on bookmakers' tickets by £5,000. That will mean a payment by the sporting community of no less than £88,553. That would not be so bad if it were all. Last year the 6½ per cent. deductions from the totalisator takings of the clubs represented a payment of £66,251. In fractions kept from the totalisator, more particularly in the case of 5s. dividends, the public paid in round figures £40,000.

Mr. H. W. Mann: How do you ascertain the fractions?

Mr. MUNSIE: The hon. member can get that information from the balance sheets of the five race clubs.

The Premier: I was informed it was £23,000 last year.

Mr. MUNSIE: From horse-racing alone. The Premier: Yes.

Mr. MUNSIE: The fractions from the totalisator from trotting meetings in Perth last year were £11,000. The last two figures I gave make a total of £106,000, which added to the £88,000 I have already given, make the total payment for last year £194,784.

The Chief Secretary: The fractions were not taxes.

Mr. MUNSIE: The represented taxation on the sporting public. Of course the clubs get that. The public should get more of the fractions than they do. The last time the totalisator Act was amended I fought hard for an alteration to provide that wherever a 5s. dividend was paid, whether straight out or for a place, it should be paid to the nearest 6d., but I was defeated. I had an experience at a trotting meeting some time ago. I thought I was going to make a few shillings and put £2 on a horse for a place. I received back £1 16s. for a win. The 12½ per cent. deduction showed me a loss, and it cost me 1s. for every 5s. I invested.

Hon. M. F. Troy: You were lucky not to lose the lot.

Mr. MUNSIE: We are to discuss later on the Winning Bets Bill, from which the Premier anticipates a revenue of £5,000. If it goes through he will get at least £75,000, bad and all though the depression may be.

Mr. J. H. Smith: For only two or three months.

Mr. MUNSIE: It will soon cease because the public will not pay. We have heard a good deal of argument as to why the railways are not paying. The Traffic Act has been amended because of the competition with the railways on the part of motor transport, and other reasons have been advanced for the position. Actually, money is being fleeced from the sporting public on every occasion when a sports meeting is held. When the Royal Agricultural Show is held the fares to Claremont from Perth and Fremantle by rail are reduced 33⅓ per cent. If a man wants to go to a race meeting by train he is charged double the ordinary fare, and in some instances treble.

Mr. H. W. Mann: Three hundred per cent. more.

Mr. MUNSIE: I have ascertained what the rail fares are to the four metropolitan race-courses. To headquarters the ordinary first-class fare is 1s. 6d., but on race days it is 3s. 3d., an increase of 1s. 9d.

The Premier: When was that done?

Mr. MUNSIE: It has been going on for the last ten years.

Mr. McCallum: It was there when you were in office before.

Mr. MUNSIE: The public are being robbed. On the occasion of the last race meeting at headquarters the department cut out one train, and no doubt they will have to cut out another. It pays people to go to the post office and travel by taxi because it is cheaper for them to do so. If the railways want more revenue they can get it by charging reasonable fares. The second-class fare to that part of the metropolitan area is 1s. on ordinary days, but on race days it is 2s. 3d. To Helena Vale the ordinary fare is 2s. 10d. first class, but on race days it is 3s. 3d., an advance of only 5d. The second class fares are 1s. 10d. and 2s. 3d. respectively, again an advance of 5d.

The Minister for Railways: No ordinary train goes to Helena Vale.

Mr. MUNSIE: These fares are taken to the nearest railway station.

The Minister for Railways: That is a long way off.

Mr. MUNSIE: They are taken to Swan View, which is further on than Helena Vale. The fares in connection with the Canning racecourse are taken to Maddington. The ordinary first-class fare is 2s. 8d., and on race days it is 3s. 3d., an increase of 7d., and the second-class fares are 1s. 8d. and 2s. 3d. respectively, an increase of 7d. In the case of Goodwood and Belmont, where more race meetings are held than anywhere else, I have taken the fares to Rivervale. The ordinary first-class fare is 10d., but on race days it is 2s. 9d., whilst the second class fare is 6d. and on race days 1s. 9d. This is how the sporting people are being taxed by the railways.

The Minister for Railways: These are special trains and they carry special crews.

Mr. MUNSIE: I admit that, but special trains are also run to the Royal Show, and greatly reduced fares are charged.

The Minister for Railways: That is an all-day job.

Mr. MUNSIE: I have shown that in one instance the charge is 300 per cent. greater for race days than it is on ordinary days. It is no wonder that people go by motor; it is cheaper than the first-class railway fare. The Premier wants extra taxation from the sporting public, and I suppose he will get it. They are the most generous section of the community in every way. I am afraid, however, that if the Government go much further they will deprive themselves of the revenue they now get. They will kill sport

altogether by overdoing things. Out of every £100 invested in the totalisator £13 10s. is taken by the Government. If the amount is re-invested six times, there is very little left of it at the end of the day.

The Premier: Is not that the same as regards everything?

Mr. MUNSIE: No. I do not know of any other case in which taxation takes 13½ per cent. of the capital invested. That is a pretty big grab. However, the Premier has the numbers, and so I suppose the Bill will be passed. The Government are proposing many methods of taxing the sporting public. One Bill is to take £10,000, and another £5,000. This one is to produce £10,000, and yet another is to yield £10,000. I wonder how much further the Premier proposes to go. By his methods he is likely to kill sport altogether; and if he kills sport, he will kill Western Australia.

Question put and passed.

Bill read a second time.

*In Committee, etc.*

Bill passed through Committee without debate, reported without amendment, and the report adopted.

## LOAN ESTIMATES, 1930-31.

*In Committee of Supply.*

Resumed from the 16th October; Mr. J. H. Smith in the Chair.

*Vote—Departmental, £134,252:*

HON. P. COLLIER (Boulder) [7.52]: This year's Loan Estimates reflect the financial condition of Australia generally, and show heavy reductions as compared with the amount which has been voted for some years past. It is well known that the reason for the decrease is not a desire on the part of Parliament or the Government to reduce loan expenditure. The reason is sheer necessity. The money is not available either in Australia or from overseas. I do not agree with the contention that if Western Australia had not joined the Loan Council we should be able to get all the money we require, or even any more money than we are able to secure under present conditions.

The Premier: You are wrong.

Hon. P. COLLIER: Perhaps so. I find myself in opposition to a rather queer and

unusual combination—the Premier of this State and Mr. Lang, the Premier of New South Wales. I am somewhat fearful of what is going to happen to the Loan Council when two Australian Premiers so far apart in all other respects combine to smash up that institution.

The Premier: I would like to smash the blessed thing, of course.

Hon. P. COLLIER: At least the Premier is not inconsistent in his view to-day, since he opposed our joining the Loan Council at the time it was proposed. Without desiring to offer any criticism whatever on the Premier of New South Wales, I can state that that gentleman attended the meetings of the Loan Council and of the Premiers at which I was present some four years ago, when the whole basis of the Loan Council and of the Financial Agreement was thrashed out. Mr. Lang left those meetings heartily endorsing and agreeing to everything that was done. That was the first regular meeting of the Loan Council he had attended. Previously he had attended voluntary meetings. However, on the occasion to which I refer he agreed with all the proposals for the legislation that would be necessary, and said he would do his best to carry it through the New South Wales Parliament. Shortly after his return to New South Wales an election took place, and the Government who succeeded had to introduce legislation to give effect to the agreement. Then Mr. Lang was one of the strongest opponents of the arrangement. I warn our Premier, therefore, of the possibility that his new-found friend in the attempt to burst up the Loan Council might twist on him before the next meeting of that Council comes round.

The Premier: I hope to get other supporters.

Hon. P. COLLIER: I am rather surprised at the combination. However, I cannot bring myself to believe that the credit of any one State to-day, if the Loan Council did not exist, would be greater than the credit of the whole Commonwealth. If it is contended that we could borrow better, get more money and perhaps on better terms, outside the Loan Council, it merely amounts to putting up the proposition that the London investor would have greater confidence in any one State than in the whole of the Commonwealth. I do not believe that that

is the case. Besides, any one State can borrow under the Loan Council; the Loan Council can borrow in the name of any one State. If the money were available to-morrow, it would be open to Western Australia to raise a loan, not in the name of the Commonwealth at all, but in the name of Western Australia. As a matter of fact, since the Loan Council was formed, there has been borrowing in the names of individual States. When that has been done, the State whose stocks at the moment stood best on the London market was allowed to go on the market to raise the money.

The Premier: There you are!

Hon. P. COLLIER: But there was only a fraction of difference.

The Premier: Still, it was borrowing on account of the Loan Council.

Hon. P. COLLIER: Can anyone imagine that we are able to secure better terms as an individual State than the terms upon which the Commonwealth can borrow, with a sinking fund attached that is going to extinguish the loan in 57 or 58 years?

The Premier: We always had a sinking fund.

Hon. P. COLLIER: In name, but not in reality.

The Premier: Yes; in the hands of trustees.

Hon. P. COLLIER: But every year for the last 20 years, at any rate, we have had deficits.

The Premier: That does not matter.

Hon. P. COLLIER: A contribution to a real sinking fund can only exist when one pays one's costs of government from one's revenue.

The Premier: It was a very real sinking fund. The money was set aside.

Hon. P. COLLIER: Yes, we were setting aside money to sinking fund before we joined the Loan Council, but we have shown big deficits year by year, and we have borrowed to make up those deficits. In other words, we have borrowed money from England to pay into the sinking fund.

The Premier: No.

Hon. P. COLLIER: That is the effect of it. We have borrowed money to pay contributions to our sinking fund.

The Premier: Six millions against 15 millions, anyhow.

Hon. P. COLLIER: It is not that, for no State can be said to be fairly contribut-

ing to a sinking fund unless that State shows a surplus on its revenue each year.

The Premier: In that case Australia is not contributing.

Hon. P. COLLIER: Of course it is not, and neither has this State ever contributed.

The Premier: Yes. We contributed 15 millions.

Hon. P. COLLIER: The contribution to sinking fund each year has been small in comparison with the deficit.

The Premier: No fear!

Hon. P. COLLIER: Of course it has.

The Premier: No, no!

Hon. P. COLLIER: Has our contribution to the sinking fund ever been in the vicinity of half a million or three-quarters of a million?

The Premier: Our contributions to sinking fund have exceeded our deficits.

Hon. P. COLLIER: Not annually.

The Premier: With the earnings.

Hon. P. COLLIER: Yes, with the earnings from the money invested. I do not share the opinion of the Premier and of Mr. Lang regarding the Loan Council. I hope there will be no unholy alliance between the two Premiers in order to bring about the disruption of the Council.

The Premier: I want freedom. You should not object to my joining Mr. Lang in order to get free.

Hon. P. COLLIER: I am satisfied that we could not do better than we are doing as a member of the Loan Council. I venture to say there is not a member of this House, or a thinking person in the community, who will not agree that even before this time, during the past year or two, when financial difficulties overtook the Commonwealth Government, the per capita payment, the annual contribution we get from the Commonwealth, would have been cut out but for the Financial Agreement.

The Premier: I can agree with you.

Hon. P. COLLIER: There would have been £500,000 less to the State, and that is secured under the agreement for 58 years.

The Premier: I agree with you that there was that danger.

Hon. P. COLLIER: There is no denying that that would have been attacked first. It largely influenced me and other Premiers at that conference in accepting the best terms we could get because we were at the

mercy of any Commonwealth Government that liked to suspend the per capita payments at any time they so desired. We foresaw that the first time the Federal Government got into financial difficulties, they would immediately reduce, and then quickly cut out, the payment of 25s. per head that had been made to the States. It is a certainty that that is what would have happened. The estimated new expenditure this year, apart from loan suspense payments, is £2,237,000. It is absolutely imperative that the expenditure of this money shall be confined to work, or be spent in directions, that will be reproductive at the earliest possible moment. All will agree upon that. We cannot afford to embark upon work of the description that, although we may feel assured they will be reproductive ultimately in years to come, will not be payable in the immediate future. What Western Australia and all Australia require at the present time is that expenditure shall be on works that will give an immediate return to help us round the corner and out of our difficulties. There are many items that appear on the Loan Estimates year by year, from which there is no escape. It cannot be said that they are directly reproductive. Much of the work I refer to has to go on from year to year. For instance, there is always a certain amount of rolling stock required for the railways; additions and improvements have to be made to our railways; there must be expenditure in connection with our electricity supplies, and so on. All this represents essential expenditure, but some of it cannot be said to be reproductive in the sense that we understand it at present. It is impossible, although with the lessened total amount available the items have had to be reduced, to escape from some expenditure under those headings each year. Certain it is, I think, that no new railways can be started during the financial year although there appear three separate amounts of £10,000 for three different railway lines authorised. That makes a total of £30,000, but I venture to say that no start will be made with any one of those railways during this financial year. I do not wish them any harm but although I would like to see them started if the money were available, I do not regard those projects as within the realm of practical finance at this juncture. It would not be practicable to finance

the construction of any new railways under existing circumstances.

The Premier: There is no certainty that we will get the money.

Hon. P. COLLIER: But even if we did get it, I warn hon. members who represent the districts affected and who represent people who have been waiting for the construction of these lines, not to be too optimistic about the projects. I am afraid the appearance of the amounts on the Estimates represents merely a pious hope which Treasurers indulge in each year when framing their Loan Estimates. There is no possibility of their constructing these new railways for the present or for some time to come. We must concentrate upon using all the money at our command in the development of sources already served by public highways—roads and railways. A saving has been effected on the Loan Estimates this year in connection with the Main Roads Board. I find that £58,000 that had to be found from our Loan Estimates last year will not have to be found from that source this year, because, I understand, the money is now being found from the Commonwealth grant. I should imagine that to be a welcome reduction in the eyes of the Treasurer.

