

Legislative Assembly,

Wednesday, 22nd September, 1943.

	PAGE
Questions: Sheep shearing, as to charges	668
Fertilisers, goat manure, "Humoss," etc.	668
Bills: Motor Vehicle (Third Party Insurance), 1A.	669
Mortgagees' Rights Restriction Act Continuance, 1A.	669
State Government Insurance Office Act Amendment, 1A.	669
Education Act Amendment, 1A.	669
Workers' Homes Act Amendment, report	669
Fremantle Municipal Tramways and Electric Lighting Act Amendment, report	669
Wood Distillation and Charcoal Iron and Steel Industry, report	669
Motions: Wheat, as to acreage restriction, prices, manpower, etc.	669, 677
Taxation, as to the "pay-as-you-earn" system	677
Post-war reconstruction, to inquire by Royal Commission	678
Motor tyres, as to proposed acquisition scheme	688
Commonwealth and State relationships, as to post-war financial reform	703
Papers: Agricultural Bank, as to case of Craig Holden Whitwell	697

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

QUESTIONS (2).

SHEEP SHEARING.

As to Charges.

Mr. WATTS asked the Minister for Lands: 1, Is he aware that the Federal pastoral award provides for a payment of 37s. per 100 for sheep shearing, the shearers to find his own keep, and that the Prices Commissioner has fixed a maximum charge of 20s. per 100 for the use of two- and three-stand shearing plants? 2, Has he any information as to demands by some contract shearers for 37s. per 100 for the actual shearing, 20s. per 100 for the hire of such plant, and, in addition, the provision of keep? 3, Is the Deputy Prices Commissioner only concerned with maximum amounts charged for the hire of plant, or does the Minister think the Commissioner should also concern himself with ensuring that fair prices, viz., the award amounts, only are charged for shearing operations? 4, If shearers claim more than the award rate for shearing, plus the maximum for hire of plant, does he not think this an example of over-charging which should be dealt with by the Prices Commissioner owing to the difficulty that sheep owners experience in obtaining shearers and the consequent heavy demand on those available? 5, Will he take

the matter up with the Deputy Prices Commissioner?

The MINISTER replied: 1, Yes. 2, No specific information, but I understand the demands are fairly general. 3, 4, and 5, I understand that the Deputy Prices Commissioner is concerned only with charges for hire of plant and has no jurisdiction over award rates for shearing.

FERTILISERS.

Goat Manure, "Humoss," etc.

Mr. TONKIN asked the Minister for Agriculture: 1, Has he any knowledge of material, purporting to be goat manure, being sold, which is almost valueless as a fertilising agency? 2, If so, can he take steps to prevent advertisement in connection with sales of this so-called manure? 3, Has goat manure any special value over, say, sheep or cow manure? 4, Does its effect last any longer than that of other organic manures? 5, Has he any knowledge of shipments of "Humoss" coming in from the Eastern States? 6, Is this material, known as "Humoss" particularly valuable as a manure? If so, what is its value? 7, If it is not of high value, will he take steps to prevent valuable space being used for this material in the future?

The MINISTER replied: 1, Attention has been drawn to advertisements setting out the fertilising properties of goat manure. Samples which have been examined indicate that these contained a very low percentage of plant nutrients. 2, No action can be taken under the Fertiliser Act, 1928, as such substances are specifically excluded from the operations of that Act. The attention of the Deputy Director of War Organisation of Industry is being drawn to the advertisements. 3, No. 4, Depends upon percentage of animal manure in substances sold. Samples examined would not compare favourably with other organic manures. 5, Small shipments have arrived during the last 12 months. Approximately 10 tons was imported three weeks ago. 6, Poultry "Humoss" is practically dried fowl manure and would be comparable with such in its manurial value. Its comparative nutrient value is approximately £2 per ton. 7, Recommendations have been made that this material should be imported only where space is not required for more valuable commodities.

BILLS (4)—FIRST READING.

- 1, Motor Vehicle (Third Party Insurance).
Introduced by the Minister for Works.
- 2, Mortgagees' Rights Restriction Act
Continuance.
Introduced by the Minister for Lands.
- 3, State Government Insurance Office Act
Amendment.
Introduced by the Minister for Labour.
- 4, Education Act Amendment.
Introduced by the Minister for the
North-West.

BILLS (3)—REPORTS.

- 1, Workers' Homes Act Amendment.
- 2, Fremantle Municipal Tramways and
Electric Lighting Act Amendment.
- 3, Wood Distillation and Charcoal Iron
and Steel Industry.
Adopted.

MOTION—WHEAT.

As to Acreage Restriction, Prices, Manpower, etc.

MR. BOYLE (Avon) [4.38]: I move—

That this House is of opinion, in view of the altered war situation, that the Western Australian Government should request the Commonwealth Government—

- (1) to remove the wheat acreage restriction which imposes a one-third reduction in areas sown to wheat and which applies only to Western Australia thereby creating an unfair discrimination against this State;
- (2) to guarantee a price for all wheat produced in Australia of 5s. a bushel at sidings for a period of ten years, commencing with the 1943-44 season, and to be proportionately increased with any rise in the cost of production during that period;
- (3) to provide superphosphate to ensure reasonable supplies for cropping and top-dressing;
- (4) to ensure manpower to provide for adequate labour for wheat farmers;
- (5) to take all necessary and relevant steps to bring wheatgrowing in Western Australia to a peak of production so as to enable this State to take its place in the provision of foodstuffs as laid down in the Atlantic Charter agreement between the Allied nations.

Before proceeding with the motion I wish to acknowledge a courtesy received from the Minister for Agriculture, who very kindly telephoned me that he might not be in his place when I moved this motion, by reason of a prior engagement. I am glad to see the hon. gentleman present, and I have

pleasure in acknowledging his courtesy. In moving the motion I would say that I regard this as an opportune and appropriate time to bring forward a subject of this nature, thus enabling at least this Western Australian House of Assembly to make a request to the Commonwealth Government, which under National Security Regulations has now full control of production in Australia, and especially wheat production. I quite realise, and freely concede the point, that there was in 1939, on the outbreak of war, a necessity for the Commonwealth Government, under the powers granted to it by the National Security Act, to introduce control of wheat and wheat production and wheat marketing and wheat acquisition in the Australian Commonwealth. It was essential, and it was done by the Commonwealth Government; and no protest came from any organisation of farmers in Australia. Today, however, the position is entirely different.

We have now reached a stage in the war when one of the belligerent nations has surrendered, a stage in which the Allied Nations are faced with the feeding of enemy nationals. We have today, or will have very soon, in Italy a portion of the population entirely on our hands, with the responsibility for feeding them devolving on the Allied Nations. I hope, and I feel sure the House hopes also, that the time is fast approaching when other nations now at war with us will be compelled to acknowledge defeat. That has been foreseen by the men whom we have, very fortunately, in control of world production. It is the subject, really, of a 20-years agreement between the Allied Nations. It relates not only to the provision of foodstuffs and commodities and materials which will be sent to enemy nations as well as to our own people. President Roosevelt, in commenting upon the surrender of Italy, made a statement which has appeared in the Press within the last few days that one serious gap in the lines of our sea communications, the gap between the North-West of Australia and Ceylon, has now been closed as a result of the victory in the Mediterranean. That statement is pregnant with meaning for us.

Mr. North: It is very comforting, too!

Mr. BOYLE: Yes, very comforting; but it throws a responsibility on the Australian people, or on the Western Australian people, or on the Western Australian Government

acting as agent for the Commonwealth Government in these matters under powers granted to the Premier of the State. We are in Australia the nearest point of supply along this route.

The Premier: You are not quite correct in that statement as to delegated authority, are you?

Mr. BOYLE: I understand that the Premier has delegated authority and that he controls the situation which is secured under National Security Regulations; but my point is that a request coming from this House and from the Government of this State to the Commonwealth Government would receive weighty consideration.

The Premier: That is very different from delegated authority.

Mr. BOYLE: I may have rather exaggerated the position as regards delegated authority.

The Premier: I did not know that I had it.

Mr. BOYLE: Possibly, if such delegated authority were in the Premier's hands we might fare a little better.

The Premier: My word, yes!

Mr. BOYLE: I wish to make the point that the Government of Western Australia would be listened to with a great deal of respect by any Commonwealth Government in matters of this kind. We know, too, that in Calcutta, which is in the area I refer to, things unfortunately are very bad indeed as regards foodstuffs. I think one of the most extraordinary messages ever published in a newspaper within the British Empire is the cablegram describing the position in India. I do not wish it to be thought that that is a new position in Bengal, because normally, and before the war, 33 per cent. of the population of Calcutta and the Bengal Province never had more than one meal a day. Consequently a disruption of supplies of rice from Burma has rendered the Bengal position unparalleled, I should say, in the British Imperial Dominions at any rate. Let me quote a cable message despatched from London on the 18th September—

Dramatic stories are coming in of a widespread famine in Bengal. "Death is stalking abroad in the British Empire's second city, Calcutta," says the New Delhi correspondent of the British United Press, Walter Briggs. "In a sunrise walk I found people dead on the pavements by dozens. I saw terrible things in the famine-stricken city—children with

bloated, empty stomachs; mothers whose breasts collapsed; men awaiting the one word that means the unattainable—'rice'."

It is a shocking thing to realise that here, not more than perhaps ten days' sail from fellow-subjects of the British Empire in India, a correspondent should cable such information, and that the authorities should allow it to be published. It is said that in India today there are 125,000,000 people faced with starvation, and we in Western Australia have foodstuffs stored all over the place, and especially wheat. It may be said that rice is the staple diet in that zone. But food is food and, if rice is held up by the Japanese in Burma, there is no reason why efforts, particularly now, should not be made to get foodstuffs to that part of the British Dominions which is also on the route that President Roosevelt said has now had its gap closed.

We come now to the discrimination against Western Australia by Federal authorities in regard to wheat production. We have seen a one-third reduction in wheat production over and above the restrictions imposed on Eastern States wheatgrowers. To my mind there never was any necessity for that. Storage difficulties in Western Australia were brought forward, but there are no more difficulties about storing wheat in Western Australia than about storing it in any other part of Australia. We were told that the weevil would irretrievably damage wheat stored here. It has been found, however, that in the case of wheat stored in large quantities, weevil penetration never extends to more than 18 inches from the outside in those bins, and that the losses from weevil infestation during three years have not been more than one-eighteenth of a penny per bushel. We have today 42,000,000 bushels of wheat stored in Western Australia, and we were told that this was the one State in Australia that would have to suffer a one-third reduction of the average crop from 1937 to 1941. That works out very badly indeed. I think the Minister for Agriculture made the point that it tends to make economic wheat-farming uneconomic. I have never criticised the Minister's remarks in that regard, though we supported the Federal action for the payment of 4s. a bushel for wheat. In speaking on this wheat question, the Minister pointed out that only 17 per cent. of the growers in the No. 5 Pool sent in about 85 per cent. of the wheat, and

the so-called small growers sent in about 15 per cent. Writing to me under recent date, a Merredin farmer referred to—

1. The absolute impossibility to make a wheat farm a payable proposition with such a small acreage.

2. The productive value of 141 acres of mixed land (such as mine) compared with the same acreage of consistently first-class land.

3. The unfairness in striking a balance on the four years, 1938 to 1941, since the period embraced two severe droughts which compelled me to cut the major portion of my crop for hay, thus leaving a very small acreage for wheatgrowing in those two years.

This man points out that the value of his crop, even with a 12-bushel average, would not be more than £320, and that with 70 acres he would receive, at the rate of 12s. compensation, another £40 which would leave him to face interest on an indebtedness of £2,000 to £3,000 with a wheat crop that would not be worth more than £360, which will include the cost of putting it in and taking it off. That is one of the results of this restriction that has been applied to Western Australia. At the present moment we have stored in this State 42,000,000 bushels of wheat. If we took the average over 10 years at 37,000,000 bushels per year—that is the average for the 10 years ended 1939—we would find that under normal conditions we hold in this State only about 3,000,000 bushels above the average crop. In Western Australia this year—and this is the unfairness of the whole thing—I venture to say we shall have one of the best cropping years we have experienced, and we shall only produce 19,000,000 bushels of wheat. In South Australia and Victoria the people are experiencing a drought year and the position in New South Wales is not much better. The whole crop in Australia this year is estimated at 79,000,000 bushels.

I am not disclosing anything that members would not have discovered themselves normally, through the Press, when I state that this country has received from the Imperial Government the largest flour order that has ever been given to Australia by any Government. I know the tonnage, but I am not in a position to disclose it. In addition to that, the Imperial Government has ordered from us 250,000 tons of wheat. So the Imperial Government today has on order in Australia approximately 25,000,000 bushels of Australian wheat, and we are restricting wheat that we shall want very

shortly. I want to impress upon the House that it is not possible to decide to grow wheat now and produce it next year. It will take two or three years—do what we will—to get back to anything like normal as regards wheat cropping, and it would be a bold man, with a gift of prophecy that I do not possess, who would venture to state what demands are likely to be made on food-stuffs in the world within the next three years. We have the spectacle of Russia's main producing area, the Ukraine, being a battlefield today. In withdrawing from that region, the Germans are destroying and smashing everything they can. Russia is importing wheat. It is taking Australian grain from Vladivostock and transporting it 6,000 miles across Russia. It will not be long, I hope, before wheat will be sent across to Russia through the Red Sea.

The Minister referred to the fact that up to 1941 only 17 per cent. of the growers in Western Australia did not produce more than 3,000 bushels. On this subject Mr. Steele, a member of the Australian Wheat Board, had something to say at a meeting of wheatgrowers. I do not know whether he exulted in the fact—I have no information on that point—but he informed delegates to the conference that last year 75 per cent. of Western Australian wheatgrowers produced less than 3,000 bushels. That is a rake's progress in a State like this. In evidence before the Commonwealth Wheat Commission, Mr. John Thomson pointed out that next to mining—or including it—the wheatgrowing industry was the largest single employing industry in Western Australia, and that the people engaged in wheatgrowing and the handling and transporting of the product aggregated more than were engaged in any other industry in Western Australia. Yet we have a member of the Australian Wheat Board coming here and telling us that we are now getting to be what is known in certain circles as a country of small farmers. That is only a play upon words, and had its origin in certain propaganda circles that want to lump all farmers in one common bond of misery. That is what it means. In this country, we decided, in our wisdom, that every wheat farmer should not have anything below 1,000 acres of land. That was the original land settlement scheme in Western Australia. Some have more; very few have less.

We had an average of something like 400 acres under wheat per farmer in 1930-31. There were 10,000 farmers who produced 53,000,000 bushels of wheat in Western Australia and we reached a peak that was foretold by Mr. Catton Grasby in 1912, and he was an authority on agriculture. He published the fact—and it is in the library today—that Western Australia in 1912 was producing 9,000,000 bushels from 750,000 acres, and he said the time would come when in this State we would normally produce 50,000,000 bushels of wheat. The year 1930-31 saw the realisation of that prophecy. Today our acreage is down to 1,700,000 acres, and in a good season like this we produce 19,000,000 bushels of wheat, while the world is beginning to call for that commodity. President Roosevelt recently sent a message to Congress, and that is a thing he does not do unless necessity compels. That message is reported in the American magazine "Time" of the 10th May, 1943. It is headed, "An Unthinkable Shortage," and is as follows:—

Wheat, of all things, is no longer a surplus commodity in the United States. Last week Franklin Roosevelt underlined this fact by suspending wheat import quotas to allow Canadian and Australian wheat to come into this country in quantity. . . . The United States has less than half the expected needs for the 1943-44 season. Moreover, most of the carry-over is Government owned, and Congress refuses to allow it to be sold below parity prices (over 140 cents a bushel).

At the present rate of exchange, of 6s. 2d. to the dollar, that is equivalent to 8s. 7d. a bushel for the stored wheat in the United States. We know that today wheat is being back-loaded from Australia to America, so it is pertinent to ask whether some of this wheat has not been acquired by the Commonwealth Government, or the Australian Wheat Board, from the farmer at 1s. 10d. a bushel. If we take today's export price to England in sterling, we find it is 31s. a quarter, which is equivalent to about 3s. 11d., plus 25 per cent. exchange, which would be about 4s. 10d. a bushel. In that case the Commonwealth Government is still covering itself with the advance of 4s. a bushel that it has paid out.

The Minister for Agriculture: It is wise to get rid of the wheat wherever it can.

Mr. BOYLE: I do not disagree with that, but the time has now arrived when the men who produce the wheat should benefit

from the higher prices. The excess in Australia has been acquired for 1s. 10d. a bushel. The American Congress said, "We have the wheat and we will not allow it to be sold under 140 cents per bushel."

Mr. Patrick: America has huge stocks, too.