The Premier: Of course we could not find that money now.

Hon. P. COLLIER: This year, as in past years, the most important phase of the Loan Estimates is the amount of money provided for the development of agriculture. While there has been such a heavy reduction in the total amount of loan funds available, it could not be expected that there would be other than a considerable reduction in the vote for the development of agriculture this year. Last year the expenditure from loan funds was £1,654,000, and this year it is to be £1,099,000, or £555,000 less. The working capital for the Agricultural Bank was last year £849,000 and this year it will be £820,000. Last year the expenditure on the group settlements was £554,000 and this year it will be £120,000. Last year the assistance to settlers through the Industries Assistance Board accounted for £150,000, whereas this year the amount provided is £50,000. This reduction of £555,000 arises mainly out of the very considerably reduced amount it is possible to spend upon the group settlements and one or two other items. I can-

not see how the Agricultural Bank can carry on the work for which it is charged with responsibility, on the basis of the figure I have indicated. Take the position regarding group settlement matters. We had to spend £554,000 last year and this year the amount provided is only £120,000. That is because a great number of the group settlers have been taken over by the Agricultural Bank.

The Premier: There will be more taken over soon.

Hon. P. COLLIER: Probably a very considerable number. These figures, however, show a reduction from over half a million pounds to £120,000. The bank has been charged with the responsibility and no one who has any knowledge or experience of the group settlements will believe for one moment that because those areas have been taken over by the bank the group settlers will be self-supporting. Some of them will be; a large number of them will not be self-supporting. The Agricultural Bank will perforce have to find considerably more capital this year for the purposes that had to be met last year. The bank did not have to assume anything like the responsibility in connection with group settlements last year that the trustees will have to shoulder this year. If the Agricultural Bank is to carry on the group settlers, the trustees will have to be provided with a very large amount of money. There is no question about that. Then again, the Agricultural Bank trustees will have to shoulder their responsibility through the ordinary channels as well and certainly that responsibility will be not less this year than in previous years.

The Premier: Where is the money to come from?

Hon. P. COLLIER: I know; I am just pointing out the position. I am not criticising. It is agreed on every hand that the real problem that confronts Western Australia to-day, as it confronts the Commonwealth as well, is that of carrying on the settlers on the land.

Mr. J. I. Mann: That is quite true.

Hon. P. COLLIER: This year, the section of the community I have referred to have experienced greater difficulties than ever before, and yet considerably less money will be available for their assistance than in other years. That is the bare fact, because the money is not there. The Agri-

cultural Bank will have greater difficulty this year with the settlers on their books than has been experienced in the past. The bank will not be able to get in the money that is owing to the institution. On the other hand, there will be an increased demand made upon the bank for more and greater assistance. There can be no question about that.

The Premier: I do not think the farmers will clear as much land in the wheat belt as in the past.

Hon. P. COLLIER: I think clearing will be largely stopped.

Mr. McCallum: It has stopped.

The Premier: It will be a bad lookout for the State if it has.

Hon. P. COLLIER: I am afraid it is inevitable that clearing operations will be seriously curtailed. Every year the bank, as the Premier knows, receives considerable payments from its clients. I do not see how much of that money will be received this year.

The Premier: You mean on account of interest payments.

Hon. P. COLLIER: Yes, and payments off capital as well. That has always provided substantial sums for the trustees of the Agricultural Bank, enabling them to lend the money out again as it came in. That was a relief to the Treasury in respect to the Loan Estimates but that relief will not apply this year. I am sorry to say that there will be a tremendous falling-off in the payments of both interest and capital advanced by the bank. In addition to that, the bank has to face the problem of carrying on the large number of group settlers who have been transferred to Agricultural Bank supervision.

The Premier: The outlay will be much less in future because the work is largely finished.

Hon. P. COLLIER: You mean the constructional work.

The Premier: Yes. The men have cows and the work is going on.

Hon. P. COLLIER: That is so. Much of the work has been done but there will still be a considerable amount of expense.

The Premier: We are collecting some of the outstandings now.

Hon. P. COLLIER: From the group settlers?

The Premier: Yes.

Hon. P. COLLIER: I am glad to hear it. I should like to know how much.

The Premier: Well, there is some being collected.

Hon. P. COLLIER: It is certainly time we did collect something from them seeing that some of them have been on their holdings seven or eight years. I am not optimistic about the group settlers being able to carry on without further assistance from the Government. That assistance now can be rendered through the Agricultural Bank, and so we have added responsibilities attached to the work of the trustees of that institution. The fact remains, however, that the revenue derived from interest payments and the refund of capital payments will show a tremendous falling off.

#### *Nornalup Settlement.*

On top of that the bank will be saddled with the expenditure entailed in connection with the Nornalup settlement scheme.

The Premier: I thought that was coming.

Mr. McCallum: You would have been disappointed if it had not been referred to.

The Premier: I knew it was all leading up to that.

Hon. P. COLLIER: I thought I was covering up the road I was treading.

The Premier: You know that the Geraldton harbour improvements are being continued.

Mr. Munsie: That work is not provided for out of the Agricultural Bank funds.

Hon. P. COLLIER: A smaller amount is provided for the Agricultural Bank this year, although we have added enormously to the responsibilities to be carried by the trustees. If it will not pay those who are already on the land to do any clearing this year, I do not think it is a time to embark upon new clearing schemes. If ever there was a time when we should not embark upon new schemes, it is the present. If ever there was a time when we should husband our financial resources and carry on the men already on the land it is the present.

The Premier: How much has been spent at Nornalup?

Hon. P. COLLIER: Men on the land are holding meetings all over the country.

The Premier: I thought that was coming.

Hon. P. COLLIER: It is true. They are crying for financial assistance. I am not blaming the Government. If they have

not the money, they cannot go to the assistance of the farmers. The fact remains that the farmers are crying out for payments, bonuses and guarantees. However, the Government have not the money and they cannot concede the requests. But if they have not the money to enable them to give a measure of assistance which will allow the men already on the land, where enormous sums of capital have been invested, to carry on, have they the money to embark upon new schemes? Of course they have not. The estimates of the Nornalup scheme which the Premier put up are very attractive, but in the light of experience, they are the most fantastic set of estimates ever submitted. The estimates of clearing and roadmaking and other expenses, in the light of our experience with the groups are, I might say without being offensive, utterly ridiculous. Here we are with a large number of group settlers who have been on the funds of the State for periods ranging up to seven and eight years, and mighty few of them have, after that passage of time, become self-supporting. In fact we had to find £500,000 last year to keep them going. Yet here we have launched into another settlement in a remote part of the State. I do not doubt for a moment what has been said about the quality of the soil, the climate and everything else at Nornalup. It is one of the most beautiful parts of the State. But I have not a scrap of faith in the estimates put forward.

The Minister for Lands: You will be disappointed.

Hon. P. COLLIER: I hope I shall be. Anyhow, we cannot afford to spend money on such schemes at the present time. We have the experience of the last eight years to guide us.

The Minister for Lands: We have profited by it.

Hon. P. COLLIER: That is not shown by the estimates submitted.

The Minister for Lands: Yes.

Hon. P. COLLIER: If we search the records of group settlement we find similar optimistic hopes and estimates as have been put forward on the present occasion. The group settlements were to cost only a few hundred pounds. They were not going to cost anything like what they ultimately did cost. There is a similarity between the statements.

The Premier: We shall not spend as much as was lost on the Wiluna railway this year.

Hon. P. COLLIER: The Wiluna railway has not been opened yet.

The Premier: It has.

Hon. P. COLLIER: The mine has not been opened yet.

The Premier: No.

Hon. P. COLLIER: The railway could not be expected to pay until the mine began working.

Mr. McCullum: The present Premier gave a written undertaking to build that line. We only lived up to his undertaking.

Hon. P. COLLIER: I hope the Premier is not suggesting that the construction of the Wiluna line was not justified.

The Premier: Of course it was built too soon.

Hon. P. COLLIER: We did not build it too soon. The mine would probably never have been opened had not the line been built in time to carry the machinery through. The cost of transporting it from the rail head would have been so great that probably the mine would never have been opened. But that is no answer to my criticism of the Nornalup scheme. Parliament authorised the construction of the Wiluna line and it was commenced when the financial position of the State was nothing like what it is to-day. I venture to say that had the Wiluna line not been started before now, neither the previous Government nor the present Government would have started it. It was commenced two years ago—before the financial collapse overtook us—and was justified at the time. But I do not for a moment believe the State would be justified in embarking on new expenditure of that kind at the moment. I would not support embarking on new schemes of expenditure such as that at Nornalup. We have 140 men down there.

The Minister for Lands: We have not.

Hon. P. COLLIER: Well, 120, and no doubt they will change and give place to another 120 within 12 months. According to our experience of the groups, the men keep coming and going.

The Minister for Lands: They are different from the groups. The bank runs this scheme.

Hon. P. COLLIER: Half of the men drawing sustenance in the city to-day are from group settlements. Is this the time to embark upon a scheme of that kind with men picked up at the Labour Bureau? I



have no doubt they are good honest workmen; I have nothing to say against them, but they are men without a scrap of farming experience.

The Minister for Lands: All I saw were experienced men.

Hon. P. COLLIER: Men without any money whatever; men who could not put up their railway fares. We have had experience of trying to settle men on heavily-timbered land, men without farming experience and without capital.

The Minister for Lands: The Yorkrakine farmers were a success.

Hon. P. COLLIER: It is quite a different proposition to go into the wheat belt, where land at one time could be cleared for £1 an acre, and a return could be obtained in the first year. That was done at a time when money was not so difficult to obtain as it is at present. I am not complaining of the Nornalup scheme or opposing it on its merits. All I say is that this is not the time to embark upon expenditure of the kind. We should have waited for 12 months to find out how we stood before launching out on such a scheme. We have taken men without experience and without capital and are trying to turn them into dairy farmers. We shall get no return from the scheme for years. At one of the meetings of the Loan Council the Premier agreed that whatever loan money was available this year should be expended only on works on which it would be immediately reproductive. That was the statement of the Premier.

The Premier: No.

Mr. Willcock: It was the policy agreed to.

The Premier: Within a reasonable time; not immediately.

Hon. P. COLLIER: I did not mean that it should be reproductive to-morrow. What is a reasonable time? That is a matter of opinion. One person might say three years and another five years. The Premier will not be able to make Nornalup a prosperous settlement in three years. If he does, he will eclipse all previous records.

The Minister for Lands: It will be so.

Hon. P. COLLIER: It is a wonderful new idea.

Mr. McCallum: There is a super-optimist over there.

The Premier: What about the harbours?

Hon. P. COLLIER: It is of no use placing people on the land to produce wealth

unless we provide facilities for transporting their goods and for shipping and marketing them. I register my strong objection to the Nornalup settlement scheme, not because I think it will be a failure, not that I have any fault to find with the proposal on its merits, but because I think it is false policy to incur additional expenditure on a new scheme when thousands of farmers are clamouring for a few shillings to buy a pair of boots.

The Minister for Lands: We would have had to pay sustenance to the men who have gone to Nornalup.

Hon. P. COLLIER: If the Government are justified in launching new schemes to avoid paying sustenance, let us take the whole 1,000 or 2,000 men to whom sustenance is being paid and put them down there.

The Minister for Lands: We could not get the same class of country with a railway already built.

Hon. P. COLLIER: There is plenty of necessary work to be done in the country that unemployed men in the city, drawing sustenance, could do.

The Minister for Lands: Where is it?

Hon. P. COLLIER: Roads and railways are wanted. Drainage works are waiting to be carried out, and in settled country too. If we have enough money and must pay sustenance, why not employ the men on that kind of work, which would be of some value.

The Premier: We could not afford to buy rails to build the lines.

Hon. P. COLLIER: Then put them at work where they will need only picks and shovels. At present they are doing work in the National Park. Are the 1,000 men at Blackboy Camp, who are costing £1,200 a week, adding one pound to the value of wealth production? Are they doing work that is of any use to any section of the people? They are making a pleasure ground.

Mr. Corboy: Making famous the name of Mr. Shapcott, the chairman of the board.

Hon. P. COLLIER: I am not saying that at all. They are making a pleasure drive through the park. But we have not constructed all the roads that are required in the country. We have not done half the work necessary in the settled portions of the State.

Mr. Sampson: There would be the difficulty of housing them.

Hon. P. COLLIER: The poor fellows would perish if they had to live in a tent, would they not? They must have a nice home where a cook is provided and comfortable lodgings! Why, this country has been opened up and built up and its main work done by men who lived in bough sheds and tents, and camped in the bush beside a gum tree. The men at Blackboy would be healthier men if they went out into tents or bough sheds and engaged in necessary work. It is not necessary that the whole 1,000 of them should be kept together. There is work to be done in different parts of the State. Twenty men could be engaged here, 30 there, and 40 somewhere else. I venture to say there is not a member representing a country constituency who does not know of unlimited work required in the district he represents.

The Premier: We might be able to do it if we got the £3,500,000 of loan money which has been expended from trust funds.

Hon. P. COLLIER: I am not under-rating the Premier's difficulties. I know what a fearful task it is to carry on necessary work. I am only commenting on the manner in which we are spending some of the money that is available. The Premier is out to cut down every one of the items on the Loan Estimates. The reduction in the total amount of the Agricultural Bank is not very big, but what we have to consider is the added responsibility of the bank this year. I do not think this is the time when we should embark upon a project like that at Nornalup, with all the difficulties it will carry. I hope that the amount set aside for the development of the goldfields, which shows a reduction from £89,000 to £30,000, will yet be increased. I am fully alive to the difficulties of finding money at the present time, but I do hope the Government will reconsider the amount set aside for mining development, and will try to find some money, at any rate to provide sustenance for prospectors.

Hon. M. F. Troy: The Government are not providing a penny.

Hon. P. COLLIER: I have been making inquiries for people I know in the hope of being able to get sustenance for them. I believe there are 200 men on the list waiting for assistance. I know many of them myself and the majority are experienced miners and prospectors. They certainly will have to get sustenance if they are willing

to go out prospecting. They will be very much better off out on the goldfields when they may get a reward for their effort. Moreover, it is much better that they should be out there than remaining idle in the city.

The Premier: They can take their sustenance into the country if they want to.

Hon. P. COLLIER: It might cost a little more for sustenance out there.

Mr. Angelo: One gold find would make it all up.

Hon. P. COLLIER: Yes, we are all hoping for that. Certainly whilst they are searching for gold, there is always a possibility of coming across something. Unfortunately there have not been too many finds in recent years, but still there is always the possibility.

The Premier: Always hope.

Hon. P. COLLIER: Yes, even the hope long deferred that maketh the heart sick. The number of men anxious to go out in search of gold is increasing rapidly. I realise it is almost useless to discuss the Loan Estimates, knowing that the money is not there.

#### *Retirement of Engineer-in-Chief.*

Before I conclude I should like to say I regret very much that the Government have retired the Engineer-in-Chief of the State. It is false economy to cut off the brains of the department, especially with the experience we have had in the Work Department of Western Australia during the past 20 years. I doubt whether there is any other State in Australia, or in fact any country in the world, where there are so many monuments—and expensive monuments too—to the incompetence of professional officers and engineers as exist in Western Australia. Go where we will, we can see where money running into hundreds of thousands of pounds, in fact, I might say close on a million pounds, has been absolutely squandered because we have had to accept the advice of incompetent men. It may be said that the Public Work Department will not be carrying on very much work during the next year or two. Certainly the work will be very greatly reduced, but it does not matter, I consider what work is being carried on, we cannot afford to sacrifice or get rid of the brains of the department. If work is not being carried out in the country, we can reduce the staff for supervising, but there is always work to be done in the department by the

head, work that can only be carried out by brains, knowledge and experience, and these are what count. The saving of a few hundred pounds in salary is as nothing compared with the hundreds of thousands that might be lost, and that most probably will be lost by employing incompetent men. I could name quite a few of their failures. There was £200,000—speaking from memory—absolutely wasted over the Fremantle lock.

Mr. McCallum: The amount was £230,000.

Hon. P. COLLIER: This money was just poured into the river, simply because of engineering incompetence and nothing else. No proper borings or tests were made. The work of constructing the dock was started where there was no foundation, and so that huge sum of money vanished. That was 20 years or more ago, and Western Australia had to abandon the project and the State is still without a dock. That is one item alone. Then we have the shocking scandal of placing the filter beds on the banks of the river at East Perth. Those filter beds have done nothing but pollute the river ever since they have been constructed. We had abundant land where sewage farms could have been established as they have been established, successfully too, in the other States. We even had an outlet into the ocean that could have been availed of, an outlet practically at the back door of the city. But no, the engineers of the time determined that it was wiser to pollute the Swan River and create a nuisance for the people of the metropolitan area. That has been the position ever since the filter beds have been constructed. No engineer of any ability or capacity would or a moment have suggested the discharge of the sewage effluent into the river. The first filter beds that were built sank down and others had to be constructed. Thus, not only was the cost of the filter beds doubled, or perhaps trebled, because the foundation disappeared, but these wretched things will be with us for generations perhaps, because of the difficulty now of finding money to reconstruct the whole of the sewerage system. There we have two outstanding examples of incapacity. It was not because of something impossible to foresee; it was not something that might have happened to the most skilled professional man. No; it was because the State did not possess a single highly qualified man that we exper-

enced all these calamities. If a competent man had been in the service of the State, I am certain that these follies would never have been committed. In the South-West there are drainage schemes that to-day are monuments to the stupidity of those responsible for them. There was one at Denmark which was the worry of the life of the Ministers in the previous Government. Considerable sums of money were spent to drain some areas at Denmark into the ocean, but instead of draining the areas into the ocean, the drain was constructed 4ft. below the sea level and the result was that the ocean found its way into the area. Something similar happened in the Busselton district, and I am not too sure that that does not apply also to a little irrigation scheme at Harvey. I am not quite certain that that Harvey scheme is as successful as it might have been, though it was only a small undertaking. Then in more recent years we can remember what happened at the Peel Estate. If my memory serves me correctly, the estimated cost of draining the Peel Estate was about £57,000. The actual cost has been £350,000!

Mr. McCallum: It cost £440,000 up to 1926, and the area is not yet drained.

Hon. P. COLLIER: I was told before I left office that the Peel Estate never would be drained; it is all too low. There is an outlet for the water into the ocean, but each winter's rain scours the sand down and creates a bank at the edge of the ocean which will prevent the estate from ever being drained. If at the outset an engineer had declared that this undertaking would cost so much, the Government would never have embarked upon it. But Governments in the past have been induced to undertake schemes of this kind because they have accepted the estimates of engineers, estimates which ultimately proved to be astray to the extent of as much as 500 or 600 per cent. There at Peel Estate we have expended over £400,000 and the original estimate was £60,000! Next let me refer to Herdsman's Lake. The Government of the day undertook to purchase Herdsman's Lake because of an estimate that was put up by the engineers that it could be drained for £25,000. It would have been a good proposition on those figures because there was a considerable area of first-class swamp land available. The Government undertook the work of draining the lake, accepting in all good faith the estimate of the en-

gineers. I think the ultimate cost was £120,000, and it is not drained yet. Neither is the Peel Estate drained yet, and the sewerage system is most unsatisfactory. It would not be so bad if these works had proved at all successful, or were likely in the end to be successful. But after the expenditure of huge sums of money, all the works I have quoted have been shocking failures. These things teach us a lesson that we should in the future try to avert. We have had experience, extending over 20 years, of employing incompetents, men who were not up to their jobs, who were not qualified. I almost forgot to refer to the reservoir that was constructed at Mount Hawthorn and which collapsed the first day it was used. As a matter of fact these instances I have quoted are only a few that I have been able to recall. The State is covered with monuments of engineering stupidity and folly, and when we are able to secure the services of a highly qualified man, we retire him for the sake of saving a few hundred or a thousand pounds because things are slack and nothing very much is doing. Really, there is much to be done, although there may not be actual work to be carried out. This is the time when the head of a department would have the opportunity to devote himself to preparing plans for undertakings which we know will have to be carried out in the future. These works are postponed merely for the time being; they are not entirely abandoned. If the State is to go ahead, many big works will have to be undertaken in the future. But apparently we are reverting to the stage we reached years ago. There was very great difficulty in securing a highly qualified man for the post of Engineer-in-Chief. Now we have gone back again, and when money once more becomes available and works are to be started, we shall not be able to get a suitable man. I have no hesitation in saying that, except the Engineer-in-Chief, there is not in the State an engineer qualified to undertake the works this State will have to construct in the years ahead.

Mr. Sampson: It means a certain economy.

Hon. P. COLLIER: An economy of £1,000 a year! Is it economy to save £1,000 a year on this man's salary and throw away £200,000 on the failure of some work? Would the hon. member practice such economy?

Mr. Sampson: If there is no work to be done, the Public Works Department will have to be closed.

Hon. P. COLLIER: What a glowing sentiment! There is still some work to be done. We have not closed up business altogether. I understand that one of the reasons for the retrenchment of this officer is that railway construction has been transferred from the Public Works Department to the Working Railways. I consider that an awful blunder.

The Premier: It ought to have been done years ago.

Hon. P. COLLIER: It ought not. The question has been discussed for the last 3 years. It was a prominent question at the time of the Scaddan Government. I am convinced it is a really serious mistake to transfer railway construction from the Public Works Department to the Working Railways.

The Premier: It should have been done years ago.

Hon. P. COLLIER: I cannot agree. I do not think the Working Railway can or will do it as successfully as the Public Works Department have done it. In any case, so long as there are any public works at all to be done in this State, so long as there is a Public Works Department requiring a capable engineer at its head, the man should be the most highly qualified man we can get. The saving of £1,000 in salary is only as a drop in the ocean compared with the hundreds of thousands of pounds that engineers of inferior qualifications might cost the State, and have cost the State in years gone by. I do hope it is not too late for the Government to reconsider the retrenchment of the Engineer-in-Chief.

MR. McCALLUM (South Fremantle [8.48]: I expected we should hear some answer from the Minister. Surely there must be some statement to come from the Government as to their attitude, some explanation about the retrenchment of the Engineer-in-Chief. The Press announced that the Minister would take the opportunity on the Loan Estimates to make an explanation to the House. Surely some such explanation is warranted, is indeed called for. There must be some announcement from the Cabinet when a highly-paid engineer is suc-

denly retrenched. I have no desire that this matter should be dragged into the realms of party politics, but it is of such outstanding importance to Western Australia that surely the Government are not going to sit down and leave it to the Press to announce the retrenchment of the Engineer-in-Chief. An explanation to Parliament is the least the Government can proffer. I venture to say the announcement in the Press that Mr. Stileman was to be retrenched came as a shock to the whole of the community. If any man can be considered to be essential to the State, it is the Engineer-in-Chief. It is not a question whether the State can afford to keep Mr. Stileman, but whether the State can afford to lose him. Prior to obtaining the services of Mr. Stileman, we were relying on an Engineer-in-Chief who was in receipt of a salary of £1,100 per annum. And while we paid a cheap salary we got a cheap service. Since we secured a man with a world-wide reputation, we have had reports to the Government and to Parliament that stand out in the history of the State. Let us take briefly a few instances. The Leader of the Opposition has mentioned several, and has said quite correctly that this State bristles with monuments to the incapacities of engineers that we have had in the past. North, south, east and west we find monuments to the incapacity and incompetence of engineers this country has had to put up with. A million pounds would not cover their mistakes, not by a long way. There was the Fremantle dock. Over a quarter of a million of money went to the bottom of the ocean in that one work. Then there was the drainage of Herdsman's Lake. The original estimate for that work was £25,000, and it was afterwards raised to £35,000. Ultimately the work cost £102,000, and before settlement can proceed there must be considerably more expenditure on that work. Consider the way successive Governments have been misled by so-called engineers. Governments have asked Parliament to vote money for works on stated estimates; and when the work proceeded it was found that the money voted by Parliament was not a fraction of the ultimate cost. Those Governments would never have asked Parliament to approve, nor would Parliament have approved, of those works had the real ultimate cost been even guessed at. From one

end of the country to the other will be found water works and drainage schemes where thousands of pounds have been wasted. Take the Wagin water supply. There £15,000 was spent, and on completion of the work very little water could get into the reservoir, and what little did get in was not held. When I first went there with Mr. Stileman and the rock catchment was pointed out to him, he was amazed that any engineer could have recommended the plan to the Government. There is £15,000 lying idle there.

The Minister for Railways: I am not so sure that the present scheme is quite satisfactory. Despite a big rainfall this winter, they have not got the water they were told they would get.

Mr. McCALLUM: Plenty of water has been going on to that rock catchment. They have a good town supply there now. Those people were paying a water rate of 3s. in the pound, despite which they could not get a gallon of water.

The Minister for Railways: With a quite abnormal rainfall this year, they have not as much water in the reservoir as was estimated.