Mr. BOYLE: According to "Time" America has less than half of the expected needs of this year. That depends on what those needs are. Evidently America is shipping wheat to countries that are in dire need. Our Government could well take up that point if this motion is passed. In the motion, I have stipulated a price of 5s. per bushel at sidings. That is not 5s. a bushel in the terms of 1929-30, or even of 1938-39, because it is an acknowledged fact today that wheatgrowers' costs are up 50 per cent., so that the real price would not exceed 3s. 4d. a bushel. If we are to restore the industry to a sound basis, and if foreign countries want the wheat we can produce, 5s. a bushel for, say, ten years is not too much to ask for the wheatgrower. We want to place wheatgrowing on an economic basis. Many difficulties arise, I admit, but the greatest difficulty in Western Australia is the arbitrary restriction of acreage. I know farmers in this State who are big producers of wheat. I saw the return of one man in the Merredin district. He produced 23,000 bushels of wheat last year in a very favoured district. He received 3s. 10d. for 3,000 bushels, and 20,000 bushels went on the market at 1s. 10d. per bushel. That is going to reduce that economic grower to an uneconomic position.

What do we mean by forcing our wheatgrowers into the position of small farmers? Are we going to revert to the peasant conditions that prevailed in Europe? Are we going to turn farmers' families into cheap labour? I emphasise that I have no objection and never have had, to a farmer paying a reasonably good rate of wages to his employees. There is no reason why a reasonable award should not be made to cover wages, provided the farmer is placed in an economic position, that is, one in which he can afford to pay these wages. Take a manufacturing business today! The first thing that the Arbitration Court inquires into—and it has been stated times out of number by the President of the court—is whether the industry has the

ability to pay the wages sought. In other words, if the industry cannot pay what the award prescribes, the industry goes broke. If the farmer is placed in the position where he will be able to say, "I am going to get 5s. a bushel for my wheat and a proportionate increase for rising costs in production," he will be perfectly satisfied to pay reasonable wages in order to secure a decent type of employee. I know farmers who employed as many as six married couples. They paid them good wages, and gave them good houses with milk and meat free. Today those people are employing a couple of old men, perhaps in receipt of the old-age pension. That is the position in which we find ourselves today. Some of these things may be unavoidable.

No industry can go through such a period of war as we have experienced without feeling the incidental shocks. But we are emerging from that position now. This order for 25,000,000 bushels in one hit staggers the imagination to realise its physical aspects. That amount of wheat would probably represent 700,000 tons in dead weight. It would possibly load 60 to 70 steamers. This nation that has come through the stress of war with flying colours and can see victory ahead is going to act in a humanitarian way to the people who cannot feed themselves. This flour, I understand, is going to Italy, and more will follow. I would not be doing my duty if I sat silent in this House knowing that the men who make it possible for this order to be fulfilled are working under conditions far from reasonable, and far from beneficial to the body politic. There is such a thing as an international agreement to control the wheat of the four producing nations of the world. That international organisation met in 1939 in Canada. The four nations were Argentina, Australia, Canada and the United States. They were interrupted by war in September, 1939, and were not called together again until the 10th July, 1941. They then decided that the position of wheat in the world should not be allowed to deteriorate. That was a statesmanlike attitude towards this great industry.

It has become fashionable in this and in other countries to regard wheat as something that is not wanted, and as a commodity that is in excess supply. It never was in excess supply. The imports into Europe in the twenties reached a total of 800,000,000 bushels a year. But with Nazism in Ger-

many—this so-called National Socialism—and with Fascism in Italy, those two countries planned to be self-supporting in view of the coming war. The result was that the imports into Europe fell from 800,000,000 bushels to about 480,000,000 bushels and later to 400,000,000 bushels a year. But that is not a true reflex of the position. Today, on the average, a human being, in bread-eating countries, consumes in bread about five bushels of wheat a year. It is, therefore, a matter of simple arithmetic to know what a population consumes. In Australia our population of 7,000,000 people consumes 655,000 tons of flour derived from 33,000,000 bushels of wheat a year. In Australia we use 55,000,000 bushels of wheat per annum. So, this year's Australian crop, because of the order from Britain, is entirely off the market so far as we are concerned. The international organisation, with the addition of Britain, representing the wheatgrowing countries, decided that in the meantime there should be no delay in the provision of wheat for relief in war-stricken countries and in other necessitous areas.

If we do not bring our wheat industry on to an economic footing, who will grow wheat to provide for these necessitous areas? Another feature is the fact that this organisation decided that the countries would maintain the export price of wheat at the last price negotiated by the United Kingdom for bulk purchase of wheat from the principal country of supply. If this is carried out, we will be in the position of receiving 31s. sterling in Australia for wheat, while the United States has fixed its price to Britain at 48s. sterling per quarter. So we will bring about the position—by ourselves really, if we conform to that—that we will receive 17s. per quarter, or over 2s. a bushel less. There must be co-operative action in war-stricken areas for gifts of wheat. It has been laid down that any of these wheat-stricken countries that are unable to pay will not be charged for the wheat. Already a pool of 100,000,000 bushels of wheat for free supply to these stricken countries has been created. The time will soon arrive when we in Australia will be short of wheat, as America is today. The same thing occurred in that country as occurred in connection with what the Commonwealth Government is doing in Western Australia today, that is, offering money to keep wheat out of production.

The International Wheat Agreement provided that Argentina should not have more than 35,000,000 bushels extra in any one year; Australia 25,000,000 bushels extra; Canada, 80,000,000 bushels and the United States, 150,000,000, with a total of 130,000,000 bushels for Argentina, 80,000,000 for Australia, 275,000,000 bushels for Canada, and 400,000,000 bushels for the United States. President Roosevelt has already torn up that arrangement. His order that the 70,000,000 acres in the United States sown to wheat, which were reduced to 47,000,000 acres, be immediately returned to the 70,000,000 basis, ended that arrangement. The international agreement provided that the prices fixed shall, firstly, return reasonably remunerative prices to producers in exporting countries. No-one will ever convince me that even 3s. 10d. a bushel under present conditions is a reasonably remunerative price. That being so, how much less remunerative is 1s. 10d. a bushel? Another provision is that the prices fixed shall be fair to consumers in importing countries and shall be in reasonable conformity to prices of other commodities, that appropriate allowance shall be made for exchange rates and transportation costs, and that prices shall be subject to monthly adjustments. So we have an international agreement under which a reasonably remunerative price is to be fixed.

I have referred to phosphatic rock and superphosphate supplies. The position in that respect has improved out of sight. I know that there are many vessels loaded with phosphatic rock for Australia. From Mr. Needham, of the Department of Agriculture, we had a very helpful message in a speech delivered recently. It was that supplies of superphosphate would be increased. We now have phosphatic rock available from Egypt and the Red Sea, and sulphur available from Sicily. So, with the Mediterranean route open, I see no reason why we should not soon be fully supplied with superphosphate, even if Nauru remains in the hands of the enemy for some time. I have asked for the release of manpower. There is talk of a pool of 100,000 men for production in Australia. Vegetable production is being pushed on. We all know that the vegetable market is the most easy of all to glut; vegetables will not keep. Consequently, when we reach the peak of supply with vegetables, we shall have a pool of labour which can be diverted to other channels.

It is not necessary for me to stress the position further. I believe that the motion I have moved is opportune. It is no figment of the imagination to visualise the tremendous draw that will be made on staples such as wheat. The normal average disappearance of wheat in wheat consuming countries is 12,000,000 bushels a day and we do not want to be caught up by the position that may develop. It is too late to lock the stable door after the horse has gone. I am convinced that if we restore the wheatgrowing industry in Western Australia we shall restore the country towns that are languishing, and we shall also restore employment. I have heard discussions in this House about employment after the war. Why not employ people in a staple industry? The Commissioner of Railways in normal times received a revenue of £700,000 a year from wheat freights. This year, according to his report, not more than £400,000 has been earned by the railways from that source.

MR. WATTS (Katanning): I second the motion and support the statements put forward by the member for Avon. I feel that he is justified in bringing the motion before the House at this stage, and I also feel that the House will be justified in carrying it without amendment. All that the motion seeks to do is to express, so far as we can, to the Commonwealth Government the necessity for immediately taking steps to restore the wheat industry in this State to the position it occupied in former days or even to a better position. We know well that in the last few years, because of a combination of events including Government restrictions and a shortage of supplies, there has been a very great reduction in wheat production in Western Australia. As regards the subject matter of the motion, I am not so much concerned with the part relating to the restoration of the wheat industry to a peak level from the point of view of the individual farmers as I am from the point of view of the community collectively. Wheat production in Western Australia came about, so far as large quantities are concerned, by the development of activities that commenced many years ago.

A great many mistakes have been made in the industry in certain limited areas, but I submit that there have been very few great projects in this world that have not carried their proportion of mistakes. The net re-

sult was that a tremendous development took place in Western Australian conditions, not only in the country districts but also in the urban areas, and a substantial increase of population occurred in a short period. We are in danger of losing much of the fruit of the work undertaken at that time unless we can persuade the Commonwealth Government that now is the appointed time to remove the restrictions and encourage the industry back to its former glory. If the Commonwealth authorities will not do that, it is quite obvious to me that Western Australia, from the point of view of this produce, will not be able to take its place in the world when some of the countries of Europe have been liberated from their oppressors, and also in the post-war world, unless we can have a substantial quantity of produce to supply to the markets that require it.

At the moment we have a surplus of wheat in Western Australia, but if one understands the position quite irrespective of what has been said by the member for Avon—I mean the position of one country, namely Italy—it is quite clear that a large supply of foodstuffs will be sent there from somewhere and the indications are that it would be easier now to conduct transport through the Indian Ocean and the Mediterranean Sea than across the Atlantic, bearing in mind the great commitments involved and grave danger that exists in the Atlantic in comparison with the Mediterranean. So, even though we have not the clearest proof that there will be this very substantial demand for wheat, it is quite apparent that there will be a demand, and it is our duty, as members of this Parliament and as citizens of Western Australia, to bring our plans before the Commonwealth Government, because we are the nearest of all the Australian States to that area where we anticipate there will be a considerable demand. Not only are we nearer to that area, but we also have a substantial quantity of wheat in hand at the present time that could be utilised immediately.

On account of the numerous restrictions we have suffered as a result of the war, we shall not be able to build up a supply for future years in the manner we ought to do, at least to the extent of again filling up the granaries which I contemplate as being empty in a short time to come owing to the

heavy demand, unless we revive the industry.

The Scully wheat plan was one that served its purpose in Western Australia. Its purpose was to restrict the production of wheat in this State in order that there might not be an inordinate quantity to be stored in a State having the smallest local consumption because of having the smallest population of the wheatgrowing States. In addition, it sought to place a limit of a certain quantity of wheat to be grown by individual farmers—a maximum of 3,000 bushels on which 3s. 10d. would be paid—which was, comparatively speaking, a great deal more than had been obtained by those particular people a short period before. But it had the effect, as indicated by the Minister for Agriculture in a speech to this House, of making economic farming in Western Australia uneconomic. I cannot improve upon the phraseology that the hon. gentleman used on the 14th April, 1942. He referred to the discussion that had taken place at Canberra on various wheat schemes, and spoke of one of the proposals for a reduction of wheat production in this State by a tremendous quantity as being ridiculous. He proceeded to say—

I can assure members that in view of the effect of such a proposed action on the internal economy of the State and its effect on country towns, and bearing in mind the fact that we have in this State more economic wheat farmers with large acreages, I could not be one to sponsor any attempt to render our economic farmers uneconomic farmers, and could not be a party to any scheme which would upset such a large proportion of the country life of this State.

In general that was the effect of the plan on wheat production, because all those who produced more than the quota promulgated by the scheme have so far received only a figure that was utterly inadequate to cover the cost of producing the wheat, namely, 1s. 10d. The smaller ones have received an amount which was considerably greater and therefore more satisfactory, and to that extent the scheme, from the individual point of view, has had something to commend it. As I said at the beginning, I wish to look at the matter from the point of view of the State. This State needs development. It does not want the result of a continuance of a scheme such as this, which cannot mean anything but retrogression. It may have been reasonable when we had no indication

that there would be a demand for our wheat, but I believe there are now indications that there will be a considerable demand for this product, and I contend that this House would be well advised to support the motion in order that we might bring under the notice of the Commonwealth Government that we are willing, anxious and able to take our share in the provision of foodstuffs for countries overseas, that we are in a favourable position to do so, and that all that is required to encourage production in Western Australia is to make available the necessary supplies, particularly of superphosphate, and a price that will enable the farmers concerned to pay their way, and to pay those who work for them a reasonable remuneration and to have some margin left for their own comfort and convenience.

The intention of this motion is to do just those two things. It is to ask the Commonwealth authorities to encourage the wheat industry at this very propitious stage, to do their utmost to provide the necessary superphosphate for that purpose, and to consider paying for the wheat that we can produce in those circumstances a price that will come somewhere near to doing that which I have suggested. It is well to stress the point made by the member for Avon when he suggested 5s. a bushel here as a very reasonable figure. Money is not worth anything like what it was a few years ago. I venture to say that at the time when farmers argued that 10s. a bag was a profitable price for wheat, that time being approximately 30 years ago and the price representing 3s. 4d. a bushel, it was worth probably 50 per cent. more in actual purchasing power than the 5s. a bushel contemplated by this motion.

If one looks through the Statistician's figures showing the increase in the cost of living in Australia during the last 35 years or thereabouts, one finds that it has increased by approximately 120 per cent.; and in those circumstances, if the cost of production can be said to have marched alongside the cost of living, as I believe it has, 5s. today can be said to be only the equivalent of about 2s. 3d. at that time. In consequence, this proposal of 5s. a bushel today, on that method of calculation, is only asking the wheat farmer to accept a price of approximately 1s. a bushel less than that which he was prepared to regard as a reasonably profitable price 30 years ago. It may be

argued that improvements in the methods of production may to some extent have compensated for that difference; but even assuming that to be so, it is quite clear that they would not have done so to the extent of the full 1s. to which I have referred. There can be no doubt that the figure of 5s. suggested by the hon. member is not such a one as will place the farmers in a position of affluence; it will merely place them in a position where they may have some prospect of keeping one jump ahead of the costable. On that point, therefore, I have no difficulty in supporting the motion.

If I remember aright, the Minister for Agriculture, in addressing a conference of fruit-growers some few days ago, commented on the superphosphate position. He stated, as I understood him, that good grounds existed for the belief that a substantial improvement would take place in the supplies of that commodity in Western Australia during the coming 12 months. I have no doubt that in making this statement the Minister had facts and reliable information to guide him. Therefore, the proposal that the Commonwealth Government should be asked to provide superphosphate is not so preposterous as might appear at first sight, if one considered only the state of affairs which has existed during the past 12 months. It appears that far more supplies will be available. We know perfectly well that an improvement has taken place in the shipping position and doubtless there will be still greater improvement. If vessels come here from overseas for the purpose of lifting our produce, it is clear they will have to carry something, and that something—in the state of affairs that exists here and taking into consideration the route the ships will have to follow—seems to be just as likely as not phosphatic rock.

What we want to do, as I mentioned earlier, is to impress upon the Commonwealth Government the fact that we are willing, anxious and able to act in this matter. We should also impress upon our own people that we realise the development of the State is of paramount importance. We cannot for one moment ignore it. We cannot refuse or neglect to take any action to ensure that the utmost trade is available both within and without the State, so that there may be better opportunities not only for our people now here but for those who will return after

the war. Let the latter come back to see that we have not neglected the affairs of the State in their absence, but that we have done our best to make the State as attractive as we can for them on their return. I second the motion.

On motion by the Minister for Agriculture, debate adjourned to a later stage of the sitting.

MOTION—TAXATION.

As to "Pay-as-You-Earn" System.

MR. NORTH (Claremont) [5.35]: I desire that this motion be postponed till after Order of the Day No. 4 has been disposed of.

Mr. SPEAKER: The hon. member must proceed with his motion or allow it to lapse.

Mr. NORTH: I move—

That this Assembly urges the Commonwealth Government to introduce "pay-as-you-earn" taxation as early as practicable.

For the information of members, I desire to quote from an article entitled "American Taxation, Pay-as-you-go Scheme Explained," appearing in the September, 1943, issue of the "West Australian Mining and Commercial Review," at page 17, as follows:—

The force of public opinion in America was never better shown than by the enactment of the Pay-As-You-Go Tax Bill in the early days of this month by a vote of 256 to 114 in the House of Representatives and of 62 to 19 in the Senate.

The idea of it, launched nearly a year ago, won popularity, first, by its promise of forgiveness of an entire year's income tax, and, secondly, through realisation of the increasing burden of that tax, which now extends to millions of people who never paid it before and tends to absorb what would once have been considered an intolerable proportion of the earnings of those already familiar with it.