Mr. McCALLUM: We all know that even the Mundaring Weir did not in its first year catch the estimated quantity. Only in the process of years will these reservoirs hold. There must be a certain take-up. The filter beds at Mt. Hawthorn cost from £12,000 to £15,000, and the first day the water was run into them they collapsed. Then take Churchman's Brook: That work was put in hand without any drawings, without any design. The work was started and the State committed to the expenditure. When Mr. Stileman took it over there was nothing on paper to show him what had been in the mind of the man who started the work. On an investigation being made, the man who started the work said the wall was to go down 4ft. 6in. and rest on a basis of kaolin, a decomposed granite. When Mr. Stileman put a test on that, he found it was useless and that in consequence the wall had to go down 100 feet. Even in the side bank, where he tied the wall, there was a little of this kaolin around which the water was getting, and ultimately he had to cement it out. Conceive the result if that wall at Churchman's Brook had been allowed to rest on the kaolin foundation 4ft. 6in. below the

surface! The whole of the cost of the construction would have been gone, and the lives of the people in the valley below jeopardised. Fortunately the work was saved through the fault being discovered before it was too late. When the Peel Estate drainage started, the present Premier, who was then in office, shifted the control of that work from the Public Works Department to the Lands Department, really establishing a little Public Works Department of his own. The original estimate of the cost of that work was £60,000. But by October 1926, when it was handed over to the Public Works Department, it had cost £447,330. And still every year the place was flooded. When Mr. Stileman took over that scheme it was costing at the rate of £25,000 per annum to maintain those drains, or £5 per week per settler. By the expenditure of a further few thousands, Mr. Stileman reduced that cost from £25,000 to £5,000, and when I left office he told me that this year he expected to have it down to £2,000. So there is a saving of over £20,000 per annum in the maintenance of those drains alone. Mr. Stileman has saved that amount to the State, and now he is sacked. Talk about economy; economy of a mere paltry £1,000 per annum! I defy the Minister to show that he can save more than £1,000 a year by the retrenchment of Mr. Stileman. Yet on this one job at the Peel Estate Mr. Stileman has saved the State £20,000 a year, possibly £23,000 a year. So how can it be argued that the State cannot afford to keep Mr. Stileman? We cannot afford to lose a man of the brains and capacity and ability of Mr. Stileman. And let it be noted that last year was the first year in which the Peel Estate has not been flooded. The decision to dispense with the services of this competent official appears to me to be altogether beyond explanation. I could name another small job, where in the course of six months he saved three times his years salary. Take the Torbay Junction drainage. Money has been spent upon that work ever since it was put in hand in an endeavour to make it function. It was discovered by Mr. Stileman that the ground was 4ft. 6in. below sea level and engineers had been trying to drain the water into the ocean. Let me also take the case of Owningup Swamp. All kinds of arrangements were made there to drain the water, but

fortunately Mr. Stileman discovered that this place was 7ft. 6in. below sea level before any work was put in hand. But for his abilities in this direction we should have had another Peel Estate episode. Let me take the reconstruction of the Victoria Quay at Fremantle. The work done there is easily the best in Australia, if not the finest in the world. When crossing the Pacific I had the privilege of meeting two Eastern States harbour engineers who had been round the world studying harbour construction. They told me that Mr. Stileman's reconstruction work on Victoria Quay was the finest they had seen anywhere. It has allowed for double the tonnage of cargo per foot of wharf to be handled than was the case before the alterations were made. The saving there must be tremendous not only to the shipping companies and the Harbour Trust, but to the State as a whole. And yet these things are not to be taken into account. My experience of Mr. Stileman shows me that he embraces a unique combination. He combines a highly skilled professional brain with the acumen of a highly qualified business man. When we take the report he submitted to Parliament on the Fremantle Harbour Works, if we are not convinced of his capacity, ability, and wide vision, I do not know what we require with which to be convinced. The report has no equal amongst all the reports that have ever been submitted to Parliament. Never have we had statistics and facts so logically arranged and presented as we find in this report. No Premier in his Budget speech or Leader of the Opposition has ever set out the economic position of the State as Mr. Stileman did in that report. It was a complete inventory of the State's resources and its activities. It has been highly commended wherever it has been read for its logic, its forcefulness, and for the way in which the statistics are amassed. It is, in fact, unique. It was submitted to what are recognised as the highest harbour construction authorities in the world, a firm of civil engineers that the British Admiralty call in when they seek outside advice, a firm that are consulting engineers to the British Admiralty on the Singapore Base. Sir Alexander Gibb and partners were in charge of the civil engineering activities of the British Government during the war and are amongst the outstanding authorities of the world. This firm was called in to consult

on Mr. Stileman's report and gave it an endorsement with very little modification. They themselves called in the civil engineering department of the Government, who also endorsed Mr Stileman's proposal. This report has stood the test of all this investigation and examination by the highest authorities in the world. To lose such an expert merely to save £1,000 a year is altogether false economy. It will mean a tremendous loss to the State and a tremendous loss in real value to Western Australia. Not only is Mr. Stileman an excellent engineer, but he is a wonderful organiser. He reorganised the whole of the engineering branches of the department in as complete a manner as possible. Efficiency has been brought about where chaos existed before. The relationship between the Public Works Department and the other Government departments was a byword. Particularly were the relations between the Railway Department and his department difficult. There were branches of the Public Works Department which were not on speaking terms with others. Mr. Stileman brought about a friendly feeling all round. All of the Government departments now work in with his department. Time was when the Government departments were not used by the Public Works Department. That difficulty, too, has been overcome. Never before have all Government departments been used by the Public Works Department to such an extent as now. The Government Geologist, the Government Assayer, the Government Astronomer, the Lands Department, the Railway Department, are all brought into consultation when expert advice is required for the good of the government of the State. All this wonderfully good feeling has been created by Mr. Stileman between his department and the rest of the service of the State. There was always friction between the Railway Department but the two departments are now working well together. Let me take water supplies in connection with agricultural railways. Members from country electorates know that there have been all sorts of trouble with the Railway Department over water supplies handy to country towns, when the towns have been without water and the railway dams have been full. Whole districts have been without water but the railways have not suffered. Mr. Stileman placed these water supplies under an expert department with officers who special-

ised in the work in charge of it, and secured the co-operation of the railways and of agriculturists. No longer was there any jealousy through one department appealing against another, one having water and the other none. A system was established whereby all worked together, and when a water supply was established the requirements of the town and the agricultural districts were considered, before finality was reached. No longer are there separate supplies. There is one supply, and greater efficiency has resulted. Then again, a system had grown up whereby engineers in charge of different Government works in the country, who were supplied with plant, came to regard this plant as their own. They would keep it for themselves. It would lie hidden in the country and would never come into the city. They kept this plant for their own jobs. If another work was required to be carried out, the State had to spend scores of thousands of pounds in purchasing other plant, when all that was wanted was already in the possession of the Government, but lying hidden in the country. Mr. Stileman established a special plant department. He put this in the hands of an engineer who took a tally of all the different plants, issued them when required, and charged the use of them up to the job. No longer can any engineer say that a certain plant belongs to him alone. The plant is there for the use of the department and many thousands of pounds have been saved. Second only to the report on the Fremantle Harbour, Mr. Stileman's report and those of his officers on the water supply, sewerage and drainage stand out conspicuously. The Leader of the Opposition has pointed to the mistake that was made in adopting the septic tank system. This has meant spoiling one of the most beautiful rivers in the world. Perth is blessed as few cities are by this wonderful river, and yet an engineer was allowed to establish a septic tank system for the disposal of the sewage into this very river when Perth is quite adjacent to the ocean and is surrounded by vast areas of spare land. Everyone who examined the situation said it would take an enormous sum to change over, and that the city was saddled with the scheme for all time. Mr. Stileman, however, has given us a scheme to change over, to dispose of Burswood, and have either a sewage farm or an ocean outflow. All the work that is now done by the Sewerage Department is

part and parcel of that scheme, and fits in with it. In this respect, too, he has shown his knowledge, ability, capacity, and outlook. He has given us a scheme that without great expense can be worked on from year to year as money is available, until ultimately this blot on the city of Perth will be done away with. Prior to the advent of Mr. Stileman the ruling grade on our railways was 1 in 40. On every ton of goods hauled by the railways over that grade the department lost money. That has been altered, until to-day we have a ruling grade of 1 in 80.

The Premier: You always tried to get that grade, did you?

Mr. McCALLUM: We have it now but had not got it before. What do the Government think they are going to save by dispensing with Mr. Stileman's services? The Government have been most discourteous in that they have not yet given an explanation to the House regarding the retirement of this valuable officer. What do they propose to save? Mr. Stileman receives £2,400 a year. I understand it is proposed to combine his position with that of the Director of Roads. That will mean another engineer to specialise in roads. The man who gets the position will be Commissioner of Roads and Director of Works. He must have a fairly high salary. I cannot see how, in salary, the Government are going to save more than £1,000 a year, if that. In doing so they will lose the services of a man like Mr. Stileman who, in the short time he has been here has, as I have shown by the figures, saved the State an enormous amount of money. This depression will not be here for all time though it may last a year or two. The Engineer-in-Chief is not thinking a year ahead. He is thinking 20 or 40 years ahead in estimating the requirements of the State. Is it to be expected that he will be able to think out, off-hand, this scheme and that scheme for the benefit of the State? Everything must be thought out ahead and in its proper sequence. We should not be rushed, hurry scurry, to do work without mature consideration.

Hon. P. Collier: Without plans or designs.

Mr. McCALLUM: Yes. The harder the times, and the more depressed the financial situation, surely the more is efficiency required, the more necessary does it become that we should receive twenty shillings of

value for every pound that is expended. Millions of State money have been invested in public works throughout Western Australia. Those works have to be maintained and yet we are to lose the services of a man who on the Peel Estate alone has shown the capacity to effect great savings. Surely £1,000 a year is not to be taken into account when considering the efficiency of a man to maintain public works throughout the State. Another phase on which I would like to have a declaration from the Government is on whose advice the change has been made, on whose advice the Government have acted. Surely we are not to take it that the Cabinet acted without professional advice, that a Cabinet of laymen have made such an important change in the professional staff, retiring the highest-paid official in the country, without obtaining professional advice on the subject? Is a layman pitting his opinion against that of trained men as to what should be done? I do wish the Minister would tell us on whose advice the Government have acted, and whether they have had professional advice. Are they acting on a layman's opinion? If not, who is the professional man who has recommended this change? The last phase of the matter I wish to deal with is the effect which this decision to retire Mr. Stileman will have on the reputation of Western Australia amongst the engineering fraternity throughout the Commonwealth and abroad as well. When we came to make an appointment to the position of Engineer-in-Chief, we found that the treatment accorded to C. Y. O'Connor had not been forgotten. We had that put to us from many quarters. When applicants were asked to interview the selectors, the application being restricted to Australasia at that time, quite a number of applicants withdrew because of the treatment that had been meted out to C. Y. O'Connor. Here we have from abroad a man of world-wide experience and reputation. Is he to be treated like this? What harm it will do us! It will resurrect the feeling created by the treatment of C. Y. O'Connor. It will have an ill effect when Western Australia gets back into its stride and its future depends upon large public works. It is no use maintaining that a huge country such as this can be developed without great public works. When this State again requires the services of highly-trained engineers, the treatment meted



out to Mr. Stileman will not be forgotten. In that regard, it appears to me, we are doing Western Australia untold damage. It is not a question of our being able to afford to retain Mr. Stileman's services. It is a question of our not being able to afford to lose those services. I do not argue for a moment that retrenchment should not take place among the higher-paid officials. I could well understand it if the Government approached Mr. Stileman and put it to him that the position to-day is not the position which existed when his engagement was made, that times and conditions have altered; if the Government had endeavoured to see whether some new arrangement could not be arrived at with Mr. Stileman. Did the Government do anything of that sort? I think the country is entitled to know that before it loses the services of such an expert as Mr. Stileman. I feel keenly the loss that Mr. Stileman's retirement will be to Western Australia. In the debate on the extension of the Fremantle harbour we had it pointed out to us that other engineers had designed to build wharves 30 feet above the water level, and had set out certain prices for the building of wharves to accommodate so much tonnage without any provision whatever being made for dredging. Mr. Stileman, however, is most thorough. All who have worked with him will acknowledge how thorough he is, how he insists on collecting all the data and information required and refuses to be influenced until he has before him all the material necessary for coming to a decision. He has got around him an efficient staff to which this country can look with every confidence for good returns from money spent. Hundreds of thousands of pounds have been expended on public works from one end of the country to the other; and one would have thought that our last action would be to dispense with the services of a man who, even in a short period, has proved himself of such value. Like the Leader of the Opposition, I hope it is not too late for the Government to reconsider their decision and make some arrangement whereby Mr. Stileman's services will be retained to Western Australia.

**THE MINISTER FOR WORKS** (Hon. J. Lindsay—Mt. Marshall) [9.22]: I have listened to a good many tales about failure of engineering works in Western Australia.

Hon. P. Collier: They are not failures; they are facts.

**THE MINISTER FOR WORKS**: Hon. members have gone back 30 years to find them.

Hon. P. Collier: Some are quite recent. They run all through the 30 years.

**THE MINISTER FOR WORKS**: I have listened to a good deal about what the Government have done in regard to the Engineer-in-chief. I quite agree with what the previous speaker said about that officer. So far as my knowledge goes, the Engineer-in-chief is a capable man. At the same time, I do not think the story which has been told is altogether right in showing the whole of our engineers in the past as failures.

Hon. P. Collier: Nobody said that.

**THE MINISTER FOR WORKS**: Certainly there was no other engineer in the State, the Leader of the Opposition stated.

Hon. P. Collier: What is that?

**THE MINISTER FOR WORKS**: That there was no other engineer in the State besides the Engineer-in-chief.

Hon. P. Collier: I did not say that. Excuse me. I said that no other man in this State was fit to take the position of Engineer-in-chief.

**THE MINISTER FOR WORKS**: Certainly the member for South Fremantle stated—

Hon. P. Collier: I want to correct that. I do not want it to go forth that I said there was no engineer in the State but the Engineer-in-Chief. I did not say anything of the kind. I said there was no other engineer in this State fit to take the position of Engineer-in-Chief, which is a different thing altogether.

**THE MINISTER FOR WORKS**: I do not want to misquote the hon. member.

Hon. P. Collier: "Hansard" will show.

**THE MINISTER FOR WORKS**: I took a note of what the hon. member said. It is the only note I did take.

Hon. P. Collier: I ask the Minister to withdraw.

**THE MINISTER FOR WORKS**: If what I said is not correct, I will withdraw. I agree with the member for South Fremantle that the Engineer-in-Chief has an efficient staff. That staff has been gathered over a good many years, and is capable of carrying on the engineering affairs of this State suc-

cessfully in future. Unfortunately I find myself holding the portfolio of Minister for Works during a very awkward period in the history of this State. I am placed in the position of having very little money to spend. As I mentioned in speaking on the Estimates of Revenue and Expenditure, I have tried to effect economy. However, I found that in order to secure the requisite economy it was necessary to have a re-organisation of the Public Works Department. In speaking on the general Estimates I hinted at that fact. The member for South Fremantle will remember it, because he replied to me on that point. I said that further economies were necessary, and that therefore it would be necessary to re-organise the department. These Loan Estimates show that as Minister for Works I have £682,375 to spend this year. That, of course, is considerably less than the amount for any previous year. Salaries and wages amount to £54,491, showing a decrease of £5,523. As regards goldfields water supply and other water supplies, the amount is £11,634, showing a decrease of £691. For incidentals in the Works Department the amount is £8,500, showing a decrease of £176. For incidentals as to water supply the amount is £250, showing a decrease of £94. In addition there is an item of £14,935 for metropolitan water supply, making a total for overhead charges of £89,810. That represents 13.16 per cent. I considered it highly necessary for me to investigate that phase. On the 13th November I asked the Treasury to prepare me a fresh statement showing what my future position would be. I know that the figures I have given are the figures as at the 1st July. I expected a great deal of economy to be effected later in the year. In the figures given me by the Treasurer, my amount of loan money was reduced from £682,000 to £603,000, while the overhead charges amounted to £89,810, or 13.16 per cent. I maintain that I would not have been doing my duty by the country if I had allowed such overhead charges to exist. It was my duty to see if I could save on them. When the Loan Estimates for my department were reduced to £603,000, the overhead showed an extra saving of £5,505. Thus I would finish up the year with overhead expenses of 13.9 per cent., which I say is too much. I called in the Public Service Commissioner to as-

sist me in looking for opportunities to make further economies. We did not succeed. Therefore Cabinet agreed that there should be a reorganisation of the whole of the Public Works Department. That was not a nice thing for me as Minister for Works. Like other members, I felt that I had realised an ambition in life when I was appointed a Minister. Moreover, it is one of the hardest things in the world to have to tear down a department that has been so well built up. But I had to do my work. The position is this: In 1927-28 the loan expenditure on public works was £1,507,672; in 1928-29, £1,474,511; in 1929-30, £1,082,277; and this year it is estimated at £682,375, but has since been reduced to £603,000 odd. The position is most difficult, with considerably less than half the usual amount of loan money available. Then the Main Roads Board comes in, and is well mixed up, or will be so, with the Public Works Department. Loan expenditure on account of the Main Roads Board for 1927-28 amounted to £642,430; for 1928-29, £725,985; for 1929-30, £1,029,894; and for this year it has been estimated at £179,000, but this amount has been considerably reduced owing to certain charges which should have been made in previous years. The reduction amounts to some £30,000. Last year these two amounts represented £2,112,171, and this year the total to be spent by the Public Works Department and the Main Roads Board is £830,810. Any hon. member in my position and confronted with such a situation would have seriously to consider the re-organisation of the Works Department. I would not be doing my duty to the State if I allowed such an overhead cost as 13.9 per cent. to continue. The only way by which I could effect a further saving to reduce overhead costs and to economise in other necessary directions, was to reorganise in the way that has been done. In addition to the Engineer-in-Chief, who came from England, other engineers, all capable men, have been employed at big salaries during the last few years. They are still there. They include the engineer in charge of harbours and bridges, the railway construction engineer, and the hydraulic engineer, each of whom receives £960 per year.

Mr. McCallum; Who were those engineers?

The MINISTER FOR WORKS. They are Messrs. Ellis, Young and Crimp. I believe those men are quite capable of carrying on the present work, or any work that may be undertaken in the future. I have no desire to be an optimist, and to say that we shall secure considerable loan funds in the future. I believe the amount of loan funds that will be available to the State next year, and for some years to come, will be very small. In view of the small amount available for this year, I came to the conclusion that the loan difficulty will last for years, and, therefore, I took what I agree amounted to extreme action. When hon. members ask what will be the saving, I must reply that the amount will be considerably more than has been indicated. That arises from the fact that the Executive Council minute read as follows:—

1, That the construction of new railways be transferred from the Public Works to the Railway Department. 2, That the whole of the departments and branches under the control of the Ministers for Works and Water Supply, including the Main Roads Board, be amalgamated and administered as one department. 3, That the position of Engineer-in-Chief be abolished, and Mr. Stileman called upon to retire as from a date to be fixed. 4, That the Commissioner of Main Roads be appointed to control the engineering division of the amalgamated departments without additional remuneration.

I am satisfied that by bringing the whole of the various departments indicated under the control of one Minister—hon. members must bear in mind that in taking this action I am practically retrenching myself out of my position—it is possible to reduce the staff considerably without, in my opinion, decreasing efficiency.

Mr. McCallum: But the departments you have mentioned have always been under one Minister!

The MINISTER FOR WORKS: They have not.

Mr. McCallum: Of course they have.

The MINISTER FOR WORKS: There are two Ministers, Mr. Baxter and myself.

Mr. McCallum: But surely the departments you mention have always been administered by one Minister.

The MINISTER FOR WORKS: No. The whole of the Public Works Department will now be run by one Minister and not by two as at present.

Hon. P. Collier: Will that mean the retrenchment of one Minister?

The MINISTER FOR WORKS: It will, so far as I am concerned.

Hon. P. Collier: Well, that will be a good thing!

The MINISTER FOR WORKS: I hope before this Parliament ends that we shall be able to revert to the six Ministers, because I regard that as necessary in these days. I am not doing this job without serious consideration, and I know I will retrench myself out of my position.

Hon. P. Collier: But it may be that the other fellow will be retrenched.

The MINISTER FOR WORKS: At any rate, I have read to hon. members the Executive Council minute under which action was taken.

Hon. P. Collier: What was the date of that minute?

The MINISTER FOR WORKS: I have not got the date at present. On the Saturday or the Monday I gave an interview to the Press and told them that I intended to make a statement in the House on the following Tuesday. The Executive Council minute was signed on the previous Wednesday. Regarding the position of the Main Roads Board, when I placed the Main Roads Bill before hon. members earlier in the session. I was not fully aware of what the financial position would be. When the proposal to abolish the Main Roads Board was formulated, the main reason was, of course, to effect necessary economies. The chairman of the Main Roads Board was appointed Commissioner of Main Roads at a salary of £1,500 for five years. I am not prepared to subscribe to any suggestion that the engineers in Western Australia, with the exception of Mr. Stileman, are not capable men. I am satisfied there are good efficient engineers in the Public Works Department to-day, and I am satisfied that Mr. Tindale is entirely suitable for the job we have asked him to undertake.

Mr. McCallum: Do you think those engineers will stop with you after this decision?

The MINISTER FOR WORKS: I think so.

Mr. McCallum: You are optimistic.

The MINISTER FOR WORKS: Those engineers are in good positions, and it is well known that it is difficult to get good jobs in these days.

The Minister for Railways: At any rate, those engineers have not asked to be retired.

The MINISTER FOR WORKS: Certainly not. In connection with the transfer of the Railway Construction Branch to the Railway Department, I will agree that that question has been discussed from the time of C. Y. O'Connor. Shortly after I assumed Ministerial control of the Public Works Department, this question was placed before me. I went through files dating back 30 years. I agree that the Public Works Department has always opposed the transfer and that the Railway Department always supported it.

Mr. McCallum: Did the present Commissioner support it?

The MINISTER FOR WORKS: Yes.

Mr. McCallum: Did you have his report before you when you came to your decision?

The MINISTER FOR WORKS: I am not going to say.

Mr. McCallum: Whose advice did you follow?

The MINISTER FOR WORKS: I will tell the hon. member. I think I am telling the story. I went through the files dating many years back and I am prepared to say that had I accepted the advice indicated in the files, I would not have agreed to the transfer. But I had to look at the question from another point of view altogether. A perusal of the Public Works files showed that the reason advanced against the transfer was that if the railway construction work were transferred to the Railway Department, that department would build railways at greater cost in order to save maintenance expenses in the future. I do not agree that that will necessarily follow. The Government have the right to decide how much money shall be spent, and what standard of railways shall be constructed. Even C. Y. O'Connor in his time mentioned that some of the loan funds might be diverted to revenue if the transfer were agreed to. When I analysed the problem, I came to the conclusion that, naturally, the engineers of the department would not agree to reduce their status. We all know that the policy is always to build up a department, not to break it down. So I looked at the question from another point of view. There are four railways being constructed to-day. There is the Kulja Eastward line, for which sufficient money is available to lay the rails but

no money is forthcoming to finish the work. Then there is the Lake Grace-Karlgin line, for which there is also sufficient money to lay the rails, but no money for ballasting and so on. Then there is the Meekatharra-Wiluna line, for which £18,000 is available for the whole year, which is just about enough to maintain the line and run the traffic, without providing anything at all for ballasting and so on.

Hon. P. Collier: The line will not want much ballasting.

The MINISTER FOR WORKS: Then, again, there is the Bridgetown-Jarnadup line, for which £40,000 has been provided. Thus it will be seen that a small amount of money only has been provided to deal with four lines already under construction. They will be completed in a short time, and then I will have the job, as Minister controlling railway construction, of running the railways, not building them. Serious difficulties will arise in receiving much money in the future, even enough to finish the railways. Considering these various points of view, I thought it would be much better to hand over railway construction to the Railway Department. It seemed to me a common-sense point of view that the department that runs the railways should build them. It has been argued that this course should not have been pursued. I came to the conclusion, taking everything into consideration that it was my duty to the Government to recommend that the railway construction branch should be handed over to the Railway Department. The position is that for the four lines I have mentioned, £203,000 has been provided on the Loan Estimates and £99,832 has already been spent. I have been faced with other difficulties in regard to the railways under construction. Owing to the low price of wheat, which affects the Kulja-Eastward and Lake Grace-Karlgin lines, if I charged the ordinary freights applicable on railways under construction, it meant that the freight from Bunbury to Karlgin would be 8d. per bushel. It naturally follows that in these times it would be impossible for the settlers to pay any such impost. As to the Kulja-Eastward line, instead of charging 2½d. or 2¾d. to convey wheat 58 miles as in the past, over a railway under construction, I agreed that the freight charged should be that imposed on the ordinary railways. That left me .7d. per bushel to convey the wheat 58 miles and the

railways took .4d. of that for bash haulage. That reduced the amount available to .3d. for the carriage of the wheat over a distance of 58 miles. In those circumstances, it will be seen that the Railway Department could carry the wheat much cheaper than I, as Minister for Works, could haul it, because they had the staff to run railways, whereas the staff at the Public Works Department was there to construct lines.

Mr. Willcock: But they are able to run the railways. You should hand over the line.

The MINISTER FOR WORKS: That is another point. The Railway Department will not accept any line unless the Engineer-in-Chief has issued his certificate.

Mr. Willcock: They could run the line without taking it over.

The MINISTER FOR WORKS: That is what we intend to do now, and it will apply in the future. At an earlier stage I said that the question of the Main Roads Board had to be considered. The overhead costs had to be taken into consideration. Last year £65,000 was spent, and this year I am left for expenditure over the whole of the year with £178,000, less £30,565 which should have been paid into the sinking fund, but was not so paid. In view of that position it was absolutely essential that re-organisation should take place. That re-organisation has been effected by incorporating the Main Roads Board with the Public Works Department itself; sending the Railway Construction Branch to the Railway Department and so reducing overhead expenses. Under this system the Commissioner of Main Roads will be Director of Public Works as well.

Mr. McCallum: What salary was he getting as Chairman of the Main Roads Board?

The MINISTER FOR WORKS: I think it was £1,500.

Mr. McCallum: Was it not £1,200?

The MINISTER FOR WORKS: I think £1,500 was the amount mentioned in the Bill.

Hon. P. Collier: No salary was mentioned in the Bill at all.

The MINISTER FOR WORKS: I was under the impression that it was, but, at any rate, Mr. Tindale will not receive any increased salary compared with what he has received in the past.

Hon. P. Collier: I thought you mentioned £1,500 as his salary.

The MINISTER FOR WORKS: I did, but the Executive Council minute reads definitely that he will take over the increased duties without additional remuneration. I wish to take this opportunity to deal with the question of main roads. I have been confronted with a difficult position. I was told that I would have a certain amount and believing I would receive that cash, I pledged the Government to give £1,000 to 68 local governing authorities who were owed more than £2,000. Shortly after I did that, I received a communication from Canberra to the effect that the main road grant was to be reduced by £96,000, which left me in a serious position. In order to find out what the position really was, I got a statement from the Treasury. I want to tell hon. members that if I cannot carry out my promises to the local governing bodies, they can easily realise why that is not possible. The financial statement sets out the position as at the 31st October, 1930. The receipts show the Commonwealth contribution, spread over five years at £384,000 per annum, giving a total of £1,920,000. The State contribution is shown as £795,210, less the compulsory saving advised by the Commonwealth Government of £96,000, giving a total of £2,619,210. Under the heading of expenditure, works account for £2,351,493, and sinking fund £30,565. That was the amount I mentioned earlier when I said I knew nothing about the position until I found that the money had not been charged up in the past, and had to be debited up against my account.

Mr. McCallum: Against what?

The MINISTER FOR WORKS: Against Federal aid roads.