The prospect of having to forgive an entire year's income in order to place the taxpaying population upon a pay-as-you-go basis was not one which pleased the Treasury, which is not only discontented with what it is collecting now but is pressing upon Congress the need for raising many milliard more dollars by direct and indirect taxation.

I make this quotation to show members that the principle is in force in America. Members will doubtless have read that Great Britain is also dealing with the same problem, while during the recent Federal elections Mr. Fadden advocated this proposal and no doubt he, having expert knowledge of Treasury matters, thought it could be put into force. Since then several isolated bodies in eastern Australia, including some trade

unions, have carried resolutions advocating the principle.

The principle is an obvious and simple one to the ordinary taxpayer; but on the other hand it is an exceedingly different problem from the point of view of the experts of the Treasury and the Taxation Department. I have no fear whatever, however, that the experts in the Federal sphere, assisted if necessary by State experts, will be competent to put this proposal into force, provided the people of Australia expressly desire that it should be done. It seems to me that the Commonwealth Government would welcome an expression of opinion by so influential a body as this Chamber, representing, as it does, between 200,000 and 300,000 electors. One side of the proposal touches dangerous ground, in that there is a suggestion of the waiving of a large sum of money—a year's taxation. On the other hand, the experts will be able to arrange, after actuarial calculation, for payment of that amount to be spread over a long period of years. If the motion is carried, it would most likely strengthen the hand of the Prime Minister to make a move in this direction in the near future. I therefore urge the Premier, if the Government sees fit to support the motion, that he should despatch an urgent wire to the Prime Minister conveying to him the terms of the motion, because it is no use simply carrying the motion without passing it on to the Prime Minister.

Mr. Marshall: How are you going to deal with the lag?

Mr. NORTH: There is one thing which we who are engaged in public life are not permitted to do. In this Garden of Eden we are permitted to eat many fruits; but there is one fruit forbidden, and that is something for nothing. I refer the hon. member who interjected to New Zealand. If the motion is given effect to, a large sum of money will certainly be lost for the time being; but the member who interjected must realise that it would be lost only temporarily, because, as I have explained, the experts will be able to devise a scheme whereby it could be collected over a period of years at a rate narrowing down to a small pin-point; in other words, it would be a painless extraction. As a matter of fact, the Commonwealth financial experts must have made the necessary provision before the last Federal elections. Mr. Fadden himself is a qualified accountant and he considered the proposal

to be practicable. If, however, people do not express their views on the matter the Commonwealth will not have the backing it should have in order to bring about this desirable change. We should not allow America and Great Britain to set us an example like this without our also reaping the benefits that will be derived from the proposal.

Mr. Marshall: If the bankers wish it.

Mr. NORTH: I think the financial authorities favour the scheme. Surely we should take advantage of that help. A person who now earns £450 or £500 per annum by working overtime for the war effort will, as the law stands, find himself liable to pay income tax on that amount when his income may have dropped to £250 or £300. That will involve him in great hardship. Under this proposed system he will pay his income tax out of his current earnings and consequently, should his income drop after twelve months, he will pay tax only on the lower-level income. That surely should appeal to all earners. His estate, should he die, will also be relieved of a very considerable burden. There is no need for me to labour the point longer. I again urge the Premier, should he be prepared to support the motion, to pass the text of it on to the Prime Minister, so that the latter's hand may be strengthened in an effort to bring about this desirable change.

On motion by the Premier, debate adjourned.

MOTION—POST-WAR RECONSTRUCTION.

To Inquire by Royal Commission.

Debate resumed from the 15th September on the following motion by Mr. Cross:—

That in the opinion of this House, a Royal Commission should be appointed to inquire and report upon the possibility of successfully preparing a five-year plan for post-war reconstruction. Such a plan to embrace the establishment of new industries (including heavy industry) the establishment of factories to produce nylon, butadiene, nitrates, and consumption goods, the electrification of the State, the extension of existing primary and secondary industries, the provision of a comprehensive building scheme to provide adequate public buildings and sufficient houses for the people, and generally, to prepare to place the population in reproductive industry after the war.

THE MINISTER FOR INDUSTRIAL DEVELOPMENT (continued) [5.45]: On

Wednesday last I placed before members a description of the work done by the Government through various committees and individual officers in connection with the development of a technical organisation to deal with the question of expanding existing industries and establishing new ones. Most of the attention devoted by this organisation has been turned towards secondary industry. Members will know that we in this State have got together over the years a very capable technical organisation operating in the Department of Agriculture and in the Mines Department, and to some extent in other departments as well. I explained to members in some detail the work achieved by the Post-War Reconstruction Committee dealing with public works, and the development of industries related to the public works of the State. I wish now to deal briefly with the question of housing, and the policy which the Government is developing for the purpose of ensuring that as soon as suitable labour and materials are available a vigorous house-building plan may be put in hand.

The Government many months ago appointed a special committee to go into this question. The members of that committee were the Principal Architect, Mr. Clare; the City Architect and Building Surveyor, Mr. Green; the secretary of the Plumbers' Union, Mr. Coram, representing the building trades union executive; Mr. Brine, a master-builder; Mr. Sinclair, representing the State Brickworks and Sawmills; while the chairman of the committee was the Town Planning Commissioner, Mr. Davidson. That committee carried out a very thorough investigation of the housing position in Western Australia. When I say Western Australia I mean Western Australia. The investigation was not restricted only to the metropolitan area, but covered the whole of the districts of the State. Very valuable information was obtained from the local governing authorities, and upon that information plus the information obtained by the committee in the metropolitan area a complete survey of the housing position of the State was available.

The committee also investigated schemes operating in other countries and States, and gave consideration to all the relevant information that it was possible to obtain. The recommendations of that body have already

been presented to the Government, and have received consideration at its hands. As a result, specific inquiries have been carried out regarding the schemes in some of the other States which appear to be likely with certain alterations to be capable of reasonable application to Western Australia. We have other suitable authorities now investigating the recommendations made by the committee plus suggestions and proposals which have been made by members of the Government themselves. I feel sure that the Government will in a reasonably short period of time have completely developed suitable proposals that will be capable of immediate operation as soon as men and materials are available for the purpose of building houses in Western Australia.

Hon. W. D. Johnson: Is the report of that special committee to be made public, or will Parliament get it?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I should say that the report of the committee will be made available in due course after the Government has had an opportunity to consider its decision in connection with it. The plans to be developed for post-war housing will, as I have said, cover the whole State. We know that the housing difficulty is acute in places other than the metropolitan area. We know how acute it was on the goldfields prior to the war, and no doubt it will be necessary to develop proposals to meet the peculiar position on the Goldfields in the hope and in the event of the goldmining industry reviving after the war to at least its pre-war standard. That represents special problems because of the fact that there is the idea abroad that goldmining may not be a permanent industry. May I say, however, that it has been fairly permanent over the past 40-odd years? In connection with the post-war building programme of the Government, I point out that this will extend beyond the building of houses. Members will appreciate how necessary it will be to go in at the earliest possible moment for the largest practicable building programme relating to public buildings. That applies to schools, hospitals, offices, and to such other buildings as it is necessary for the Government to have in order that its activities may be better carried out, and carried out under better housing conditions in respect of school children, hospital patients, Government employees, and so on.

Mr. North: You will finish this building after the referendum, I suppose?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I now come to a brief consideration of the position of the mining industry in the post-war years. Members will realise that I have no desire to go into details in connection with specific matters that come directly under the administration of other Ministers. The Ministers concerned will no doubt, when they are introducing their departmental estimates, go more deeply into these matters than I propose to do today. The member for Canning, in speaking upon this motion, had a great deal to say about the many classes of minerals that exist in this State. He also suggested that his five-year plan as proposed in the motion could be applied to the development of the minerals which are known to exist in Western Australia but which up to the present, so far as he knew, had not been developed.

The Minister for Mines: That shows how much he knew.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: All I need say is that the Minister for Mines and his officers have, ever since it became necessary to surrender manpower from the goldmining industry for important essential purposes, kept a close check upon everything that has happened, not only at big mines but also at smaller mines, and also in regard to prospectors. The Department of Mines, therefore, is in possession of complete and up-to-the-minute information in regard to mines which have been closed down completely, mines which have been partially closed down, the number of men that has gone from each mine whether it is closed completely or partially, the machinery which has been taken away from the mines which have been closed down, or have reduced their production activities. In addition, the Mines Department knows where quite a number of the men have gone, what they are now doing, where the machinery has been transferred to and what it has been used for. Naturally the department has developed plans for the re-opening of the closed mines where it is known that it would be an economic proposition to re-open them, and has also plans for the stepping up of production of mines which have partly closed. I think I can now safely leave it to the Minister for Mines to explain in further detail anything that is requisite in connection

with the revival of the goldmining industry after the war.

The Department of Mines has also kept a very close check upon minerals other than gold which are known to exist in this State, and indeed has been responsible already for the development of minerals other than gold. Those other minerals have been urgently required for war purposes, and they have been developed in various parts of the State. In some cases new minerals have been developed because of the co-operation between the State and the Commonwealth, and in other instances the co-operation has covered the State, the Commonwealth, and private companies and individuals. I can give the House an assurance, particularly the member for Canning, that the Minister for Mines and his officers have carried out a very vigorous policy in this regard. The vigour they have shown and the results they have achieved cannot fairly be questioned because they have not yet developed other well-known minerals in the State. Members will quickly realise that it is not possible to develop every mineral known to exist in Western Australia. Some of those minerals would not be worth developing, anyhow, because of the small quantities in which they exist, or perhaps because of the extremely isolated areas in which they exist. Unless war demands for such minerals are of a magnitude to make their production absolutely essential, irrespective of cost, such minerals would not be developed, and certainly not at this stage of our history.

I now wish to deal briefly with the position of the Forestry Department, and the work that has been done by the Minister and officers of that department in developing plans for the post-war period. That department has been working on those plans for a very long time. The move to develop post-war plans in connection with forestry is not a recent one. It was put in hand at least 18 months ago, and these plans were completed at least six months ago.

Mr. SPEAKER: Order! I must ask members to keep order.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: As a matter of fact, I gave information to the House early this year under this head, and therefore it is not necessary for me this afternoon to go into details on this matter. Suffice it to say that the plans of the Forests Department

have been drawn to cover totally productive works, works likely to be ultimately productive and works classed as not immediately required, but which could be put into immediate operation if it became necessary to provide employment for men who could not be put to work on more suitable undertakings from the productive or re-productive point of view. The plan of works drawn up by the department under the totally productive heading provides for the expenditure, in all, of about £215,000. The works classed as likely to be ultimately productive are estimated to cost £381,000, while the works regarded as not immediately required but which could be put into immediate operation, are estimated to cost £262,000. In addition to that, the normal work of the department, which it has not been able to carry out to the fullest extent because of the manpower difficulties, is estimated to cost £858,000 on the basis of an anticipated yearly cost of £286,000.

Mr. McDonald: That normal work would be reproductive.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Yes, the work necessary for carrying on the normal activities of the Forests Department and other established production. Thus it will be seen that the officers of the Forests Department have done excellent work in developing plans that are now capable of being put into operation at very short notice.

Mr. McDonald: I think that represents one of the best forms of employment you could have.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Yes.

The Premier: Although we will have to wait a long time for the return which, however, is certain.

Mr. McDonald: Yes, but I was referring to the employment of men.

The Premier: That is so.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Some weeks ago the Government decided to set up a special committee known as the Forest Products Utilisation Panel which, in turn, has appointed specialists, and the particular duty of that body is to develop proposals showing how forest products could be utilised for processing purposes to provide for requirements of the State that at present have to be imported. The duty of the panel is also to ascertain whether it would not be possible

to produce in Western Australia from our various products, articles which up to the present have not even been manufactured in Australia, but have been imported from other countries of the world. This particular panel, which has been at work for only a short period, has not yet developed any concrete proposals but is investigating a number of possibilities. The Government is hopeful that after the panel has had reasonable time and opportunity to develop definite proposals, it will place before Ministers a number of valuable suggestions which will enable new industries to be established in Western Australia, using various forest products as the raw materials for the manufacture of articles that otherwise would have to be imported from the Eastern States or overseas.

Mr. McDonald: Will the investigations include the possibility of manufacturing paper?

THE MINISTER FOR INDUSTRIAL DEVELOPMENT: Yes, but I will refer to that matter a little later. Now I come to a brief reference to agriculture. Here again the Minister for Agriculture will doubtless explain much more fully most of the matters to which I have alluded when he introduces the Estimates of his department to the Committee. Members will be aware that the Government made available the services of the Minister for Agriculture (Hon. F. J. S. Wise) to the Commonwealth Government in order that he might act as Chairman of the Commonwealth Rural Reconstruction Commission, the members of which have taken evidence in all the States and we know just how comprehensive the inquiries of that Royal Commission have been. Valuable evidence has been gathered, and I am sure we are all looking forward with a great measure of confidence to the recommendations that will be submitted eventually to the Commonwealth Government. I have no doubt that these will be such as to enable a Commonwealth-wide rural reconstruction plan to be initiated and operated in connection with the primary industries of Australia, the effect of which will be to place them on a solid basis.

I believe we can be confident enough to say that the effect should be to place those industries on a solid basis permanently and not merely for a period of a few years after which they will have to suffer the fate of

passing out of the boom period into one of depression. It will be agreed by all members that the consolidation of the primary industries is probably the first duty of the Governments of Australia—Commonwealth and States—and I imagine that will probably constitute the first move that will be made in the operating of a post-war policy for the primary industries of the nation. Members are well aware of the fact that we have primary industries already developed in districts in every State of Australia. We know that those districts are served with railways, water supplies, roads and all facilities and utilities necessary for the carrying on of primary industries in those areas. I think it will probably be the decision of all the Governments of Australia that it is best to concentrate upon the consolidation of our primary industries in those areas, and also upon the greatest possible development of land already served with public utilities and essential requirements.

That policy would be preferable to rushing out into areas not served with railways, roads or any other facilities, and perhaps trying to establish some huge spectacular new land settlement scheme. These are merely my personal views on the question, but I think there is possibly some wisdom in the opinions I have expressed. The expansion of rural industries will present a more difficult problem for the Governments of Australia because the question of marketing is inevitably tied up with any effort made in that direction. Most members are of the opinion that after the cessation of hostilities there will be a period of great activity in the primary industries of Australia seeing that the whole of Europe and the countries in many other parts of the world will, in all probability, be practically starving. They will be in desperate need of all the primary products that Australia will be capable of sending to them. That position will probably continue for a period of up to five years or so after the war ends. Therefore it seems to me that the danger period for our primary industries will possibly commence six or seven years after hostilities have ceased.

By that time the countries of Europe and other parts of the world, whose production has been seriously interfered with, may have secured the rehabilitation of their rural industries and become to a certain extent in-

dependent of supplies of primary products from Australia, Canada and other exporting countries. In these circumstances the problems associated with the expansion of our rural industries will require great care and thought, and I have no doubt that the necessary care and thought will be given to the problem. There are in Western Australia at least two or three primary industries that seem to offer some hope of considerable expansion. I refer to the growing of tobacco and, possibly, of flax, the growing of linseed for a supply of seed necessary for processing into linseed oil, and a number of smaller primary industries of a similar nature. I do not intend to go further into that phase because doubtless the Minister for Agriculture will have something more detailed to say when he introduces his departmental Estimates.

Mr. Watts: That is a pleasure in store!

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I should say it would be both a pleasure and an education, and I hope that the Leader of the Opposition, while being educated on the matter, will also derive some pleasure at the same time. I come now to the consideration of a phase about which I can speak with a little more certainty than when dealing with mining and agriculture. I refer to our secondary industries. We have not set up a special post-war committee as such to investigate the possibilities of expansion of the existing secondary industries, or for the development of proposals for the establishment of new secondary industries in Western Australia after hostilities cease. Instead of appointing a special committee, we have continued with the system of panels which we have found to be far more satisfactory in operation than the method of appointing one committee. When we have a particular industry and the problems associated with it to deal with we set up a panel, the personnel of which is chosen because of its suitability. Therefore we have a number of panels operating from time to time and it is easy to appoint a new panel whenever circumstances require one to be set up.

I want, first of all, to make brief reference to the number of secondary industries which have been established in Western Australia in recent years because it is upon the basis of those industries that we hope, to a large extent at any rate to build our secondary industrial development of the

future. Recently established secondary industries in this State include the following—

- Potash and alumina,
- Construction of wooden ships.
- Pyrite ore and sulphuric acid.
- Implement handles, paper, paints.
- Canning—fish, tomatoes, fruit, meats.
- Dehydration—fruit and vegetables.
- Agar Agar.
- Clothing and foodstuffs.
- Screw bottle tops.
- Reconditioning of files.
- Phosphatic rock.

Mr. Doney: With regard to Agar Agar, are you doing much in that line?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Yes.

Mr. Doney: What is it?

Sitting suspended from 6.15 to 7.30 p.m.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Agar Agar is a gelatinous substance extracted from sea-weed. It is used for packing and preserving meats in tins. If one takes, for example, a tin of preserved tongues, that in the tin which is not tongue is Agar Agar. Before the tea adjournment I was dealing with a number of secondary industries recently established in Western Australia. The production of phosphatic rock has commenced here during recent months. Flax has been grown, and flax processing mills have been established. The manufacture of Crown seals and cork rods is now carried out in Western Australia. Plastics are being manufactured. Electrical equipment of considerable range is being made here, and very soon a large factory, already completed, will be in production, processing oils of various characters, among them linseed oil and peanut oil. The reconditioning of steel files is now carried out in this State, whereas previously all files no longer fit for use had to be exported to factories and foundries in the Eastern States to be reconditioned there and then sent back to Western Australia. Screw bottle-tops are now being made here, and there has been a considerable expansion of the production of foot-wear, clothing and foodstuffs during the last year or two.

I want now to refer briefly to a number of secondary industries which are being established in this State. In recent days members have been told about the work that has been commenced on the establishment of the wood distillation and charcoal iron industry. Members will probably know that in recent times the production of blue and

white asbestos has been undertaken in a much larger way than ever previously attempted here. Two large companies are interested in the production of asbestos, and I take it for granted that members know the names of the companies of which I am speaking. A factory is now being erected at Carlisle in which timber will be processed for the purpose of manufacturing ply-wood here. This will be the first time such a type of industry has been established in the State. It is a large factory, and is being erected by a private company; and that private company will obtain its log timber from the karri forests under the control of the State Sawmills. A works is being established for the tanning of sheep pelts. Previously most of these sheep pelts, as members representing the country districts will know, have been destroyed; either burnt or buried. One of our local tanning establishments has shown sufficient initiative, following representations made to it by the Government in the matter, to undertake the erection of a suitable building and the subsequent installation of machinery, so that in the future these sheep pelts can be used for various purposes instead of being simply wasted.

I believe members are aware, too, of the effort being made by the Government to develop a suitable process for the extraction of alumina from potash residues. A pilot plant is being erected to treat the potash residues for the purpose of ascertaining the best and most economical method of extracting alumina therefrom. I told members on a previous occasion that the Commonwealth Government intends to establish the aluminium manufacturing industry in Australia; probably in Tasmania because of the very cheap power available there. That industry will require alumina as the raw material to be smelted for the production of aluminium. Therefore this proposed industry appears to promise considerable development for Western Australia.

I want now to explain as briefly as possible to members the secondary industries which we hope to establish, together with some which we hope to expand. In speaking to members the other night about the construction of a plant to produce charcoal iron and to distil wood alcohol, I told them that the plant was to be established for the production of 10,000 tons of charcoal iron and a certain quantity of acid and wood

naphtha. This plant will be largely of an experimental character, as I then stated, and we hope as a result of our experience with that plant to establish later in the South-West a major iron and steel industry together with a wood distillation plant, the idea being when the time makes it necessary to transport by sea the iron from Koolan Island. We hope, too, by this proposal to establish a tinplate industry here. That industry will have a definite relationship with the large scale iron and steel proposal; and, judged on the economies of these proposals as already developed, it would appear to be a great move forward for Western Australia to establish at the same time, if it should appear economically possible to do so, the tinplate industry. We are developing proposals for the establishment of wood pulp and paper based on our timber resources.

Before the war we brought to Western Australia from Switzerland an acknowledged world expert in the production of transparent paper and rayon. Members will probably recognise the term "cellophane" better than "transparent paper." We are not allowed to use the term "cellophane" in connection with any of our activities because an overseas company has that term protected. Therefore we must use the term "transparent paper." The expert I mentioned stayed in Western Australia for upwards of four months. He investigated our raw materials and every other Australian proposal to establish these industries here, and he finally presented the Government with a report favourable to the establishment of the transparent paper and rayon industries. On the basis of the report with which he furnished us, it would be economically possible and desirable, as soon as circumstances permit, for the State to try to move ahead in the direction of establishing those two related industries. I have indicated that in this matter we have informed the Commonwealth Government of the work done by us on these two proposals, of the advice we have received, and of the proposals we have developed; and we have asked the Commonwealth Government to refuse to permit any other company or Government to move ahead with the development of these industries in other States until we, as the Government of Western Australia, have been given first opportunity to establish these two industries

after the war and as soon as circumstances make it possible for the attempt to be undertaken.

We are developing proposals to establish a fibre board industry, a flax textile industry, and an asbestos textile industry; and we also propose, as I explained to members when the alunite Bill was before the House to establish at Chandler the first unit of what we hope ultimately will be a three-unit plant. That is to say, we will, after we have had sufficient experience of the first plant, move ahead to establish two additional units so that we may produce the whole of Australia's potash requirements with the three units of plant instead of going on producing only one-third of Australia's requirements with the one unit plant.

We believe there are great possibilities for the development of the fishing resources around the coast of our State. This is a question which has had a good deal of consideration over the years. We have enlisted technical assistance of the appropriate nature from officers of the Council for Scientific and Industrial Research. Appropriate officers of the State Government have been going carefully into the matter, and from all the information available to us it appears that there are in the waters around our coast sufficiently large quantities of certain types of fish to enable the fishing industry to be developed and placed upon a very solid commercial basis after the war. It may be necessary to import experienced fishermen from overseas, and to do a number of things of that description for the purpose of ensuring that, when we do start to develop our fishing resources fully, we start them on a very sound foundation instead of perhaps starting off on a spectacularly large scale and after a short time finding that the whole industry has fallen to pieces because it was not organised sufficiently well at the beginning.

Mr. Berry: Are you taking the northern portion of the State into your plan?

THE MINISTER FOR INDUSTRIAL DEVELOPMENT: The northern, the southern, the western and the central portions of our coasts are included; the whole of our coasts. In recent months we have had some evidence placed before us seeming to indicate that despite what has been said and believed to the contrary in former years, gas can be produced from Collie coal. If we are to accept as gospel the information which

has been made available to us in recent weeks on this question, not only can gas be produced from Collie coal but it can be produced on a commercial basis. This week we are establishing a panel to investigate thoroughly the possibilities of this matter, and we shall appoint as members of that panel men who are capable of testing these possibilities to the uttermost. It is not thought that the investigation will take very long and we hope to have the report of the panel within a period of from six to eight weeks. If the report is favourable to further efforts being made to test in a practical way the question whether gas can be produced from Collie coal, the Government will probably give consideration to the erection and operation of a pilot plant to test the economics and the practicability of the proposal.

We propose also to extend the production of machines of various kinds and machine tools. Machine tools, by the way, are already being produced at a factory in this State. With encouragement and assistance, that factory will be able, we believe, to produce machine tools on a mass-production basis and, if necessary, and if the opportunity is available, supply the whole of Australia's requirements for many classes of machine tools. We propose to try to bring about the expansion of the production of certain classes of agricultural implements and electrical goods and other kinds of manufactured goods in Western Australia. We believe there are great possibilities of expanding the production of clothing, footwear and foodstuffs in this State. Members will be aware that there is an every-day—almost an every-minute—demand for clothing, footwear and foodstuffs, which are the absolute essentials of human existence, and those are industries which we should be able to expand very considerably in the post-war years. They have expanded a great deal during the war but we have been assisted to some extent during the war years by virtue of the restrictions on the shipping of goods from Eastern Australia to this State. We also hope after the war—and even before the war is over—to develop plans for establishing a large volume of trade with countries north of Australia.

The Government has recently co-operated with a small group of businessmen in Perth for the purpose of send-

ing a suitable officer to Great Britain and possibly to America to investigate thoroughly the possibility of Western Australian factories and farms being able to supply the great and varied requirements of the population in those countries north of Australia as soon as the war ends and in the years after the war. We believe that if we are to have a chance of getting a good footing so far as trade with those countries is concerned, it is no use waiting until the war finishes and then trying to establish a market there for our primary and manufactured products. We are moving already in regard to that question and are very hopeful that, as a result of what is now being attempted, there will be established for Western Australia in those countries a very substantial measure of permanent trade for both our primary and manufactured goods. As members know, a Parliamentary Post-War Reconstruction Committee was appointed some time ago. The committee has not met very frequently, for a number of reasons, but it has considered several proposals. I do not intend to go into the details of any of the proposals but just to mention the nature of those which have been given consideration by the members of the committee. They are as follows:—

The rehabilitation of the pastoral industry, the rehabilitation of the farming industries, the revival of the goldmining industry, the erection of wool-scouring plants at different suitable centres throughout the pastoral areas, a housing scheme for country districts, a standard price for liquid fuel to apply throughout the State, the installation of septic tanks in homes in the country, and the possibility of making provision for the employment of seasonal workers on farms during periods when those seasonal workers are not required on the farms.

In regard to the last-mentioned, the consensus of opinion amongst members of the committee was that if the Governments of Australia could consolidate the farming industries on a sufficiently solid basis, most farmers would be able to employ their workers not merely seasonally but for the whole year round, and thus obtain a better class of worker and, generally speaking, a more skilled and experienced class of worker, and would also be able to make the standard of living for that worker much better the whole year round than it has been in the past, or could possibly be under existing conditions. Other proposals that have been considered have been the possibility of pro-

viding a comprehensive insurance cover for primary producers against drought and disease and other things, for which insurance cannot be obtained today because it is considered such occurrences constitute an act of God, improved education facilities for children in country areas, the utilisation of the coal deposits existing in the northern part of the State, proposals for the greater development of the Albany district, and some other less important proposals to which I need not make reference at this stage. Most of the proposals I have mentioned have been discussed by the committee and information has been obtained from the appropriate authorities regarding many of them. The committee will meet again in the near future for the purpose of receiving reports and also considering any new proposals and further discussing any of the proposals which have not yet been finally considered.

I come now to a very brief statement regarding the committee which is operating in connection with post-war technical education. This committee has been operating for many months and has so far carried out a very helpful investigation. I think the member for North-East Fremantle is on that committee and the chairman is the Superintendent of Technical Education, Mr. L. W. Phillips. The matters so far considered by the committee are as follows:—

The functions of technical education, the co-ordination of technical education, technical education in relation to general education, vocational guidance, compulsory part-time education of young workers in industry, voluntary evening classes, full-time diploma courses, technical colleges and schools in the metropolitan and suburban areas, the establishment of regional colleges and district technical schools, and also auxiliary services for rural areas, technical schools as community centres, scholarships and bursaries, training of technical teachers, reservation of technical school sites, suitable buildings, suitable plant and equipment, libraries, technical education and industrial development, and statutory registration boards.

I am not suggesting that every recommendation which this committee might make to the Government will be immediately acted upon, but I am explaining to members that these are some of the most important matters with which the committee is concerning itself and in connection with which it is almost sure to make some recommendations when submitting its report to the Government. I discussed with the chairman of this committee several months ago the possibility

that in all the post-war planning for employment, the employment of youth might easily be overlooked, that we might concentrate our attention upon the employment or re-employment of men and women discharged from the services and quite overlook the necessity to plan ahead for the employment of the youth of the State. The chairman of this committee agreed to establish a sub-committee from the personnel of his committee to investigate and report upon the question of youth employment after the war. So it will be seen that the post-war reconstruction committee on technical education is covering not only the field of technical education as such but is also giving close attention to the question of developing proposals and plans to ensure that in post-war years the youth of the State will not be left to drift along without employment. I think that is an important phase of any post-war planning activities in connection with the provision of employment for our people after the war.

There are several other matters which could be dealt with, but I think I said sufficient last Wednesday and today to indicate to members that post-war proposals and plans have been receiving very close expert attention during the last 18 months. I have also shown, I hope, that the different committees and officers have progressed a creditable distance in the development of suitable plans and proposals. They deserve considerable commendation for the way they have concentrated upon their various tasks, and it is not necessary for me to tell members that all the men acting upon those committees and all the officers acting independently of the committees are exceptionally busy men in ordinary circumstances. But they have freely and willingly and gladly given more time and effort to this task because they feel it is one that deserves the very best attention that can be given to it, even if the giving of that attention involves some sacrifice of time and effort on the part of those charged with the responsibility of developing plans and proposals in connection with post-war activities in Western Australia.

None of the things I have mentioned may appear to be large enough and spectacular enough and sensational enough to appeal completely to the member for Canning, who wants a special Royal Commission to race around and develop a famous five-year proposal or plan in respect of post-war recon-

struction activities in Western Australia. The Government has not been concerned with the development of spectacular or sensational plans, but with the development of solid, practical proposals which can be operated immediately it becomes necessary to operate them, which can be operated safely and which will be of the greatest possible benefit to the industries of Western Australia and the future welfare of the men, women and children of the State. It is difficult to comprehend fully the vast imagination of the member for Canning. The other evening he described as a tinpot proposal the project to produce in Western Australia 10,000 tons of pig-iron, 486 tons of acetic acid and many millions of gallons of wood naphtha a year.

Mr. Boyle: It is a question of relativity.

THE MINISTER FOR INDUSTRIAL DEVELOPMENT: If this is a tinpot project it is not within my capacity or imagination to describe a proposal which the member for Canning would regard as being satisfactory. Because I feel I am not capable of developing a proposal acceptable and suitable to his vivid and vast imagination, I will not attempt to do it.

Mr. Cross: It is men of imagination who have developed the Empire.

THE MINISTER FOR INDUSTRIAL DEVELOPMENT: What I have tried to do is to show that the Government has given close and concentrated attention in a practical way to the development of post-war proposals and plans. I have not tried to satisfy the member for Canning in any shape or form.

Mr. Watts: That is not possible.

THE MINISTER FOR INDUSTRIAL DEVELOPMENT: It was only in my younger years that I attempted the impossible. In these days I only attempt what I believe to be capable of achievement. I have tried, in my speech, to convince every member but one of the House, that the motion for the appointment of a Royal Commission is completely unnecessary.

MR. MANN (Beverley): I am going to support the motion, and was surprised to hear the peculiar remarks of the Minister for Industrial Development. The member for Canning is not a spectacular person, but he has had the courage to bring this scheme forward. Why is it a post-war problem? Today everything is post-war. Why did not

the Government ten years ago bring in a scheme such as this? This Government has been in power for the last 10 or 15 years. Why has it not moved along these lines previously? Why has it remained for the member for Canning to stir the Government to activity by this motion? Some say, "Thank God for the war, because we can have post-war reconstruction."

Mr. Needham: Thank God for the member for Canning!

Mr. MANN: The Government should have thought about a reconstruction scheme years ago. The Minister for Industrial Development in his flight of imagination tonight stated what he would do for the future of Western Australia. The Commonwealth Grants Commission, in its latest report, states that—

The expansion in the value of manufacturing production in Western Australia was relatively small compared with the large expansion in the other States. Western Australia has not benefited to the same extent as some of the other States in the expansion of war industries, and the loss of skilled labour is causing serious concern to the authorities in that State.

We well know that the moment these secondary industries — particularly the machine tool industry — are established in Western Australia we will have dumping from the Eastern States to such an extent that no prospects will remain for Western Australia.

Mr. Thorn: We must have a five-year plan.

Mr. MANN: The member for Canning, with his Russian views, is urging a five-year plan. I must support him because I feel that a Royal Commission is essential to delve into the question of a post-war plan.

Mr. Marshall: He made similar proposals a year ago.

Mr. MANN: But they were different then. During my many years in this Chamber I have not been a very talkative member, but I have enjoyed watching the various moves in politics. I am wondering now if the member for Canning has brought this motion forward in order to allow the Minister for Industrial Development to slate him for his action. Is there not more behind the motion than the public realises?

Several members interjected.

Mr. SPEAKER: Order!

Mr. MANN: While the Leader of the Opposition was accused of making an election

speech when speaking on the Budget, the Minister for Industrial Development made an excellent election speech just now.

Mr. SPEAKER: We are not on the Budget at the moment.

Mr. MANN: It is time we took the whole question seriously and appointed a Royal Commission to deal with reconstruction, not only in Western Australia but in the whole of Australia. War restrictions have come about during the last year. One has only to go into the various departments to see the frightful condition into which we are drifting under the present control. One can go to the Supply and Shipping Department, or to any other, and see the tragic state of affairs owing to incompetent and inexperienced men running these departments. If in the post-war period these men are to be retained with the present system of control, then God help Australia!

The Premier: We have made a wonderful war effort in the opinion of impartial observers from all over the world.

Mr. MANN: An impartial observer does not see the real inside. He arrives in Australia and is shown around. It is like the Field-Marshal and the soldier on parade.

Mr. SPEAKER: What has that to do with this?

Mr. MANN: I want to show that the whole scheme of post-war reconstruction—

Mr. SPEAKER: A soldier on parade has nothing to do with this motion.