Mr. McCallum: That came out of the Federal money.

The MINISTER FOR WORKS: That is not this year's. In my estimate I made provision for £22,000 per annum sinking fund. That also is out of the £384,000. But against that the Treasury found an amount not paid previously, and now it is charged up to my Federal Aid Roads Fund.

Mr. McCallum: But the Commonwealth deducted sinking fund before they paid over to us.

The MINISTER FOR WORKS: It leaves me with a balance of £130,398 available for the whole of this year. The pre-

vious figures I gave dealt with the work in hand, whereas this is the money I have available since the beginning of this month to carry me through the remainder of the year. So it cannot be expected that I shall be able to assist local authorities to any great extent. Also I have to find £45,000 for bitumen for certain roads that have been completed up to a certain point. That is the reason why the reorganisation had to be made: the amount available has been reduced from £2,112,171 last year to £830,810 this year. It follows that I must reduce the overhead costs. I called in the assistance of the Public Service Commissioner, and after doing everything possible to get the costs down I finally decided upon a re-organisation of the Public Works Department.

Mr. McCallum: You have not told us upon whose advice it was you acted.

The MINISTER FOR WORKS: I could not call in any outside advice. I had to go into the thing myself, make up my mind, bring the matter before Cabinet and get their approval. After all, I knew that if I did not make a decision nothing would be done, and certainly I could not expect any engineer to advise me to do this. It was for me alone to decide on the information I had before me. I have heard it suggested that this matter was not known to the Engineer-in-Chief until he read it in the newspapers. But as soon as I had Cabinet's approval, I arranged for the Public Service Commissioner to ask Mr. Stileman to wait upon him at his office. Mr. Stileman was at the office before 12.30. Up to that time no officer in the department knew what I was doing. After luncheon Mr. Munt and Mr. Tindale were sent for and were told of the matter by the Public Service Commissioner. If there is any responsibility attaching to anybody else, it is certainly not to the officers of the Public Works Department. It was a thing about which I could not ask one of our own engineers. I had to make the decision myself and get the approval of Cabinet. It was very necessary that I should reduce overhead costs. There are too many engineers and too many draftsmen for the work available. What I am doing now is to keep a skeleton staff.

Mr. McCallum: Yes, a skeleton without a head.

The MINISTER FOR WORKS: I am keeping a sufficient skeleton staff to build up again when the occasion arises. There is very little work to be done in the engineering department, and nothing at all in the architects' department. What I am aiming at is to keep on cutting down the overhead expenses and maintain a skeleton staff so that I can build up again in the future. I believe that when the men on the bottom rung of the ladder have to work half time it is my duty as Minister to deal also with the man at the top.

MR. WILLCOCK (Geraldton) [9.50]: I had intended to speak at some length on the Loan Estimates, but the Leader of the Opposition has covered most of the ground I had meant to go over. However, this retrenchment of the Engineer-in-Chief is of such grave importance as to justify fully any remarks I may have to make. Members on this side do not desire that this question should be decided on party lines. If there is one thing that can be decided without any party feeling, surely it is the filling of the highest administrative positions the State has to offer. There is no desire on this side to make any political capital out of the decision arrived at by the Government. From what the Minister for Works has said, and the great use he has made of the first personal pronoun, it is clear that he has gone into this matter with a strong personal bias and has succeeded in influencing Cabinet. I feel that when the whole matter is calmly and dispassionately studied in the light of our experience over many years, the Government would not be displaying any weakness if they intimated that they were prepared to reconsider their decision. Rather would it be a sign of strength, an acknowledgment of additional facts placed before them and of additional reasons why the occupant of this important office should be retained in the service of the State. In a State of the immense size of Western Australia it is highly necessary that we should have expert engineers to carry out immense public works, and the House will agree that we must have at the head of the department the most highly qualified man available. If it could be shown or even suggested that there has been revealed in anything Mr. Stileman has undertaken a want of capacity or ability, we might be with the Government

in their desire to make a change. But of course there has been no question as to Mr. Stileman's capacity to carry on the engineering work of the State. During the five years that Mr. Stileman has occupied his office, our engineering work has been eminently more successful than at any other period during the last 25 years. It is generally conceded that Mr. Stileman's ability stands out and that he is eminently fitted for his post. If we are prepared to retrench such a man for the sake of £1,000 a year, it is about time we shut up shop. We hear a lot of talk of the necessity for efficiency in the carrying out of our State activities. If efficiency is necessary in the carrying out of established concerns, how much more is it necessary in the planning and building of important works that have to be constructed in Western Australia. Reorganisation may be necessary, but after all we require the most capable brain to advise us even in regard to that reorganisation. If for lack of work it is necessary to dispense with one or two engineers, surely that is not to say that we should dispense with the supreme head of the department. If a firm such as Boans were suffering from trade depression they would scarcely sack the manager who has helped to build up the business. So, too, if Cuming Smith were to decide upon economies, they would not sack their specially able manager who in all circumstances can be trusted to run that business. Again, with the banks and financial institutions, we do not find them sacking their managers. If considerable curtailment of expenditure and retrenchment were necessary in the Commonwealth Bank, the Commonwealth Government would not sack the manager. Highly important decisions have to be made by him, and the Scullin Government, notwithstanding the pressure brought to bear on them to dispense with the services of the man responsible for its policy—according to Press reports—refused to do so.

The Minister for Railways: It was seriously suggested that they should sack Sir Robert Gibson.

Mr. WILLCOCK: But the Government were big enough not to do so, notwithstanding the political pressure that was said to have been brought to bear upon them from their own side. They reappointed him, knowing that he possessed the capacity, experience and knowledge safely to carry the

country through a very serious and stressful time. Those comparisons apply to all big undertakings. I agree with the member for South Fremantle that it is not a question whether we can afford to keep the most efficient man in the job. It is a question whether we can afford to do without him. After what has been said by the Leader and the Deputy Leader of the Opposition, I consider that a sufficient case has been made out to justify the Government in reconsidering the steps they have taken. If the matter is to degenerate into a party quarrel or strife, it will be so much the worse for Western Australia. I hope that will not happen; there is no necessity for it. I think that the Government, after reconsidering the matter, will agree with the gospel being preached throughout Australia that what is required is efficiency of service. If we can get that, it does not matter so much what the price is. I have not much to say regarding the Loan Estimates. The Leader of the Opposition has touched on several items with which I had intended to deal. I sympathise with the Premier owing to the reduced amount of money available for public works. Even in the best of times the Government have an immense number of requests for the expenditure of loan money. Some of the requests are desirable, some important, some necessary; some are essential to progress and some are practically fundamental to our existence. We have largely banked on agriculture, represented by the extension of our wheat and wool industries. When the present Government took office seven months ago, I think it was their policy to continue along the safe lines on which the State had been developed during the previous 10 or 12 years, namely increasing the production of wheat and wool and making other aspects of agricultural development comparative sidelines. Shortly after assuming office, the Minister for Lands went to the Eastern States and stayed there five or six weeks or longer to ascertain whether money could be obtained or what decisions could be reached regarding the extension of wheat growing and wool raising.

The Premier: Cheap money.

Mr. WILLCOCK: That was the policy the Government had in mind. Whatever money was available was to be spent in the best way, no matter whether it was cheap or dear money. Apparently the policy was to concentrate on wheat and wool production.

Seven or eight weeks after the Government took office the publicity report, for which the Premier was responsible, stated—

When Professor Prescott's report (on the 3,500 farms scheme) has been considered by the Government in all its aspects, an announcement of policy will be made concerning a scheme which has filled a very important place in the agricultural aspirations of the State.

The concluding sentence of the paragraph read—

In this, as in all other matters, the broad outlook and ready enterprise of Sir James Mitchell will find ample scope for expression and early action.

That report was issued under the authority of the Premier. Presumably he saw it, because it bears the statement that it was issued under his authority. I do not suppose the Premier would have allowed anyone to issue a statement under his authority unless he had perused it.

The Premier: It is the first I have heard of it.

Mr. McCallum: What is the date of it?

Mr. WILLCOCK: It was issued at the end of May.

The Premier: I do not think that ever appeared.

Mr. WILLCOCK: Does not the Premier recognise this, "Western Australian activities; issued under the authority of the Premier"? The member for Northam was Premier at the time.

The Minister for Lands: I think you were responsible for a lot of that.

Mr. WILLCOCK: It does not say anything about the ample scope and ability of the Hon. P. Collier. It says that the broad outlook and ready enterprise of Sir James Mitchell will find ample scope for expression and early action. I am not quarrelling with that expression. I suppose most people would agree that he had a broad outlook and showed enterprise. I cannot find anything very wrong with the paragraph except that the promise contained in it was not carried out. That is the point I am coming to. The Minister had a policy of extending agricultural development, but when the Premier came on the scene and desired to take a hand in the formulation of the policy, he turned again to group settlement and to the South West and made that aspect of activity paramount.

The Premier: I have been trying to get money for the 3,500 farms scheme.

Mr. WILLCOCK: That was the policy of the Minister for Lands. He had ideas regarding the formulation of a policy and the works he intended to undertake. He went to the Eastern States in furtherance of that policy, but apparently it was turned down to suit the Premier. After all his investigations, the Minister apparently was told to scrap his scheme, pack off to Nornalup and do something that the Premier had in mind.

The Premier: Nothing of the sort. You know you started the 3,500 farms scheme on cheap money, and you know the cheap money was denied us until an investigation had been made.

Hon. M. F. Troy: You rushed us into it.

The Premier: I did, did I?

Mr. WILLCOCK: I know I had to defend the position with regard to the making of proper inquiries before we started the scheme.

The Premier: Why?

Mr. WILLCOCK: To see that the country was in a proper condition to settle, that it was a safe, sure and sound proposition before we put money into it.

Hon. M. F. Troy: It was a good thing we did make the inquiry.

Mr. WILLCOCK: Yes. I have never seen the report put up by Professor Prescott, but he went into the matter of the salinity of the soil, and found that very little of it was affected, and that the vast majority of the area it was sought to develop was ready to be developed when it was time to take another step forward. Whilst that was the policy of the Minister for Lands, it seems to have undergone a change.

The Minister for Lands: It has not been changed. We carried out the investigation which my predecessor was asked to carry out.

Mr. WILLCOCK: The policy of the Lands Department was to proceed with agricultural development and wheat growing generally. That has been scrapped.

The Minister for Lands: It has not been scrapped.

Mr. WILLCOCK: I am only looking at the Loan Estimates.

Hon. P. Collier: It has been suspended.

The Minister for Lands: Until the investigation is completed.



Mr. WILLCOCK: This is not the only land suitable for wheatgrowing.

The Minister for Lands: Where can we get land within reasonable distance of a railway?

Mr. WILLCOCK: The Minister has seen a lot of good land that could be opened up in my district.

Hon. P. Collier: There is a lot of land at Wanneroo.

The Minister for Lands: You want a railway.

Mr. WILLCOCK: I am not putting up a special plea for any particular district. We have already reaped a handsome reward in the matter of the State's prosperity from the policy that has been in vogue for the past 10 or 12 years, the policy of wheat and wool growing. It is a safe policy to pursue if there is any money for its development. I agree with the Leader of the Opposition that this is no time for extensive agricultural development. We shall have a hard job to save the industry as it is now. Every shilling that can be saved and scraped together from any source should be saved, scraped and put together to assist the industry through its very serious time of stress and trouble. All those engaged in the industry are in an uproar of discontent and dissatisfaction consequent upon loss of hope and the black outlook confronting them. They are meeting in hundreds in every centre, from Northampton to Wagin and Lake Grace; wherever there are agriculturists they come together to discuss the seriousness of their position, and ways and means whereby it can be improved. They are not meeting as units of some small organisation or branch of the Primary Producers' Association, but are meeting in large numbers irrespective of any organisation to discuss their position, and the steps that can be taken to alleviate it. They are all agreed that the immediate necessity is financial assistance to tide them over their position.

The Minister for Lands: If we gave them all there is on these Estimates it would not provide them with very much.

Mr. WILLCOCK: I do not know that we need to give them all the money on the Estimates.

The Minister for Lands: We cannot do that anyway.

Mr. WILLCOCK: It is proposed to raise money from certain avenues of taxation. I

understand one proposal of the Premier has already gone by the board.

The Premier: Perhaps you will be pleased.

Mr. WILLCOCK: No. I do not suppose the Premier himself is pleased at having to increase taxation. I should be glad if we could get enough money to be able to give some practical assistance to the people on the land.

The Premier: We are in a very awkward position. I suppose we require at least two millions.

Mr. WILLCOCK: It is an awkward position.

Hon. P. Collier: If there was any taxation that was justified it was the tax that was lost. If we cannot tax those people whom can we tax?

The Premier: Yes.

Mr. WILLCOCK: I agree that we should not engage in experiments just now nor should we spend money on new schemes. I do not want to decry the South-West. Eventually it will be one of the richest parts of the State, but like other centres it cannot be developed without money. We are beginning to get the results of the policy of the past. We should not concentrate, as some people expect us to do, on a policy of putting people without capital on the land. That is one reason why we must have a reconsideration, when there is any cheap money available for development, of the policy that people should go on the land without money. My opinion is they should at least have some of their own money so that they may be taking some of the risk. If there is anything to gain they gain it all, and they should be prepared to take some risk.

The Minister for Railways: If that had been the policy in the past you would not have settled much land in Western Australia.