Mr. MANN: It has been said that the world considers Australia's war effort to be a marvellous achievement. But impartial observers do not get a proper insight. A general may see his troops on parade, but if he delved into the camps and into the deeper parts of the lives of his troops he would find out the mistakes. The Government departments of Australia are similarly controlled. We find chaos from start to finish.

Mr. McLarty: In Federal departments.

Mr. MANN: I am referring to Federal departments. The men who have been placed in these positions have no knowledge to carry out the work. I know competent businessmen in the clothing line who have been placed in departments dealing with motor tyres and other things. There has been no system adopted, and I begin to wonder what will be the position of Australia after the war.

The Premier: It is not like you to cry stinking fish!

Mr. MANN: That is so, but I have seen repeated cases of mismanagement and incompetence. What are we going to do for the post-war period?

The Minister for Mines: What will the five-year plan do for it?

Mr. MANN: We can at least probe deeper in an endeavour to alter the position. We have to face the question of primary industry too. Take the position of the pig industry in Australia—I assume I am in order in mentioning this subject! The Commonwealth Government today is appealing for men to produce pigs for bacon. I have had many years of practical experience in this line. Today the sale of pork has been stopped in Australia in an endeavour to force men to produce bacon. The man in charge of this job is a man named Tonkin. He is a civil servant and is in charge of the meat scheme in Australia involving £46,000,000. What will be the result? In two years time there will be no pigmeat in Australia because the pig producers will not produce it. The majority of pigs in this State are raised on farms as a sideline. There have been some large breeders in the Midland area, but they have gone out of production. They have told me that they do not intend to continue with pigs for two reasons; one is the manpower position and the other the stupid regulation dealing with pigmeat. We have, in seven months, had seven regulations, each conflicting with another. A man who rears pigs would reject 25 per cent. of them at seven months old, if they were not baconers, because it would mean an extra cost to produce them. In the ordinary course of pig-raising the small and slow-growing pigs are sent to the market as porkers. But today the pig producer must carry the whole lot. So, in effect, he says, "I will not be messed about." If we had an honorary advisory board of competent men we could render valuable assistance. I doubt whether the Minister himself knows of the regulations before they arrive here.

Take the position of the man who requires tyres for his work! He cannot get them. If he attempts to get them what happens? He has to go to three or four different departments and see men who do not know their job. If he finally gets the tyres they are hardly fit to carry out his work. That is why I take such a pessimistic view. I

am proud of the State of my birth and of Australia, but I cannot overlook these facts. It is not a State Royal Commission that is required but a Commonwealth one to delve into the positions of the States so as to build up this country in the post-war period. The only men who have made any sacrifice are those who shouldered a rifle overseas, or the boys in camp in Australia. We ourselves have made no sacrifice; we hardly know that a war is on! Yet we see incompetency going on the whole time. The solution of the problem is a complete Royal Commission to inquire into the position of Australia. I returned in 1918 from the last war and, unless there had been some move then to settle the returned men on the land, Australia would have been faced with a revolution. The men returned to Australia sick and tired after three years in the Army but, when they were demobilised, no work was offering, and had something not been done quickly there would have been a revolution.

The Premier: They were handled quickly.

Mr. MANN: Were they? Today the position is that we have an Army overseas as well as the Militia force here, together with many hundreds of thousands of young women in uniform.

Mr. McLarty: Twice the number is involved.

Mr. MANN: The people who have worn the uniform overseas and here are not going to take the position lying down. We cannot expect them to. Unless there is provision to handle these men and women, we are going to have trouble. If the war ended in six months' time, would we be in a position to handle these people and place them in various avenues of industry? If we would not, we shall be in a mighty serious position. I saw what happened in 1918, but it has to be remembered that the youths who have gone overseas in this war have a different outlook from the one we had. These men are more progressive in mind, and if the Government cannot give them what they ask for, it will be confronted with great difficulties. It is time we took stock not only of Western Australia, but of the whole of Australia. We are facing a very critical position.

The Premier: You are taking a very gloomy view tonight.

Mr MANN: And it is justified. Australia is a very young country. We have never had to go through the turmoil that other

countries have been called upon to face. We have lived in a very peaceful atmosphere and, while older countries have taken hard knocks, the question still remains to be answered how Australia will take its knocks when they come. Many people nowadays are wondering why there should be so many communists in our midst. These people are coming to the fore very rapidly indeed.

Mr. SPEAKER: I hope the hon. member will not proceed with that subject.

Mr. MANN: I am afraid we are driving the youth of Australia to embrace extreme ideas.

The Premier: How many of them?

Mr. MANN: Many thousands of them, and the number is growing daily. How often do we hear broadcasts advocating socialisation or some other "isation"? The Minister for Mines may smile—

Mr. SPEAKER: The hon. member had better get back somewhere near to the motion.

Mr. MANN: I am trying to point out—

Mr. SPEAKER: I am trying to get the hon. member back somewhere near the motion.

Mr. MANN: A Royal Commission is very definitely needed to investigate these problems. I have sons and daughters of my own, and I feel greatly concerned about the future of this country. I had the honour of taking part in the 1914-18 war. I know what happened after that, and I am concerned about the destiny of this wonderful country. The Minister, in replying to the member for Canning, spoke about the industries established here, but does he realise that when this problem is being handled in the post-war period, we shall not have a chance of developing Western Australia as a State of secondary industries? We shall have in competition with us the massed production of large States like New South Wales and Victoria. There is only one hope for Western Australia and that is to adopt the most progressive land policy of any State in Australia. The South-West could take many thousands of people more than it is supporting today. The great future of Australia lies in primary industry.

The Premier: Oh, no!

Mr. MANN: I hope, with the Premier, that the secondary industries of the State will be successful.

The Premier: I hope we will not lose £25,000,000 in them anyhow.

Mr. MANN: If we can make a success of secondary industries, I do not mind if it is done at the loss of a good many thousands of pounds. I am not so much concerned about the Premier showing a deficit as long as the country produces and progresses. Still, I am afraid we are trying to deal with these problems on the orthodox basis, not realising that we are living in a changing world. I commend the member for Canning for having brought forward the motion, which will have my support. I hope that a Royal Commission will be appointed and will bring forward useful recommendations that will make for the progress of the State. The future of our country is bound up much more with post-war problems than that of any other country. Our position today is that there are millions of Asiatics not far from Australia and consequently we are faced with a big problem. Any scheme that will be of benefit to the State should receive the support of the House, even though it is initiated on the motion of a member on the back benches.

MR. NORTH (Claremont): I had the honour of tabling an amendment which the House rejected. I was glad to hear from the Minister that a council of scientific and industrial research—

Mr. SPEAKER: Order! The hon. member has already spoken to the motion.

Mr. NORTH: I moved an amendment to the motion.

Mr. SPEAKER: And in doing so the hon. member must have spoken to the motion.

Mr. NORTH: Is it your ruling that I cannot speak again?

Mr. SPEAKER: Yes.

MR. CROSS (Canning—in reply): After listening to the speech of the Minister I must confess that while a great deal of very useful work is being done by him and his department—he gave a resume of a large number of industries that have been undertaken—the stimulus that brought those industries into being has not come entirely from the Minister or his department. The growth of new industries has taken place under an ever-increasing shortage of commodities, and quite a number of enterprises have been manufacturing goods that were

never previously made in this State. But those responsible embarked upon the industries on the basis of their lasting for only a short period. They knew full well that after the war they would be exposed to the competition of imported goods from overseas. The saturation of the world with goods as a result of intense and highly perfected organisation and production overseas will cause the output to be developed to a tremendous extent, and after the war we shall find ourselves in competition with countries that will dominate this State in quite a lot of its new activities. When the war is over, I forecast that quite a lot of these little shows will drop out of existence. The Minister mentioned the fact that I referred to his effort to produce charcoal iron as a tinpot effort. Before the Minister has been very long engaged in the industry, he will realise that it is necessary to be in an industry in a big way or not at all.

Opposition members: Hear, hear!

Mr. CROSS: The Minister said that he had an expert from Sweden to advise him in regard to the manufacture of rayon. That is one of the objects for which I have asked for a Royal Commission—to decide whether men should be sent from here to seek the advice of experts in other countries or whether we should get experts from other countries to come here and advise us. The establishment of heavy industry, which is one of the proposals in my motion, is a prerequisite to prosperity and sound economy in any country, and this State occupies a unique position. To establish heavy industry successfully we have every requisite metal, from iron-ore and manganese to the required yttrium metals for hardening steel. If we once established heavy industry, there is no doubt that quite a chain of subsidiary industries would emanate from it.

My considered opinion is that Western Australia has now the greatest chance in its history. After the war there will be a tremendous demand from overseas for manufactured iron and steel, and this State will be in a position to supply that demand. There will be a tremendous demand for iron and steel in this State also. It will be needed for railway extensions, for the construction of a naval base for national defence, and for the building of bridges, and surely consideration should be given to the question of extending electrification! I believe that we should immediately consider

the construction of additional power houses. The Minister told us that several industries had been established in a small way. Before they can be extended it is imperative that additional power houses be established. The present power house is working to capacity, and how can we successfully establish industries unless plenty of fairly cheap power is available? For the establishment of heavy industry, the Minister would be well advised to seek the aid of world experts before he goes too far. The Minister did not mention what I am now about to refer to.

Mr. SPEAKER: Then the hon. member may not mention it. He is speaking in reply to the points raised during the debate.

Mr. CROSS: Reference was made to the use of rubber. We have a golden opportunity to establish an industry for the manufacture of butadiene from our surplus wheat. It is the only outlet which would enable this State to supply Australia with its rubber requirements, which in peacetime were nearly 30,000 tons a year. If my suggestion were adopted, we would be able to pay a good price to the farmer for his wheat and we would provide work for thousands of people. It does not matter whether an election is to take place or not; I believe that it is our duty and in the interests of the State to find work for the people who will be dismissed in a very few months from their present positions.

Mr. Watts: Why did you not vote for a similar motion some time ago?

Several members interjected.

Mr. SPEAKER: Order!

Mr. CROSS: The member for Beverley said that an inquiry was warranted into the meat supply. Do not members realise what a wonderful opportunity this Royal Commission would afford to go into the ramifications and possibilities of taking from Denmark and Holland the bacon and pig market of Great Britain? The Old Country imported millions of pounds' worth of pig products each year from the Low Countries. This State can produce Britain's requirements in that respect. I think the inquiry is warranted. If as a result of the Commission we did only one thing, and that is established heavy industry on a big scale, the whole of the cost of the Commission would have been repaid and the Commonwealth would have earned the gratitude of the people of Western Australia.

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

Ayes	..	..	..	17
Noes	..	..	..	17
A tie	..	..	..	—

AYES.

Mr. Berry	Mr. Perkins
Mr. Boyle	Mr. Seward
Mr. Cross	Mr. Shearn
Mr. Doney	Mr. Thorn
Mr. Hill	Mr. Triest
Mr. Kelly	Mr. Watts
Mr. Mann	Mr. Willmott
Mr. North	Mr. Sampson
Mr. Patrick	

(Teller.)

NOES.

Mr. Coverley	Mr. Panton
Mr. Graham	Mr. F. C. L. Smith
Mr. J. Hegney	Mr. Styants
Mr. W. Hegney	Mr. Tonkin
Mr. Johnson	Mr. Willcock
Mr. Leahy	Mr. Wise
Mr. Marshall	Mr. Withers
Mr. Needham	Mr. Wilson
Mr. Nulsen	

(Teller.)

Mr. SPEAKER: The voting being equal, I give my casting vote with the noes.

Motion thus negatived.

MOTION—WHEAT.

As to Acreage Restriction, Price, Manpower, etc.

Debate resumed from an earlier stage of the sitting on the following motion by Mr. Boyle:—

That this House is of opinion, in view of the altered war situation, that the Western Australian Government should request the Commonwealth Government—

- (1) To remove the wheat acreage restriction which imposes a one-third reduction in areas sown to wheat and which applies only to Western Australia thereby creating an unfair discrimination against this State;
- (2) To guarantee a price for all wheat produced in Australia of 5s. a bushel at sidings for a period of ten years, commencing with the 1943-44 season, and to be proportionally increased with any rise in the cost of production during that period;
- (3) To provide superphosphate to ensure reasonable supplies for cropping and top-dressing;
- (4) To ensure manpower to provide for adequate labour for wheat farmers;
- (5) To take all necessary and relevant steps to bring wheatgrowing in Western Australia to a peak of production so as to enable this State to take its place in the provision of foodstuffs as laid down in the Atlantic Charter Agreement between the Allied nations.

THE MINISTER FOR AGRICULTURE

[8.38]: I find on reflection on matters con-

nected with wheat and kindred subjects that on very few occasions in this Chamber have I found myself substantially in agreement with the member for Avon; but on this occasion I am substantially in agreement with him, although I do not agree with some of the illustrations he gave and with some of the statements he made in support of the motion. I remember, when traversing very exhaustively this subject in a speech which I made in this Chamber in 1939, giving profuse illustrations of the difficulties I could foresee and anticipate in wheat production if the recommendations then current for international control of wheat were given effect to, not merely in an international sense or in an Australian sense, but particularly as applying to the detrimental effect upon Western Australia's wheat industry and the State internal economy in general. Some members will no doubt recall the tables which I submitted at the time and which were printed in "Hansard." These tables were used at interstate and Commonwealth conferences to illustrate Western Australia's case and her internal position if the then proposals were adopted. I cannot bring to mind any time when I have given support to the proposals which finally resulted in what is now known as the Scully scheme, because I realise that if the wheat farmers of this State have such a scheme applied to them it would render some of the best wheat farms in Australia uneconomic in production.

I was very interested, therefore, firstly to note the wording of the motion. The hon. member uses in the preamble as the substantial argument for the motion the altered war conditions. These may be said to be altered perhaps because of the buoyancy overseas of war circumstances as we read of them from day to day; but I would like to stress strongly that the war circumstances which have in a major sense contributed to the decline of the wheat industry are more intensely difficult today. I refer particularly to difficulties of transport, both internal and external. As the hon. member said—and it was repeated by the Leader of the Opposition—I made a statement recently to the effect that I anticipated the superphosphate position would improve materially during the current 12 months. However, the stress of circumstances and the strain upon shipping, particularly if there is greater activity—as we anticipate—in the Far Eastern

sphere of the war, may prove that our hopes will not be realised. True, plans that are made for the reception of superphosphate or phosphatic rock into this country give us hope. A very substantial increase of all classes of fertiliser and components of fertiliser is expected during the current 12 months, but that depends on an easement of the war situation, thus giving us a greater supply of shipping.

I am also interested in the reference in the first paragraph of the motion to unfair discrimination. Although it would seem that that is so because there has been a cut of one-third in the wheat acreage in this State, actually—under a National Security Order—there has also been a substantial reduction in wheat acreage in other States of Australia, owing to causes which govern the shrinkage of production in Western Australia, those causes being shortage of manpower and of fertilisers and the condition of farming plant and machinery.

Mr. Patrick: The three main States were put on two-thirds last year.

THE MINISTER FOR AGRICULTURE: That is so. The member for Greenough, who has studied the position closely, also knows that seasonal conditions applied last year in the other States. We have the spectacle today that, as the result of war causes, there is a considerable shrinkage of the wheat in store generally in Australia. We must, however, be quite fair if we use such words as "unfair discrimination," as what was advocated for this State and what was succeeded by such advocacy had some compensating factors. That must be admitted, and certainly must be mentioned. Members opposite have contacts with Country Party members in other States and must know that the Country Party members in South Australia are very annoyed with me particularly and with the State Government generally because we succeeded, on the basis of our arguments at a Commonwealth Conference, in securing a more satisfactory acreage compensation basis for Western Australia than South Australia was able to obtain. I would remind the member for Avon that the case presented to the Conference has resulted in bringing to this State on the acreage compensation basis an amount of about £577,000. In all fairness we must mention those matters and, if we are to talk of unfair discrimination, let us also draw attention to the compensating factors on the other side of the ledger.

The hon. member refers to the arbitrary restriction imposing the greatest hardship. I submit that there are very many farmers in Western Australia today who, because of circumstances related to superphosphate shrinkage, the very serious position of manpower, the age of the settlers who are remaining to carry on while their sons are absent, and because of the condition of plant and machinery, prefer the present arbitrary restrictions and compensation for acreage unplanted to any other system that might apply. I suggest that thought to the member for Avon. I think it would be found that there are very many people who are indeed appreciative of the present position. I am very concerned about the demands that may be made upon Australia's productive capacity in view of the limitations that war has imposed upon her manpower and the fertilising agencies available to us. To meet the ever-increasing demand of the Allied Forces and Australia's military population that is anticipated during the next 18 months, I am very fearful that the unfortunate and, to some extent, ridiculous drain of manpower from many industries in this State will bring us to a very serious situation, from the standpoint of both civilian and military requirements. The House knows that that is no new thought to be expressed by me. Two years ago in this Chamber I drew attention to the fact that in their demands the manpower authorities did not look far enough ahead, and that they would bring this State to the stage—we have reached it today—at which to attain the Australian level in rural industries this State would require the return of between 3,000 and 4,000 men from the Army to take their places in primary production.

Mr. Patrick: That is what you said last April.

THE MINISTER FOR AGRICULTURE: Unfortunately, it seems to me, the manpower authorities appear to consider it an achievement if they can boast that there has been a greater drainage on the manpower of Western Australia than any recorded elsewhere.

Mr. Seward: That seems to be their attitude.

THE MINISTER FOR AGRICULTURE: It is most unfortunate. Then again, I draw the attention of the member for Avon to

the restrictive nature of paragraph (4) of his motion. If it is to go forward to the Commonwealth Government, is it wise to specify that adequate labour should be provided only for the wheat farmer? Is it not necessary that, in view of the constant pressure that this Government has endeavoured to exert upon the Commonwealth authorities respecting the serious manpower position in all our industries, we should specify the requirements of all industries and not suggest the wheat industry only or say that the manpower position is worse in that than in any other rural or urban industry? I am greatly perturbed about the manpower position in all rural and urban industries. It is idle to suggest that it is impossible for the Army to relinquish men required for production because, unless the food requirements are produced to meet requirements, as we have done in the past, we shall not in future be able to grow sufficient to meet our commitments for export to the United Kingdom nor yet to meet the requirements of the civil and military population of the Commonwealth. I am very interested and anxious to know just with whom the decision in such matters really lies.

It is idle for the manpower authorities to suggest and recommend if there is an authority able to ignore requests, suggestions and representations as being unworthy and without foundation, and if it is within the power of a military officer to say that, despite the scope for the release of excess manpower that exists in the Army, no men can be made available for food production purposes. The member for Avon might give consideration to that point. Although he has directed his motion to matters relating to the wheat position, it should be much wider in its application so as to cover all rural and other industries that are languishing because of labour shortages. The hon. member mentioned certain aspects of the international wheat agreement, and I am entirely in accord with him in his statement that the production suggested for allocation to Australia needs considerable revision. It is all very well for States such as Victoria or New South Wales where wheat production represents but 3 or 4 per cent. of the State's total income, whereas in Western Australia in pre-war days, taking the 10 years average prior to 1940, it represented 35 per cent. of our rural production

and 13.9 per cent. of our total production. It is an important matter, and the Commonwealth should give serious consideration to encouraging all factors that will serve to stabilise the wheat industry in this State.

In paragraph (5) of his motion the member for Avon refers to the peak of production. I submit to him that it is highly essential that there should be a proviso indicating that we are not fostering the idea of reaching peak production, and to that end intend to launch into growing wheat in areas that are unsuitable, unsafe and uneconomic, areas that were under cultivation and in the peak of development when we reached our record wheat production figures. This is essential if wheatgrowing is to be placed on the footing we desire in this State, and it should not be planned on lines so hazardous—

Mr. SPEAKER: Order! I must ask members to keep order. There is altogether too much talking going on.

The MINISTER FOR AGRICULTURE:—merely in order to reach the limit of production. Members are aware that a very strong case was presented by Western Australia that if it was considered to be necessary because of the shrinkage of wheat production in this State, that shrinkage should take the form of the elimination of areas that have been proved to be unsafe. Only by such means can we hope to place the industry as a whole on a safe and economic basis. Although the member for Avon now advocates building up the wheat acreage rather than permit any further decline, I suggest that we should not send forward any motion of the type he has proposed unless we subject it to very careful scrutiny. We should not leave ourselves open to receive a reply from the Commonwealth that will be satisfactory to it in criticism of the terms of the motion rather than in criticism of the principle the motion proposes to deal with.

Lastly, I would like to refer to recent past history, and to recall one or two statements in this Chamber and outside in connection with the wheat industry in 1941. The statements I refer to will be found in the Press in the latter part of the year and they contain many comments of mine regarding recommendations for the consideration of the Commonwealth authorities. I direct the attention of members to the standard work on wheat by that international

authority, de Hevesy. I would like the Commonwealth Minister and representatives of the Commonwealth Public Service who have given any consideration whatever to this subject, to read that book, wherein will be found a protective plan for the stabilisation of wheat in the 40 or 45 countries interested in wheat production. The book also contains a plan that, in my view, would be much safer for Australia than a policy of restriction and the payment of a price for prescribed quantities, such price not being based so far as I can gather on any anticipated cost of production.

Mr. SPEAKER: Order! I must again ask members to keep order. If they refrain from doing so, I will have to take other steps.

Mr. Patriek: Perhaps that phase will be dealt with in the new order.

The MINISTER FOR AGRICULTURE: During the debate the member for Avon and the Leader of the Opposition advanced a perfectly valid argument as to why the present methods should be scrapped. I would remind those members of the advocacy by the members of their party in 1941 of a serious limitation upon wheat production. Members will recollect that at the Primary Producers' Conference in that year a policy involving a wheat holiday was advocated.

Mr. Doney: Of course, that was a wheat limitation that had to be evenly applied.

The MINISTER FOR AGRICULTURE: Let us analyse what was meant. That policy was advocated by a life Vice-President of the Primary Producers' Association and at that time a member of the Australian Wheat Board. I refer to Mr. J. S. Teasdale. I understand that the policy was discussed at meetings held throughout the country districts. Briefly it was that wheat farmers in this State should not be permitted to grow wheat in excess of one-quarter of their then cropped acreage. A quarter, with three-quarters of the area to go uncropped—that was the unanimous policy of the Primary Producers' Association.

Mr. Seward: That is so.

The MINISTER FOR AGRICULTURE: A vote of thanks to Mr. Teasdale was carried at that meeting for having advocated that scheme.

Mr. Seward: But this was not a permanent policy.

The MINISTER FOR AGRICULTURE: I do not want members to be hasty in their castigation of this Government or of the Commonwealth Government because they find at the moment something unsuitable in the policy which some members opposite, and also some on this side, have opposed ever since it was instituted. I refer members to a meeting held on the 19th July, 1941, of the Primary Producers' Association, at which the proposal was adopted unanimously. It is not a very far cry from July of 1941 to September of 1943. Therefore do not let us be too ungenerous to the other fellows if there can be such a substantial change in the opinions of those who are not merely supposed to know but who do know as much of the wheat position in Australia as does Mr. J. S. Teasdale.

Mr. Watts: Where did this castigation of your Government take place?

The MINISTER FOR AGRICULTURE: In some quarters it is continuous. Therefore I would say that instead of our supporting a policy that would restrict and limit, let us, in full recognition of the existing difficulties of the day, and realising that we shall not get anywhere unless we do admit them—for they are very real—endeavour to put forward proposals that are sound in counter to them. I would suggest that although in spirit I am in general support of the motion, it contains wording that may bring to us criticism, wording which would defeat the object the mover has in view. The hon. member desires the prosperity of this country; he desires that as soon as hostilities cease there should be continuous progress where the wheat industry is economically developed. I take it, too, that he is anxious there should be restored to country towns some measure of reflection of that prosperity. He is anxious that, as soon as the opportunity offers, farmers should be able to return to their places on the farms and produce this commodity for the rest of the world at low production costs, as Western Australia has done in wheat production where wheat is economically produced. Therefore I say that while the price of 5s. may at the moment appear attractive, it may be necessary even to suggest that the price should be 6s. per bushel, unless there are counter-balancing influences which would offset the difference to the farmer between today's price and the hon. member's price. We have to consider

this, that no self-sufficiency policy in a world sense will be satisfactory which enables wheat to vary in price from 1s. 10d. in some countries to 11s. 4d. in others—

Mr. Patrick: And even more than that!

The MINISTER FOR AGRICULTURE: There was a 5s. subsidy operating, and even larger subsidies. In France the subsidy was 7s. 2d. a bushel. Let us progress in our rural industries which have meant so much in our State, and let us progress where such progress will be economically sound. I suggest to the mover that in framing the message to be submitted by the Government of this State to the Commonwealth Government we should be very careful as to its wording.

MR. PERKINS (York): Most aspects of this subject have been covered fairly well, but the first paragraph of the motion possibly expresses a line of policy which may not by any means suit all the wheatgrowers of this State. I move an amendment—

That all words after the word "wheat" in line 3 of paragraph (1) be struck out with a view to the insertion of other words.

The words which I propose to insert are as follows:—

“on licensed wheat farms on which the present licensed area is insufficient for the farmer to produce 3,000 bushels of wheat in an average season.”

Unfortunately many of the smaller wheat farms, as well as some of large areas, are on rather poor ground, on which the one-third acreage production would make the position very difficult indeed for those particular farmers. They would find it very hard to earn sufficient minimum income in an average year to give them a proper standard of living. I have already come across a number of cases in which men, even in a season such as we have just had, experienced on what are regarded as reasonable wheatgrowing areas of this State difficulties of this kind. This last season has been somewhat better than the average, and yet I know of a farm which has produced as little as 1,700 bushels of wheat. Even in that particular case the man had about 25 or 40 acres of excess acreage. He had to that extent exceeded his reduced licensed area. The Wheat Board, so far as I remember, estimated that 400 bushels of his crop was grown on the excess area, and held that it was impossible for him to get any payment at all in respect of that portion of his crop.

The result was that the farmer was paid the 3s. 10d. net to grower on less than 1,400 bushels of wheat last year. That left a very small return indeed for a man to maintain a proper standard of living for his family and meet the current expenses of the farm. Were it not that he had some return from stock, it would have been impossible for him to carry on at all. Probably there are numerous cases where the one-third deduction caused very real hardship to the farmer affected. It is true that farmers receive the 12s. per acre compensation from the Commonwealth Government, but in cases where the acreages are very small it would pay the farmers much better if they could grow the wheat on the full licensed area of the farm without the one-third reduction. That would pay them better than receiving the 12s. per acre compensation.

Such is the position that I am trying to cover by the amendment I have moved. To pass the motion in its present form would be to give the Commonwealth Government an opening to do away entirely with the present scheme of acreage compensation for a reduction of acreage in this State. That is the position which I think we have a duty to guard against, especially on behalf of some of the larger growers. In fact, those of us who know what has happened in the Eastern States are aware that there have been some representations from growers there to be treated on the same basis as Western Australian growers. That shows that in some cases the acreage reduction without attendant compensation suits the growers quite well. Although the acreage reduction in the case of large growers has been brought about partly by the statutory cut, it has been effected to a much greater extent by the present difficulties of producing wheat.

To begin with, there is not the manpower; and there are other difficulties with regard to machinery and so forth. That being so, even if we were able to restore the situation as regards labour in the case of the larger growers, it would take some considerable time to get back to normal production, because of the extent to which farmers have drifted, not only because of partial agriculture but also owing to wear and tear of machinery which in many cases has not been maintained in a proper state of repair. There is also the deterioration of permanent improvements on the farms to be taken into

account. Therefore, so far as the larger growers are concerned, notwithstanding what is done at the present time regarding the restoration of manpower shortages, those growers would still have quite a considerable lag of time before they could get back to normal production. Now, the 12s. per acre proposal suits those particular growers very well indeed. I think we owe a duty to those growers. The State is interested in the maintenance of their solvency.

MR. BOYLE (Avon—on amendment): I must oppose the amendment. The whole burden of my motion is to get away from the restrictions and the 12s. per acre compensation.

The Premier: But the restrictions are almost automatic; you cannot get away from them.

Mr. BOYLE: The 12s. per acre compensation is merely approved from year to year. There is no certainty that the 12s. will be granted to us next year, and in my opinion there is a degree of certainty that it will not be made available then as it has been in the past, in view, as the motion points out, of the altered conditions of affairs and the prospect of the Commonwealth Government having to follow the American Government's method for the production of more wheat here. The Commonwealth Government is not so blind to its own interests and the interests of the people as to regard these restrictions as being other than of a temporary character, and in the normal course of events the restrictions would be removed as soon as possible. Any attempt, by amending this motion, to seek to continue the 12s. per acre, will undermine the whole purpose of the motion. Therefore I oppose the amendment.

Amendment put and negatived.

[Mr. Withers took the Chair.]

MR. BERRY (Irwin-Moore): I am glad the amendment was defeated because I think the idea of the motion is to determine whether the time has come for the total elimination of any type of restriction on production. As the Minister pointed out, it is a pity that the first paragraph of the motion is worded as it is. I understand exactly what the Minister said in regard to the "Wheat Holiday," but the Opposition maintains that times change and that with

change comes the need for some form of reconsideration, even of ideas that have been held in past years. I do not propose to go over the ground that has been so ably traversed by other speakers, but I desire to move that in paragraph (1) we should eliminate all words after "Western Australia." I do not hesitate to suggest that, because I think the words I propose should be struck out are most impolitic and unfair. We pointed out fairly conclusively to the House that it was the strong representation on the part of Western Australia that brought about that restriction of one-third in this State.

The **DEPUTY SPEAKER**: I would point out that the House has already agreed to these words remaining in the motion. The amendment originally moved was that all words after "wheat" be struck out. That amendment was defeated and therefore the words, including those which the member for Irwin-Moore desires to have struck out, must remain in.

Mr. BERRY: I want to see them taken out. I think the motion has been spoilt by a silly bit of tripe. Why throw the blame on any section of Australian political society? Can the motion be re-committed?

The **DEPUTY SPEAKER**: No.

Mr. BERRY: Surely the Government does not want these words to remain! I do not think the hon. member wants them in.

Mr. Boyle: A little bit of tripe is not too bad!

Mr. BERRY: No, but onions are needed with it and there are no onions in this motion!

The **DEPUTY SPEAKER**: I would point out that the only course that could be taken is for the motion to be withdrawn and re-submitted in a new form.

Mr. BERRY: Well, I would like to move that that be done.

The **DEPUTY SPEAKER**: The hon. member cannot move that.

Mr. BERRY: Let someone else do so, then. I do not propose to support the motion as it is.

Mr. Boyle: I think we can get over it.

Mr. BERRY: If the hon. member can do so he will render good service. In paragraph (2) of his motion, the hon. member suggests that there shall be a guaranteed price for all wheat produced in Australia of 5s. a bushel at sidings for a period of ten

years and that the price be proportionately increased with any rise in the cost of production during that period. That means that if we are short of manpower and superphosphate and have a compulsory restriction because of those factors, we shall still receive 5s. a bushel for the wheat we can produce. Under the Seully scheme we would get only 4s. a bushel, if those economic points work against us. I think that is quite a good idea. The motion asks that the price shall be 5s. a bushel and that it be proportionately increased with any rise in the cost of production. That is all right so far as it goes, but suppose the price was guaranteed at 5s. and it was possible to get 7s., because of the rise in economic values, which surely will come. If that happened we might be in a jam. They might say, "We paid 5s. and you lose 2s. on the deal." May I move to insert a word in this paragraph?

THE DEPUTY SPEAKER: Yes.

Mr. BERRY: Then I move an amendment—

That in line 1 of paragraph (2) after the word "a" the word "minimum" be inserted.

If that is done I shall be quite satisfied.

THE PREMIER (on amendment): I think we are likely to get ourselves into trouble in regard to this matter. The House appears to be in substantial agreement with the principle of the motion. If members will agree to adjourn the debate and get together with a view to framing a motion that would be generally acceptable—and I do not think there is likely to be any opposition—we would get along better. I think there has been a lot of criticism in regard to a number of people receiving compensation for wheat they have not been able to put in, and they do not see any prospect of realising their full quota of wheat because of manpower restrictions.

The DEPUTY SPEAKER: I would draw the attention of the Premier to the fact that we are merely dealing with an amendment to insert a word.

The PREMIER: I was suggesting that the course I have outlined might appeal to members and, if so, it is no use continuing the discussion any further.

On motion by the Minister for Mines, debate adjourned.

PAPERS—AGRICULTURAL BANK.

As to case of Craig Holden Whitwell.

Debate resumed from the 8th September on the following motion by Mr. Boyle:—

That all papers in connection with Craig Holden Whitwell of Hines Hill, farmer, be laid on the Table of the House.

THE MINISTER FOR LANDS (9.21): I was not present when the hon. member submitted the case in support of his motion for the tabling of the papers dealing with the transactions of C. H. Whitwell of Hines Hill in association with the Agricultural Bank. I have, however, had the opportunity to read his speech. Apart from referring to inaccuracies regarding acreage and amounts owing at certain periods, concerning which the hon. member did not have the opportunity to secure correct information, I do not intend to criticise his comments. I noticed that he framed his case on the anticipation of what he would find in the papers dealing with this case. Provided he is agreeable that these papers shall be tabled for a period to be specified—I suggest two weeks, because there are current matters dealt with on the files—I have no objection to tabling them. If the hon. member will have his motion amended accordingly, I will table the files immediately.