Mr. WILLCOCK: It would not have greatly harmed the State if we had delayed for a little while.

The Minister for Railways: But this would have meant a big delay.

Mr. WILLCOCK: A year or two in the life of a nation does not amount to much.

Mr. Kennecally: If there had been a delay in the group settlement it would have been of some benefit to the State.

Mr. WILLCOCK: I do not wish to embark upon a debate on that point. What I fear is that the inauguration of a new settlement scheme under Agricultural Bank conditions, somewhat similar to the group settlement scheme, will encourage a belief that group settlement is going on, and will prove expensive for the people. The Premier has been very conservative in one direction, such as has been stressed in the remarks that were made concerning the Engineer-in-chief. We should make up our minds what we are going to do in the future. When the Minister for Lands was in the northern districts, he went apparently with the idea that as no railway construction was likely to take place there it was of no use making an inquiry as to where railways could be put if the money was available. He was satisfied with the quality of the land, as everyone must be seeing that over a comparatively large area the yield was 30 bushels of wheat to the acre. No one expects we are going to build railways just now, but the cost of an inquiry as to the route that will be taken when the railway is laid down would not amount to much. Many farmers own large blocks of land. It makes a lot of difference to the development of those areas if the owners know where the railway is going to be built, and when it is likely to be built. They know then where to build their houses, lay down their water supplies, and effect all those other improvements that are so contingent upon the route the railway takes. There is not very much harm, if a railway is going to be built—and I am sure the development of the district will warrant railway construction—in the people responsible for the selection of the route going through the district and making a pronouncement as to the probable direction of the line. The Minister for Lands promised to stress the desirableness of the Railways Advisory Board going through the district and making inquiries. I hope the few pounds necessary for that investigation will be found; the local people will provide motor cars and even food and sustenance for the board. The Premier chips in occasionally when I speak about the Geraldton harbour. In anything I say as to the affairs of this country, the Geraldton harbour does not worry me, for I know that that harbour is warranted, and that it would

not have been constructed if it had not been warranted. The business of the port has increased six-fold during the last six years.

The Minister for Railways: Is it satisfactory?

The Minister for Works: Highly satisfactory; greater progress than any other port in Western Australia.

The Minister for Railways: I mean, satisfactory from the point of view of shipping?

Mr. WILLCOCK: Yes. I did see that the captain in charge of the first ship to enter complained a little about ground swell. However, that has existed at Geraldton for many years. It takes place about every two or three years under certain peculiar weather conditions. The last time it occurred was, I think, four years ago, in June.

Hon. P. Collier: It was bad luck that the first ship to come in should encounter that.

The Premier: No doubt it was the anniversary of the ground swell.

Mr. WILLCOCK: The harbour is absolutely warranted. The people of Geraldton, while not perfectly satisfied at the harbour not being constructed with greater expedition, agree that with the limited amount of loan money available the Government are giving them a fair deal. The export of wheat has risen, from 400,000 bags five years ago, to about 2,000,000 bags this year; and every other item has gone ahead in the same ratio. Thus there is no doubt about the justification for the Geraldton harbour works. When the harbour has been completed and ships go there to trade, it will be an immense advantage to the district. It will likewise be an immense advantage to the Wiluna goldfield, which will be able to obtain its stores from Geraldton much more cheaply. Thus the cost of production will be lowered, in accordance with the gospel being preached throughout Australia. Finally, we must not make a party question of the appointment of the Engineer-in-Chief. It is a question that can be decided without any party feeling.

The Premier: We should not make a party question of anything.

Mr. WILLCOCK: The importance of the position of Engineer-in-Chief should influence the Government in regard to reconsidering the matter. I hope members on

each side of the House will fearlessly express their opinions as to this important subject. After opinions have been expressed by all shades of political parties, if the consensus of opinion is, as I think it will be after mature consideration, that an alteration of policy would be in the best interests of the State, I hope the Government will be big enough, if they conclude that a mistake has been made, to alter their decision and do something that will be for the ultimate benefit of Western Australia.

**HON. M. F. TROY** (Mt. Magnet) [10.26]: I wish to say a few words on the general administration of the Mines Department. The vote is much lower than it was in previous years, and therefore I hope the Minister for Mines or the Premier will give the Committee some assurance regarding assistance to prospectors. That is to-day a burning question on the fields. Month after month and week after week the Mines Department have promised to grant assistance, but up to date they have not done so. On the Estimates of Revenue and Expenditure I drew attention to the fact that certain officers of the Mines Department had received increases in salary. The salary of the State Mining Engineer was raised from £900 to £960. That gentleman has enjoyed a number of increases in the last few years; and while I criticise the fact, I do not criticise the merits of the officer. I have no objection whatever to the officer, and in prosperous times there would be no objection to his being particularly well recompensed. But it is an extraordinary thing that at a time like this, when the Government are introducing Bills to reduce salaries, an officer's salary should be raised from £900 to £960 a year. It is an extraordinary thing also that at a time when the activities of the department are much less than they have ever been in the history of the State, officers have less work and more salary. I voice my objection to that principle. My remarks are directed not to the officer but to the principle. This is no time for increased salaries, and the increase here is not justified in view of the fact that the department cannot find a shilling for the industry. The same thing applies in regard to the Inspector of State Batteries. Last year that officer received an increase, and this year he gets another. Whilst saying nothing detrimental to the merits of the

officer, I say that he should not receive an increase while the prospectors cannot get any assistance whatever.

The Minister for Lands: This will be an automatic increase.

Hon. M. F. TROY: I do not care what it is. The question of automatic increases does not excuse this at all. It is an extraordinary thing that whilst to-day the department presided over by the State Mining Engineer and the Inspector of State Batteries have reduced the carting subsidies and not given a shilling to the prospectors in the industry, the officers themselves receive increases of salary. I repeat that my remarks are not directed against the officers, but entirely against the principle. I consider it extraordinary and wrong that in a department which cannot raise a shilling for mining development we find an officer receiving £900 a year increased to £960. It is unjustifiable in the circumstances. I want to enlist the sympathy of the Minister regarding another phase. There is a great possibility of a revival of the gold mining industry. Considerable interest has been taken in the industry of late and the development of Wiluna will be followed with anticipation. The mine is equipped with the most up to date machinery in the world and it is possible that its methods of production will have a great effect on the development of the industry. From time to time new mines are being discovered, but in these days we do not hear much about such incidents. The newspapers do not give as much attention to mining discoveries as they did 20 years ago. A few months back a new find was located at Mount Magnet and a crushing of 200 tons was put through for a return of two ozs. to the ton. Another good show has been opened up at The Gap, not far from Nannine. I was told it had been sold for £3,000. One or two other good mines north of Sandstone have proved consistent gold producers. All these mines have been discovered within the past few years, and had they been discovered 20 years ago would probably have been floated into company propositions. To-day there are many good leases, but the necessary capital is not available to work them. Moreover, the conditions that obtained generally more than 20 years ago do not exist to-day. I do not wish to stress that phase, except to make a point regarding prospectors who left the gold-

fields in years gone by. They came to the city because they wanted to afford their families opportunities in life. There were no openings in the back country for their children to learn trades or to engage in professions. Employment was found in connection with sewerage and other works but at present they are confronted with the unemployment problem, and many old prospectors are going back to the fields. They are men who would be prepared to stay out for 12 months without returning to their homes. Some of them were promised sustenance and went to the fields on that basis. One of them returned to the city the other day and told me that he had been promised sustenance but had not received a shilling during the three months he had been away. He said it was extraordinary that he could return to Perth and receive the married man's sustenance here. That is a strange policy for the Government to pursue. They refuse sustenance to a prospector on the fields and yet, as the particular prospector I refer to said to me, "I can come to Perth and draw my sustenance because I am regarded here as a damned nuisance to the Government!" That sort of administration is not in the interests of the country. To-day outdoor relief is provided for married men with families, yet the prospector cannot get similar relief, although he is prepared to engage in prospecting work in the back country. I do not wish to say more about that, because I hope the Minister is sympathetic, and that he will do something to assist the old prospectors. If the Government are not prepared to extend a little help to the men in the industry, we cannot expect much from outside capital.

The Minister for Mines: In recent years the habit has been growing of not helping these men from outside sources, but of sending them to the Government for sustenance.

Hon. M. F. TROY. That is not so.

The Minister for Mines: We have proved it during the last few weeks.

Hon. M. F. TROY: In my electorate there are hundreds of men who have never received sustenance and will not ask for it.

The Minister for Mines: I know that, but the fact remains that the habit I suggest has been growing.

Hon. M. F. TROY: I know some men who have worked for two or three years in the bush without any return. I know men who

have made three fortunes out of mining and every penny they made they put back into the industry.

The Minister for Mines: I am talking about the assistance from outside capitalists and I say the habit has been growing of sending the prospectors to the Government.

Hon. M. F. TROY: In the old days, gold was much easier to find than it is to-day. When men are without resources and have a family to maintain, they naturally go to the Government for assistance. Who does not go to the Government to-day with less justification?

The Minister for Mines: Gold was never easier to find than at Larkinville.

Hon. M. F. TROY: Can the Minister say where there are a few more Larkinvilles?

The Premier: We would be well on our way now if we knew of them.

Hon. M. F. TROY: If we could secure some such advantage, no sustenance would be required by prospectors. I hope the Minister will help those engaged in the industry and I still have confidence that he will do so. Dealing with group settlement matters, I notice that the valuation of the group blocks has almost been completed.

The Premier: There are about 100 more to deal with.

Hon. M. F. TROY: The loss on the holdings will be not £3,000,000 as has been stated, but £4,000,000. The first loss is that on property values. It must be remembered, however, that over £900,000 is involved in abandoned locations. Hundreds of thousands of pounds will yet have to be spent in bringing many of the holdings up to the standard of a ten-cow proposition. The members of the Committee must not expect that all the group settlers are now in a position to pay their way. There are hundreds of blocks on which thousands of pounds will have to be spent because the settlers and the land are backward. I do not wish to criticise unduly the Premier who is in charge of group settlement matters, but he is not entitled to much generosity at my hands. He certainly gave me scant help when I had to undertake the difficult task of reconstruction. In fact, he did much to embarrass me.

Mr. H. W. Mann: Well, don't be spiteful.

Hon. M. F. TROY: The justification for our work is to be found in the fact that the whole country recognises that the reconstruction was absolutely essential and that without it, the group settlements could not have been placed on a sound footing. Blocks that we abandoned are still abandoned, despite the particulars included in a return that was furnished in reply to a request by the member for South Fremantle (Mr. McCallum) earlier in the session. I find that the return is misleading and does not represent the facts. Within a comparatively few months of the Labour Government going out of office, these alleged facts are produced in the House, and yet they are wrong and misleading. I do not know who prepared them or who instructed them to be prepared, but I should say they were by the Premier.

The Premier: I certainly did not prepare the return.

Hon. M. F. TROY: To anyone who did not know the real position, the impression would be gained that there were not many abandoned holdings. It showed that quite a number of the holdings were not abandoned but were available for selection. As a matter of fact, every holding that had been abandoned was available for selection before we left office. Particulars were published in the "Government Gazette." Hundreds of them were offered for a mere song. Blocks on which £2,000 had been spent were offered for £200. So the whole justification of the Collier Government's administration is that events have vindicated what was done. The Premier used to say in the House that the land was all right, but the administration was all wrong. As a matter of fact, the land was not all right, the settler was not all right, and the Premier knew it. Numbers of group settlers left holdings that were carrying 15 cows, and the next day walked into the Charities Department and asked for assistance. Yet we were told the settlers were all right.

Hon. P. Collier: They did not get that assistance, and so they marched round town blackguarding me.

The Minister for Railways: Men who have been back only a fortnight from Wyndham have come in and asked for assistance.

Hon. M. F. TROY: As I say, settlers whose holdings have carried 15 milking cows have walked into the Charities De-

partment and asked for assistance. It was all very well for the Premier to say the settlers were all right, because those settlers had votes. As a matter of fact, in many instances the settlers were not all right, although admittedly there were good ones amongst them. Before the readjustment of the blocks, there were 2,400 locations, and from time to time they had on them 5,000 settlers. So the land was not all right and, as I say, in many instances the settlers were not all right, the trouble being that there was too big a percentage of bad land and bad settlers. I did the best I could to assist those settlers and help build them up, but I had to withstand attacks in this House and in the Press declaring that what was wrong was the administration. Take the estate purchased from the present Premier: that land was unsuitable, for the drainage on a 100-acre farm cost the State £800. When the then Premier saw the estimate he was staggered to think that it was to cost £800 for the drainage of 100 acres. I will say no more about that.

Mr. H. W. Mann: I am afraid you will mention it again.

Hon. M. F. TROY: When the Premier was advertising his slogan, "God speed the plough," I always felt that in his own farming schemes he left the ploughing to God. However, that is all I will say about it, but he is very lucky that he did not get an attack which in the circumstances, I could have made. I certainly wish the Premier well with the group settlement scheme. I am now in the position of receiving complaints from the group settlers who write and tell me his administration is all wrong. However, I do not encourage them; do not even reply to their correspondence, so God bless the Premier, and I hope he will do well for the good of the State. He is developing a policy that, while not entirely new, has something new in it. He has promised the settlers that they shall be earning £10s. a week before being called upon to pay any interest. That is exceedingly generous.

The Premier: I have not promised them anything of the sort.