MR. WATTS (Katanning): In pursuance of the Minister's suggestion I move an amendment—

That at the end of the motion the following words be added: "for a period of two weeks."

Amendment put and passed.

HON. W. D. JOHNSON (Guildford-Midland): I would draw attention to the fact that this motion does not call for the files of the Agricultural Bank. The file that is wanted is not stipulated, and I suggest that what could be wanted is the birth certificate or some other document connected with this case. The motion says "All papers." I think it should be specific. It is quite obvious that the hon. member desires to see papers from the Agricultural Bank in regard to its dealings with this farmer at Hines Hill, and that is how the Minister has interpreted the motion. But the motion does not say that.

The Minister for Lands: It was explained in the hon. member's speech.

Hon. W. D. JOHNSON: Surely the position should be reflected in the motion! For Parliament to assume things is very dangerous. I draw attention to the fact that we should at least know what we are doing.

The DEPUTY SPEAKER: My interpretation is that the word "farmer" practically covers the request. The papers required can only be papers that are in the hands of the Government and that deal with the position of this farmer. No other papers could be asked for.

MR. BOYLE (Avon—in reply): The member for Guildford-Midland kindly drew my attention to the fact that the motion might be ambiguous in certain respects and that birth certificates, marriage certificates, and so forth might be involved. However, I took the precaution, as any sensible member would do, of seeing Mr. Speaker and he informed me he would accept the motion as applying only to Government papers that were on the files. The Minister has interpreted the motion in that way, for I notice from that little pile of homework he has before him that he has produced more than one file! In the circumstances I can do no more than thank the Minister for his courtesy and guarantee that the files will be in his possession within a week.

Motion, as amended, put and passed.

MOTION—MOTOR TYRES.

As to Proposed Acquisition Scheme.

Debate resumed from the 8th September on the following motion by Mr. Kelly:—

That this House is of the opinion that owing to the acute shortage of motor vehicle tyres and tubes for essential users, the State Government should request the Commonwealth Government to take immediate steps to ascertain particulars of all vehicles licensed as at the 30th June, 1942, and at the 30th June, 1943, with the object of establishing a Government controlled acquisition scheme in each State, of all tyres and tubes belonging to persons with unlicensed vehicles. Release of tyres and tubes so acquired to be controlled by a committee appointed by the State Government or the State Transport Board.

to which Hon. W. D. Johnson had moved an amendment as follows:—

That the words "release of tyres and tubes so acquired to be controlled by a committee appointed by the State Government or the State Transport Board" be struck out.

MR. WATTS (Katanning—on amendment) [9.31]: It is my intention to oppose

the amendment which seeks, in effect, to delete from the motion all suggestion that the matter be handled by the State Government or the State Transport Board.

The Premier: We have no authority to handle it.

Mr. WATTS: I am not going to enter into that discussion.

The Premier: That is in pursuance of the Commonwealth National Security Regulations.

Mr. WATTS: Yes, but the motion asks that the State Government request the Commonwealth Government to take steps to do certain things and that the release of tyres and tubes acquired should be controlled by a committee appointed by the State Government, or the State Transport Board. As I understand the position, the motion asks that the Commonwealth Government be requested to vest this control in the State Government or in the State Transport Board. In these circumstances the Premier will agree that there can be no objection as to the authority of the State Government, because it would suit the Commonwealth Government to confer the necessary authority. However, I do not intend to approach the matter from the point of view of the State Government undertaking this work. I do think, however, that much can be said in favour of the State Transport Board being vested with authority for that purpose. To-day we have the Department of Supply and Shipping which is dealing with a great deal of the work involved in this subject. I cannot see that that department is making a better job of it than the State Transport Board would be likely to do.

Let us consider the position of the State Transport Board in regard to Federal responsibilities. First of all, the members of the State Transport Board are the members of the Liquid Fuel Board appointed under National Security Regulations. The Chairman of the State Transport Board is also, under National Security Regulation, Deputy Director of Road Transport and has, in many ways, substantial powers in dealing with road transport. In the handling of tyres the priorities given by the Liquid Fuel Board in this State, as shown on its license, are accepted to a large extent as the basis for supply, or no supply, of tyres. The Deputy Director of Road Transport has some influence in cases where a considerable amount of production takes place on

a farm, or where some essential transport service is concerned. He has authority to make recommendations in regard to the supply of tyres to such persons. The Department of Supply and Shipping, however, is not related, except at a considerable distance, to the Liquid Fuel Board, and has no direct connection with the Deputy Director of Road Transport who is Chairman of both the Fuel Board and the Transport Board. It seems to me, therefore, that we have in Western Australia in this national emergency only one authority that is really competent to deal with this matter of tyre disposal, and that is the Western Australian Transport Board, both in that capacity and in the capacity of Liquid Fuel Board for this State.

Hon. W. D. Johnson: Who would direct it, the State or the Commonwealth Government?

Mr. WATTS: I am not greatly concerned about that. The hon. member's amendment is to strike out all reference to the Transport Board and the State Government. If an amendment which sought to exclude the State Government, but retained the reference to the State Transport Board, were submitted, I would be more friendly disposed towards it than I am to the present one, although I say this, with all due respect to the member for Guildford-Midland, that the control by the State Government would be more knowledgeable than that by the Commonwealth Government.

Hon. W. D. Johnson: We have not got the authority, that is all.

Mr. WATTS: Seeing that the Commonwealth Government is in the stronger position at the moment this motion requests it to vest the authority in the State Government. I frankly said a moment ago that had the hon. member left in the reference to the State Transport Board, which is at present an instrument of both Governments and doing excellent work for them, I might have viewed it in a more friendly manner than I do the present amendment. However, I am dealing with the amendment before the House which is to strike out all reference to both the Transport Board and the State Government which, in effect, leaves the matter where it is at the present time. To do that is not to offer a satisfactory solution to the problem. I will give the House an example of the understanding, or lack

of understanding that appears to exist in regard to the conditions in Western Australia.

In the southern portion of my district there is a farmer who has three properties totalling all together 11,000 acres. Upon these three properties he has something like 3,000 sheep and 50 cattle, and he does a considerable amount of cropping. He is 45 miles from the nearest siding. He made application for two tyres for his truck. His nearest neighbour is 11 miles away. He was told to go in for community carting. Members will hardly believe me when I say that for some considerable time—a matter of four to five weeks, during which the whole of his operations were held up because he had worked his tyres to the bone in an endeavour not to worry the department unnecessarily—there was apparently no prospect of his acquiring these tyres without going in for the community carting system. With whom he was to go in for community carting it was difficult to ascertain.

Mr. Sampson: He was an isolationist.

Mr. WATTS: If he did go in for such a scheme what prospect it would have of carrying the produce of the others together with that of these large and well developed farms, I fail to realise. However, eventually after negotiations with the Assistant Minister in Canberra, and a great deal of other negotiations, he succeeded in getting the two tyres he required. But I have no hesitation in saying—I have had experience today in regard to another matter—that had this matter been dealt with by the State Transport Board he would not have had the slightest difficulty in convincing it of the peculiar circumstances and the bona fides of his case, and of having the difficulty removed in three or four days at the outside. So I make no bones about expressing my opinion that the State Transport Board is the fit and proper authority to be entrusted with action under a motion such as this. It will be for the benefit of the people of this State with whose affairs the board is in close contact. It has subsidised transport services all over Western Australia and the officers know the countryside and the conditions that exist, and they are in most instances thoroughly capable of handling problems of this sort. On these grounds, and because I think it would do no harm if the State Government were vested with some authority in the matter—and it would be most beneficial if the State Transport Board for the reasons given

were vested with the authority—I intend to oppose the amendment.

[The Speaker resumed the Chair.]

MR. MANN (Beverley—on amendment): In supporting the remarks of the Leader of the Opposition, I wish members to understand that there is absolute chaos in the departments regarding the matter of motor tyres and tubes. The chairman of the State Transport Board is also chairman of the Liquid Fuel Control Board, and the members of those bodies know the conditions under which the producers are labouring and of the people who require petrol, spare parts and motor tyres. The practice is for an applicant to fill in a priority form. If he has a truck and a car, the truck is a first priority and the car second. He makes an application for petrol and sends it to the Liquid Fuel Control Board, which certifies that the license is correct. Then the application goes to the Transport Board for approval. If it is a matter of tyres or tubes, the application is then sent to the Commonwealth Department of Supply and Shipping, where there is one man alone to handle the business. He is the Commonwealth authority and is not conversant with the conditions prevailing in the country.

Let me give an instance. A man in the country was running a piggery and required two tyres to enable him to cart his produce to market. He was unable to get them. The whole business is in an absolutely chaotic state. Many applicants have to accept old tyres and tubes, and the whole business has become hopeless. I cannot agree with the member for Guildford-Midland. The Transport Board could handle the matter, or a committee of three representing the Transport Board, the Liquid Fuel Control Board and the Department of Supply and Shipping might be appointed. If such a board were formed it would be in a position to decide the whole issue. Nobody is more competent than the chairman of the Transport Board, Mr. Millen, who knows the State and its requirements.

Hon. W. D. Johnson: I think you had better suggest Mr. Beasley as chairman of the board.

Mr. MANN: Mr. Beasley!

Hon. W. D. Johnson: That would be the only way of getting anything.

Mr. MANN: What a policy of despair! The hon. member is imbued with the idea of Federalism from start to finish.

Mr. SPEAKER: Order! That has nothing to do with the motion.

Mr. MANN: No one is more competent to handle this matter than is the State Government, and it should be handled through the State Transport Board, whose members and officials know more about the business than does anyone else. While existing conditions continue there will be no satisfaction for anybody, and industry will be further retarded. The people of Australia have been asked to produce vegetables, poultry, and bacon, but, while existing chaotic conditions continue, we are defeating that object.

Mr. SPEAKER: There is nothing about bacon in this motion.

Mr. MANN: I am trying to point out what is required in the matter of motor tyres.

Mr. SPEAKER: The only thing the hon. member may discuss at the moment is the striking out of the words contained in the amendment.

Mr. MANN: I am satisfied that the State Government could handle the business, and I hope members will reject the amendment.

Mr. Marshall: Do not be unkind.

Mr. MANN: If members had business that took them to these departments, they would appreciate the position. At present there is no possible hope of getting satisfaction.

MR. SEWARD (Pingelly—on amendment): I hope the House will not agree to the amendment. If it is carried, we might as well abandon the motion entirely. In my opinion the words proposed to be struck out constitute the main features of the motion. The object is to bring all tyres and tubes under the control of a board located in the State—a board having a full knowledge of all the details. As the Leader of the Opposition and the member for Beverley have pointed out, members on this side of the House have been brought actively into contact with the Department of Supply and Shipping since the regulations rationing the supply of motor tyres and tubes were introduced. We have paid numerous visits to the officer in charge; we have arranged deputations to Ministers including Ministers who were visiting Perth, and we have had a considerable amount of correspondence. It was

found that the officers, as was only to be expected when a new body was appointed to take charge of a matter of this sort, had to learn all about the business. They had to gather information that the State Transport Board and the Liquid Fuel Control Board had accumulated over a period of three or four years.

In the rationing of motor requisites, there has apparently been an abundant supply in the city, but the country people have been so severely rationed that many of them are not able to get off their farms for the duration of the war. It was most difficult to get the Commonwealth Ministers in Canberra and the new officials here to appreciate the problems of the farmers, whereas the Transport Board and the Liquid Fuel Control Board administer the rationing of petrol and so forth on the scale dictated by their knowledge of the requirements and work of the applicant farmer. One may go to the Liquid Fuel Control Board and mention the name of any farmer in Western Australia, and the officials can tell what distance he is from the siding and from the store, and in fact everything about him. That is the vital knowledge required by an authority whose duty it is to ration motor tyres.

I can give an instance of the different policies or interpretations that have been adopted as a result of communications with the Assistant Minister for Supply and Shipping and the Minister controlling that department. I have a letter dated the 24th May from the Assistant Minister. The farmer whose case gave rise to this correspondence is 22 miles distant from Kulin. This man who had no neighbour within three or four miles, and no-one within seven or eight miles on the telephone, last season needed a tyre. The facts of the case are contained in correspondence which I shall not quote. On the 24th May, 1943, the Assistant Minister for Supply and Shipping, acknowledging a letter addressed to him by me on the 17th May, replied as follows—

I have had a conference with the Minister for Transport, the Director of Land Transport, and the Controller of Tyres, and pointed out to them the geographical differences and difficulties which exist in Western Australia as compared with the other States of the Commonwealth, and as a further precaution have issued instructions to the Transport Board and the Liquid Fuel Control Board in Western Aus-

tralia, that they give full consideration to all applications for variations that are placed before them.

That looked hopeful. It seemed as if the Assistant Minister would give consideration to our representations, particularly as regards distances between various farms. However, about seven weeks later, on the 14th July, the Minister, Mr. Beasley, wrote with regard to the subject—

Having examined this report most carefully I am convinced that the methods which have been adopted in your State are sound and are being favourably received by the Transport authorities and a great majority of the primary producers.

Here we have two Commonwealth Ministers giving rulings on the same subject, one stating that authority should be given to the State Transport Board or the Liquid Fuel Control Board to take into consideration Western Australia's peculiar difficulties in regard to distances and come to a decision in accord with those difficulties; the other Minister stating that the farmers were quite satisfied. In point of fact, the farmers were almost on the point of revolt. Undoubtedly the department of Mr. Millen has the whole of the facts at its finger-ends. Mr. Rathbone could state the facts about almost any farmer in the State, having been concerned with them for years. To ascertain how the matter worked in different States, I wrote to the Minister for Transport of Victoria and received a reply dated the 23rd June, from which I quote—

Local Transport Advisory Committees have been established in various parts of the State for the purpose of recommending to the Fuel Board and the Directors of Road Emergency Transport what action should be taken in regard to applications for liquid fuel, and these committees are endeavouring to arrange in certain localities for the co-operation of primary producers in forwarding their produce by road per medium of a community vehicle and thus economising in respect of fuel and tyres. In instances where this arrangement has not been made and which involve road travel beyond a 20-mile radius in order to reach the nearest railhead or market town, favourable application is given to the issue of a special permit to enable the trip to be undertaken.

So in Victoria, which is a closely settled State, consideration is extended where the distance is more than twenty miles. I know of a case where a farmer was working his truck from 6 in the morning till 7 at night. He needed a tyre, and on making application was informed that unless he went into a group system he could not get a tyre. I

appeal to the House not to delete the words proposed to be struck out.

MR. KELLY (Yilgarn-Coolgardie—on amendment): On a point of information, Mr. Speaker! If I speak on this amendment, will that preclude me from eventually replying?

MR. SPEAKER: The hon. member is entitled to speak to the amendment now, and to reply later.

Mr. KELLY: I disagree with the whole amendment of the member for Guildford-Midland, though I quite appreciate his outlook. The hon. member would deprive the State Government at any time of any power it might possess. I submit that the final words of the motion are entirely necessary, and that their deletion would mean that the motion would not convey the opinion that I desire it to express. If the State Government had control of tyres, the State Government would naturally delegate its powers in that respect to the State Transport Board. Knowing again that the State Transport Board is solely under the direction of the Director of Road Transport, who is a Federal officer, I am not doubtful of the position. I included the words proposed to be struck out in full comprehension of the fact that the direction would naturally come from the Commonwealth Government to its officers, and that those directions would be interpreted eventually by the State Transport Board. I have the highest regard for the members of the State Transport Board, and fully approve of its methods of handling matters of State. It is possible at all times for the State Transport Board to furnish reasonable rulings without any reference to the Federal sphere. Therefore I consider it vitally important that the concluding phrases of the motion be retained, and I hope the House will come to no uncertain decision with regard to the amendment, but support the retention of the words proposed to be struck out.

MR. F. C. L. SMITH (Brown Hill-Ivanhoe—on amendment): I support the amendment, on the ground that if the words are not taken out we shall set up a position where we shall have two authorities dealing with release of tyres and tubes. I understand that the question relates to the release of tyres and tubes at the present moment. That matter is in the hands of the Rubber Control Section of the Supply and Shipping

Department; and it is to that section application has to be made if an essential user requires tyres or tubes. But if the motion were carried again to bring in the pool of tyres and tubes, a lot of secondhand tyres and tubes would be taken from unlicensed vehicles. With regard to that part of tyres and tubes a committee would be set up appointed either by the State Government or by the State Transport Board. Thus there would be two authorities, one dealing with one set of tyres and tubes and another authority dealing with a different set of tyres and tubes. The consequent conflict between the two authorities would create a position which I consider wholly impracticable.

Amendment put and negatived.