Hon. M. F. TROY: It has been published in the Press that the Premier guaranteed them £3 10s. a week before they would have to pay interest.

Hon. P. Collier: Some of them will never be paying interest, and so they will be right for life.

Hon. M. F. TROY: I wonder what the wheat farmer will think when he hears that the Premier has promised the group settler that he shall have an income of £3 10s. a week before being called upon to pay interest.

The Premier: I have not said anything of the sort.

Hon. M. F. TROY: Well, I will show the hon. member the published statement. It occurs to me we shall never get any interest if the Premier adopts that policy.

The Premier: I have not adopted it.

Hon. M. F. TROY: How will the Premier know what the group settler is earning? It is a most generous proposition, but I hope it is not to be the Premier's policy.

The Premier: I assure you it is not; I can do no more.

Hon. M. F. TROY: I will accept the assurance. If the Premier thinks he can depend on the settlers telling him what their incomes may be, he will be very much disappointed. I have had group settlers bitterly condemn me for what they called a starvation wage. One of them sent me a return giving his income as £1 7s. per month. He asked how I could expect him to live on that. But I had something up my sleeve, for on the best authority I knew he was earning a satisfactory income. So if the Premier is going to estimate the earnings of the settlers from their statements to him, he will not make a very accurate estimate. I hope he will insist upon the group settler established by the expenditure of a huge sum of public money, and who virtually has had many hundreds of pounds handed out to him—I hope the Premier will insist upon the group settler paying his debts. Before I left office there were settlers with incomes up to £300 per annum. I knew that because I had it from the bank. Those men were in a position to pay their debts, but they would not do so without the strongest pressure being put upon them. I knew of group settlers who had £200 a year in cream cheques alone, and still complained that they could not make a living. When those people, living on the lowest-priced blocks in Australia, can milk from 15 to 20 cows, they ought to be able to pay their debts. They have had a very good deal, and I hope the

Premier will make them stand up to their obligations. The Agricultural Bank has now taken over the settlers, and there are no figures to indicate just how much money has been expended this year on group settlement. During the term of the Labour Government there was a big reduction in the expenditure year by year, and I hope that reduction is being maintained. Considering that dairying is the most prosperous industry in the State at present, quite a number of the group settlers ought to be in a position to pay their debts to the State.

The Premier: Some of them are paying.

Hon. M. F. TROY: When I left office I was acquainted with the figures, and I know that quite a number of the settlers were in a position to pay. I noticed that the Premier introduced a policy of putting five acres under intense culture, but I guarantee that that policy was not carried out by one settler. I smiled when I read of it. It was quite impossible to achieve when a settler had to engage in farming and dairying operations. I am glad that the valuation of the holdings has been completed. Although I never proposed that the backward properties should be valued immediately, I suggested putting them on a decent footing. The backward settler on the backward holding will become a further charge on the department, and the day will arrive when he will demand another valuation, and will get it, too. Other settlers will then ask for another valuation, but they should not be entitled to it, because the country has been very good to them. Regarding the general position in the agricultural industry, I often wonder whether the Government are seized with the seriousness of the situation. I shall be candid and say that early in the year I did hope that the farmer would receive 3s. 4d. for his wheat, I did not expect 4s. I thought that if he could get 10s. per bag, 80 per cent. of the farmers could make their properties pay. But we have reached the edge of the precipice. The advance by the pool is 1s. 4d. a bushel or 4s. per bag, and the price in the market is about 2s. 3d., if that. With the best equipped farm in the State, that is an unpayable price. So it occurs to me that apart from any legislation we are considering, the Government ought to consider a policy for next year. If the Government do not make a move in the direction of trying to do something

for next season, they will be guilty of callous indifference to the farmers.

The Premier: We cannot do anything without a considerable amount of money, and we are endeavouring to fix that up.

Hon. M. F. TROY: I am not aware of that. The position is so serious that the Governments of Australia ought to get together, and if nothing can be done for this season, they ought to make some provision for next season.

The Premier: We were together the other day.

Hon. M. F. TROY: I am not blaming the Governments. I am not in favour of farmers rushing to the Government as soon as they fail to make their properties pay. They ought to try to pay their way. But if present prices continue, they must go to some authority because they cannot help themselves. All the Governments of Australia are interested in wheat production. The industry is important, because it annually yields the highest production except wool.

The Premier: It is higher than wool.

Hon. M. F. TROY: Wool was higher for a time, but wheat is probably more valuable now. It is so important to our welfare and employs so many people, not only in the industry but outside it, that the Governments ought to get together and endeavour to find some way out of the difficulty. I noticed that in Canada the Governments of the various States have conferred to the same end. Something will have to be done if the industry is to be saved. As I have said, I do not believe in farmers rushing to the Government immediately they are in trouble. The old settlers, who were on the land before the war and immediately afterwards and who have received good prices for years, ought to be able to stand a siege for one year, but they could not stand a siege for several years. The new settlers who have been on the land for only five or six years have very little chance, because they have been increasing their liabilities in order to develop their properties. I have no objection to the Nornalup scheme, provided the Government do not place the settlers more than 10 miles from the railway and provided they have the money to spend, but some of the settlers are more than 10 miles from the railway, and the Government have not the money to spare. The Government

ought not to isolate those settlers in country where roads are bad and communication is difficult. If the settlers are located 20 miles from the railway, I say it is a wrong policy indeed. If the alternative facing the Government is to buy land along existing railways or to put settlers on Crown land adjacent to existing railways, the better policy is Crown land, because the settler can be established much more cheaply. If the alternative is between the Government putting new settlers on the land and refusing support to the old settlers, it is a bad policy to take new settlers in hand to the neglect of the old settlers. We have reached the stage in this State where, like an army in difficulties we have to dig in, and maintain the ground we have won before attempting to make a further advance. I hope the Government will appreciate the wisdom of that policy. Reference has been made to the 3,500 farms scheme.

The Premier: That is hung up; we cannot get the cheap money.

Hon. M. F. TROY: Just imagine the trouble we would have been in to-day had we proceeded with the scheme a few years ago! The position would have been terrible. We would have had some thousands of additional farmers on our hands and no means with which to provide for them. As I said when I was Minister for Lands, it is a good thing to make haste slowly. The Collier Government did not rush into that scheme. We insisted upon its being investigated from every standpoint. I have no doubt that at some future time the scheme will be brought to fruition. The money will then be available and the settlement will be gone on with. It was a good thing we did make haste slowly, and that we did not embark upon that scheme when we might have had the opportunity to do so. I sympathise with the Government in their difficulties. I do not propose unnecessarily to embarrass them. It is up to all sections of the House, the Government and all parties, to help those who are on the land, and to build up every industry in the State. Our sole object should be to put the State on a sound basis. I also make an appeal for the miners, that a fine body of pioneers who have already done so much for Western Australia, that they may continue to develop our mineral resources.

**THE PREMIER** (Hon. Sir James Mitchell—Northam—in reply) [11.0]: The Leader of the Opposition said that if we had not signed the Financial Agreement we would have been in no better position to-day as borrowers than without it. My answer is that we would be in a much better position. To begin with we could not be in a worse position than we occupy to-day. We gave up our financial freedom when we signed that agreement, and we know it. I admit we would not be getting what is the equivalent to the per capita payments of £472,000 that we are getting to-day, and the Federal Government would not be paying the contributions towards our sinking fund. Those two things are an advantage. But we must remember that we have given up our freedom.

Hon. P. Collier: Where would you get the money otherwise?

The PREMIER: There is a good deal of money available in the world just now. We could get it in London if we were free to do so. When the Leader of the Opposition had the opportunity he could get money in London. The Loan Council has never functioned satisfactorily from the first day. Our position is that we are £3,500,000 behind scratch owing to the fact that we could not get the money we were authorised to get, and spent in anticipation of getting. The financial arrangements were never satisfactory, otherwise we would not have gone back to such an extent. We have to recover this lost ground before we set out on any borrowing policy that will meet our needs. We have gone back in three years on the amounts authorised for expenditure by the Loan Council to this enormous extent. I am certain the credit of the State would have been sufficient to enable us to get money at a lesser rate of interest than 6 per cent., and get the money we want to-day. When we discussed this matter before, I said that if our farmers got into trouble we should have no freedom of action. The worker would be the first to suffer, and then the farmer under the conditions of the agreement. It was inevitable it must be so, not only now but in the future. This year we are getting very little loan money. I do not know what we shall get, but it will be very little. Next year we shall probably get very little more. There is no money in Australia to meet the loan requirements of the Government, and we

cannot afford to pay 6 per cent. for it. London is closed to us, but New Zealand is able to get what she wants.

Hon. P. Collier: Why cannot Australia do so?

The PREMIER: I do not know.

Hon. P. Collier: Your argument means that the reputation of the rest of Australia is so bad that it cannot get money, and therefore we cannot.

The PREMIER: Our security is better than that of most and always has been.

Mr. McCallum: The price of our stocks indicates that.

The PREMIER: I was associated with Mr. Lang, the Premier of New South Wales, in a discussion regarding the Loan Council. I have no objection to linking up with him when he is endeavouring to do what I consider the right thing. In any endeavour to get some measure of freedom in connection with borrowing I would go with him, but only so far. If he wants to do anything unconstitutional I shall not be found with him.

Hon. P. Collier: If he gets on the market you will get no money because he will borrow all that he can possibly get in London.

The PREMIER: I shall not be linked with him in borrowing on the London market, or in any part of Australia. Nothing can be worse than the present position. In the matter of finance we have unification amongst the banks. We cannot move hand or foot. We shall probably have 4,000,000 acres under crop next year, and 2,000,000 acres under fallow. Unless wheat advances in price before the next crop someone will have to come to the rescue. It is dreadful that in national troubles of this sort we are unable to help, because we cannot help ourselves. I am not responsible for the position. I opposed the amendment to the Constitution and the agreement.

Hon. P. Collier: I agree with you that we could get money if we were not in the Loan Council.

The PREMIER: I do not want to be misunderstood. I have stated the advantages we get under the agreement. We are entitled to them. The £300,000 that comes to us is contributed by our people. I do not see why we should not be free to borrow, and free to do what is best for ourselves. I have



suggested there should be a meeting of Premiers to consider the state of the finances.

Hon. P. Collier: There is provision in the agreement for an alteration with consent.

The PREMIER: Yes. The seven Governments would have to agree. The acting Federal Treasurer said in this morning's paper that upon the Prime Minister's return we might meet and discuss the whole question. I am sure it will be necessary to meet then, if not before, because the position is becoming worse all the time.

Hon. P. Collier: It would be a good thing because an alteration to the agreement might be considered.

The PREMIER: I do not propose to take violent measures such as to call out an armed force and the like. I want what is best for the State. The remarks of the Leader of the Opposition might lead people to think we were spending an immense amount of money at Nornalup. It is no a big sum, only a matter of £6,000. Already we have 100 men there who would have been drawing sustenance, representing half the sum we are spending. The work is being done under the Agricultural Bank. I do not think our wheat farmers will clear more land with wheat at present prices. Wheat is down to half the price it was, and so is hay; sheep are selling at about a fourth of their proper price; wool is at half its value. At any rate the Leader of the Opposition will be pleased to know that only £6,000 has been spent to date.

Hon. P. Collier: Will it not be a regular monthly expenditure?

The PREMIER: Anyone listening to the hon. gentleman would think that the amount spent at Nornalup was enough to give considerable help to the wheat farmer.

Hon. P. Collier: The expenditure has been started only a few weeks.

The PREMIER: No; some months.

Mr. McCallum: What would keep a hundred men down there making farms would keep a hundred men on established farms.

The PREMIER: These men are available to clear the land. I am surprised at the suggestion that no money is to be spent except in one direction. People must not be left in idleness when something can be done. I hope that a greater amount of money than now appears possible will be found to help the farmers in their time of trouble. Leg-roped as we are, tied hand and foot

under the Financial Agreement, we are dependent entirely on what the Federal Government can borrow. We know that at present London does not look favourably upon Australia. I hope the Leader of the Opposition realises that we are leaving, and will leave, no stone unturned. Any small thing that is being done is done to help people in distress, and no great sums of money are being spent. As to group settlement, one-third of the settlers are able to live and pay interest to some extent. Another third are up to about the 10-cow stage. The remaining third have still to be brought up to a stage when they can produce enough to live upon without any help at all and to meet interest. We are not paying very much now; very little is going out.

Hon. P. Collier: That means that two-thirds of the settlers are self-supporting now?

The PREMIER: Pretty nearly self-supporting.

Hon. P. Collier: Are you insisting upon the 10 per cent. supporting themselves, and are you refusing them any further assistance?

The PREMIER: Certainly. The balance, I hope, will be brought up to that stage before long. Some of the settlers are earning several hundreds a year. In one case a man earning over £400 refused to pay any interest. He is paying now. He was brought under the bank, and was not permitted to go free.

Hon. M. F. Troy: Three years ago some of the settlers were earning £200 a year.

The PREMIER: They must understand that the time has come when they have to live and help to pay interest on the money they have had.

Hon. P. Collier: They have been so long on Government assistance that it will be pretty hard to bring them to that frame of mind.

The PREMIER: It will be pretty hard to get them into that frame of mind when they will make a struggle to pay. These settlers, of course, do not pay once a year. In dairy farming they get their money really once a week, instead of two or three times a year as in wheat farming.

Progress reported.

*House adjourned at 11.16 p.m.*