MR. J. HEGNEY (Middle Swan): I oppose the motion, because it is unfair. It will penalise persons who have unlicensed vehicles on blocks. Assume the motion is carried, there is nothing to hinder those persons from immediately licensing their cars, in which event they would receive a petrol ration and would proceed to put their cars into traffic again. However, they were patriotic; their desire was to conserve petrol and so they put the cars on blocks and ceased to use them. This is the class of person that would be penalised by the motion, if it were carried. I venture the opinion that there are many owners of motor vehicles employed in essential industries who are using them for purposes unconnected with the industry.

Mr. F. C. L. Smith: The motion, if carried, would impose a penalty on patriotic and prudent car owners.

Mr. J. HEGNEY: That is so. I doubt whether the number of cars placed on blocks and unlicensed is very great; but it would be manifestly unfair to the owners to deprive them of their tyres and tubes. As I said, when petrol supplies were short and car owners were asked to conserve petrol, these owners—because of the deadly peril to which sailors on tankers were exposed and for patriotic reasons—discontinued using their cars.

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

Ayes	..	..	..	..	13
Noes	..	..	..	..	20
Majority against					7

AYES.	
Mr. Borry	Mr. Perkins
Mr. Boyle	Mr. Sampson
Mr. Hill	Mr. Seara
Mr. Kelly	Mr. Watts
Mr. Mann	Mr. Willmott
Mr. McDonald	Mr. Doney
Mr. North	
(Teller.)	
NOES.	
Mr. Coverley	Mr. Pantou
Mr. Cross	Mr. Rodoreda
Mr. Graham	Mr. F. C. L. Smith
Mr. J. Hegney	Mr. Styants
Mr. W. Hegney	Mr. Tonkin
Mr. Johnson	Mr. Triat
Mr. Leahy	Mr. Willcock
Mr. Marshall	Mr. Wise
Mr. Needham	Mr. Withers
Mr. Nulson	Mr. Wilson
(Teller.)	

Motion thus negatived.

MOTION—COMMONWEALTH AND STATE RELATIONSHIPS.

As to Post-war Financial Reform

Debate resumed from the 8th September on the following motion by Mr. Watts:—

That this House is of the opinion—

- (1) That there is urgent need for consideration of radical reform at the termination of the present war in the financial relations between the Commonwealth and the States, and expresses its agreement with the principle of the joint resolution of both Houses of the Tasmanian Parliament to the effect that no financial relations between the Commonwealth and the States can be satisfactory that do not frankly take into account the different economic positions of the several States and provide for a systematic review from time to time of any scale of payments.
- (2) That at the termination of the present war means should be found to restore to the States the right to impose income taxation either generally or in defined limits, while at the same time not imposing on the taxpayers, the necessity of providing two different returns and complying with two differing laws.
- (3) That a conference between representatives of the Commonwealth and State Parliaments, including both Government and Opposition members, should be arranged at a reasonably early date to consider such reforms.
- (4) That copies of this resolution be conveyed to the Prime Minister and the Premiers of the several States.

THE PREMIER [10.11]: This resolution is a four-pointed one, and I find myself in agreement with some portions of it and in disagreement with others. I am in somewhat the same position as that in which the Minister for Lands found himself earlier in the evening. The first paragraph states that

there is urgent need for the consideration of radical reform at the termination of the present war in the financial relations between the Commonwealth and the States. With that I am in accord. Anyone who has studied the financial relationships of the State and the Commonwealth since the early days of Federation, knows that in the last 40 years there has been a steady deterioration of the financial position of the States in comparison with that of the Commonwealth. When the States agreed to Federation, it was expected that the expenditure by the Commonwealth out of funds raised by the Commonwealth would be comparatively small. Up to that time the States had depended for their revenue to a great extent on Customs. When the Commonwealth took over the Customs it was stated in the Constitution that for the first 10 years three-quarters of the Customs revenue should be returned to the States. In fact, it was anticipated that there would be rather a big surplus and that that too could be paid back to the State by way of what was termed surplus revenue. New South Wales was a free-trade State and consequently was not affected. The first alteration in the financial arrangements between the Commonwealth and the States was the elimination of what was termed the Braddon Clause, which provided for three-quarters of the customs revenue to be returned to the States. Thereafter there was a per capita arrangement with the States whereby they received from the Commonwealth Government a fixed sum of 25s. per head of population.

Because this State was very undeveloped at that stage it received special consideration by being accorded a special grant of £250,000 which was reducible at the rate of £10,000 a year. The per capita arrangement lasted until 1929 when it was superseded by the Financial Agreement under which, in lieu of the amount of 25s. per head previously granted, a fixed amount was set down which, in the case of this State, was about £500,000, approximating at £1 per head the population of the State at that time. There was no arrangement whereby any increase could be made no matter how much additional expenditure occurred in a State or how greatly the population increased. The only other thing provided for in the agreement was the payment by the Commonwealth on behalf of the States to the national debt sinking

fund of an amount of 2s. 6d. in regard to past debts and 5s. on loan raisings after the institution of the Financial Agreement. So the steady deterioration of State finance became apparent and as time goes on it appears to be getting worse and worse. Each alteration made has been to the disadvantage of the financial position of the States. A further step was taken to the disadvantage of the States when the Uniform Taxation Act was passed a couple of years ago. Prior to that, if the people of the State were very concerned in regard to any aspect of social service and agreed with the Government of the day that improvements were necessary, extra taxation could be raised by the State to provide additional services.

Now the Commonwealth Government has taken over taxation and there is what is known as a fixed compensation for loss of taxing rights as a result of the Uniform Taxation Act. That will be very hard to alter, no matter what the necessities of the States might be or what the people think in regard to improvements in the social services. We have an indication that the Commonwealth is going to take a very much more active part in regard to social services. If it does so that will be all right. But while I am very satisfied and confident that that will be done by the present Commonwealth Government, I am not at all sure that if a Government of an opposite political complexion came into power it would be very anxious to do much in regard to social services. We might have a Commonwealth Government not proceeding with any improvements in this regard and a State being anxious to effect such improvements, but unable to do so through being blocked by a Commonwealth Government which would not allow it to raise the necessary taxation to carry out reforms.

The agreement is that if any State finds itself in financial difficulties it can make an appeal which will be heard by the Commonwealth Grants Commission. If the Commission finds that the necessities of the State are such that increased money is necessary, it may make a recommendation to the Commonwealth Government which, through Parliament, can deal with the matter and after those stages have been completed the State may receive consideration. I am of the opinion, however, that everything depends on the political complexion of the Government of the time. I am quite satis-

fied to allow the present Commonwealth Government to undertake responsibility in regard to social services. But if by some mischance, in another eight or 10 years' time, the political complexion of the Commonwealth Government changes, I am very doubtful whether I would care to hand over—

Mr. McDonald: I think that is a very untenable argument.

The PREMIER: It might be untenable in the mind of the hon. member but it is absolutely in accord with facts. I would draw attention to the fact that a Government of an anti-Labour type, some four or five years ago proposed to introduce a national insurance scheme which we all thought was going to be put on the Statute Book. We did not altogether agree with every detail of the terms and conditions but we all agreed with the principle. Yet after every possible arrangement had been made we found that the whole thing was scrapped.

Mr. McDonald: That was due to many causes. It was brought in with the intention of being implemented just the same as the Conservative Government in England brought in so many things, and has just introduced the Beveridge Plan.

The PREMIER: That is an attitude of mind which one can arrive at after a fair amount of experience in regard to what does happen in connection with Governments of a political complexion opposite to that of the present one.

Mr. McDonald: I prefer to see your argument on a different basis.

The PREMIER: I prefer to argue it on a basis which is practical and logical in view of past experience. I am quite satisfied with the first part of the motion, which says that there is urgent need for the consideration of radical reform at the termination of the present war in relation to the Commonwealth and States. The experience was that from 1910 to 1930, for the first 17 or 18 years, there was a deficit of about £28,000,000. Since the Financial Agreement has been brought into existence the States have had deficits totalling about £62,000,000. After allowing for a surplus of £5,000,000 during the period of the Braddon Clause, the States have accumulated deficits of £85,000,000. Consequently it is easily seen that right through the period the States have not been able to finance themselves. For that reason there should be some readjustment of the financial relationship between the Common-

wealth and the States. Because of that I am quite in accord with the motion to that extent. The second part of the first paragraph expresses agreement with the joint resolution of both Houses of Parliament to the effect that—

No financial relations between the Commonwealth and the States can be satisfactory that do not frankly take into account the different economic positions of the several States and provide for a systematic review from time to time of any scale of payments.

I have read the pamphlet issued by the Tasmanian Government, and while I agree with the views expressed therein as to a readjustment of the Commonwealth and States' financial relationship, I feel that the formula set out is something to which we cannot subscribe inasmuch as it only seeks to affect the financial relationship as between the claimant and the non-claimant States. It is necessary to have a readjustment of the financial arrangements between the Commonwealth and all the States if we continue with the existing Constitution, and that the States and the Commonwealth should have their respective spheres of action.

Mr. Watts: Are you sure the pamphlet does not contemplate all the States?

The PREMIER: We can only take notice of the formula which is published in the pamphlet. It indicates that it is the relationship between the claimant and the non-claimant States which is taken into account.

Hon. W. D. Johnson: It is only by means of the Grants Commission that a scale of payments has been made.

The PREMIER: As an example of how the scheme would operate, the pamphlet shows that if the per capita payment from the Commonwealth to the States was at the rate of 25s. this payment would be made to New South Wales and Victoria, whereas Queensland and South Australia would receive 30s., Western Australia would receive 40s. and Tasmania 50s.

Mr. Watts: It contemplates all the States on a different economic basis. That is how I understand it.

The PREMIER: The whole basis of the scheme is the relationship between the non-claimant States and the claimant States. They would get a certain fixed sum which would be provided for five or six years, and that would be the end of it. The present system of the Grants Commission is much preferable to that. Our experience of the Grants Commission has been that while it

has not been generous, it has certainly been just. It takes into consideration the economic position of the State and the whole of the circumstances in regard to the State. In this State, for instance, no matter who was in control of its finance and no matter what care was exercised, if we suffered a severe drought in the pastoral and in the agricultural industries, its finances would suffer very greatly. In those circumstances, under the Tasmanian scheme, the Grants Commission would have no chance to assist us in such a time of trouble.

Mr. Watts: I understand that the Tasmanian scheme would obliterate the Grants Commission.

The PREMIER: Yes, and put in its place a body that could take all factors into consideration and make recommendations accordingly and fix, for a certain State, the average for five years.

Mr. Doney: The proportions would apply only for the year in which they were drawn up. They could not be given any permanency.

The PREMIER: Yes, they would be permanent.

Mr. Doney: I do not see that.

The PREMIER: The hon. member should read the pamphlet, when he will get a proper appreciation of the scheme.

Mr. Seward: Have you read the conclusions on page 10?

The PREMIER: Yes. The formula as set out has a weakness. It endeavours to take into account the different economic positions of the States. Obviously that is a task which should be assigned by the Commonwealth Government to an independent body, which would make an authoritative examination of all the factors in regard to the financial and economic positions of the various States, and after having taken everything into consideration would make a recommendation which the Commonwealth Government would probably, in accordance with its set plan of procedure, ask Parliament to adopt. That procedure has been carried out by the Commonwealth Parliament since the Grants Commission first made recommendations.

Members will recollect that when the Constitutional Conference was held in 1934 tremendous opposition was raised to the financial relationship existing between the Commonwealth and the States. A convention

was held and the proposal fell through, but as a result of that conference the Grants Commission was appointed and, while the member for Williams-Narrogin might say that that Commission is a temporary body or scheme, for the eight or nine years that it has been in existence it has regularly made grants under certain conditions which are now well understood. While it has been just, it has not been over-generous, generally speaking, but it has assured Western Australia of sufficient financial consideration, so that if the economic position of the State, from a climatic standpoint, is right, we have been able pretty nearly to ensure our financial position being equal to the average of the other States of Australia. That is to say, all that the Grants Commission attempts to do is not to say that each State should budget for a surplus, or for budgetary equilibrium, but that the financial position of the claimant States will be made equal to that of the non-claimant States.

If there is a deficit, per head of population of the States of Australia of, say, £1 per head, the grant to Western Australia would only allow us to bring our financial position to that of the other States, so that we would have a deficit of £1 per head, or a total deficit of £460,000. That is as far as the Commission goes. It would be advantageous if we had an arrangement whereby the Commonwealth could take into consideration the financial position of all the States and make grants or pay compensation, or whatever it might be called, and thus give the States an opportunity to carry on with budget equilibrium. If that were recommended by a properly constituted body competent to make recommendations, it would be even more satisfactory than the present arrangement. As I have said, the States have had budget deficits of £90,000,000 during the last 28 or 29 years.

Member: A mere fleabite.

The PREMIER: It might be described as a fleabite, but it has caused State Treasurers a good many headaches, and it has been necessary to carry taxation to a fairly high level in order to provide money for the services which the people expect.

The second part of the motion relates to the return to the States of their right to impose income tax. In this connection I wish to remind members that, when the uniform income taxation scheme was instituted,

it was agreed that it was to be for the duration of the war. If and when the States again have power to impose income-tax, it should not be beyond the powers of the people of Australia to devise some means without the unnecessarily complicated machinery that existed prior to 1942 whereby one uniform assessment Act and one return could be arranged, leaving to each State Parliament the right to determine the amount of income-tax it desired to raise. The States had taxation assessment Acts that were practically uniform, and they were able to levy taxation to whatever extent was required so long as they retained the uniform assessment. That was a long step towards uniformity. If the right to impose income taxation were returned to the States, only another step forward would be required and then we would have uniformity practically throughout Australia.

Mr. Watts: There needs to be an agreement between the Commonwealth and the States that the assessment Act will not be varied.

The PREMIER: We made strides in the matter of getting uniformity in our assessment Acts. The amending Bill of 1937 contained about 100 clauses. If we could only amend the other fifty sections to bring the law into conformity with that of the Commonwealth, there would then be a uniform system throughout Australia. This would make the imposition of income-tax much simpler than it was when we had a variety of differences in assessments.

Paragraph 3 of the motion says that a conference between the representatives of the Commonwealth and the State Parliaments, including both Government and Opposition members, should be arranged at a reasonably early date to consider such reforms. I do not think that the Commonwealth would agree to such a conference during the period of the war. It would be a highly controversial subject to raise at this stage. The time for considering a proposal of that sort is not during the period of war, but immediately the war is over. I would like to move an amendment providing that it shall be done at that particular time.

I hope that nothing I have said will be construed to mean that I am satisfied with the present financial relations between the Commonwealth and the States. I am far from satisfied. I feel that unless some steps

are taken to place the States on a sound financial basis, they must inevitably lose their power. If there is to be an alteration in the respective powers and functions of the Commonwealth and the States, it should be by referendum decided upon by the people of Australia, and should not be brought about by financial strangulation. If there is to be an alteration of the Constitution, financial provision will be made for it, but if we are to be slowly strangled by reason of an alteration in the financial arrangements between the Commonwealth and the States, without the Federal authority taking over other responsibilities, it is going to be very awkward for the States, which will be forced into a position of bankruptcy.

I feel that the present machinery set up by the Commonwealth to adjust the financial relationships between it and the States is about the best thing we can have. The recommendations of the Grants Commission have always been approved by Parliament. They have not always been what we desired, but the formulæ adopted have been reasonable, fair and just. It is a long way better to have a competent financial authority making recommendations that are almost invariably adopted by the Commonwealth Parliament than to leave these matters to the will of a Commonwealth Treasurer, who might be a needy Treasurer and, indeed, might be in a serious financial position, and might say to the claimant States, "We have not the money and so you will have to do without it." The Grants Commission is working on systematic lines which are now becoming well understood, and that makes the position satisfactory, but it still does not overcome the difficulty that we are brought into financial alignment with the other States of Australia. That is a serious blot. If the non-claimant States collectively have a deficit of 20s. or 30s. per head of the population, that is all the Grants Commission would recommend for us. The Commission would say, "You are in a position equally as good as that of the other States, and this is all we can do for you."

The relations between the Commonwealth and the States as regards their respective activities and governmental powers should be reviewed. The time when that review should be made is when the war is over, and we would be ill-advised to press for a convention at this stage when we do not know

exactly what the future holds for us. I am prepared to accept the general principle of the motion, but I wish to move some amendments. I will now move an amendment—

That all the words after "States" in line 4 of paragraph (1) be struck out.

I doubt whether many members know anything about the Tasmanian formula, and anyhow I am opposed to the inclusion of this reference in the motion.

MR. SEWARD (Pingelly—on amendment): I have listened to what the Premier said, and I do not agree with his conclusions as to the resolution carried by the Tasmanian Parliament, nor that we are committed to the Tasmanian formula, which reads—

No financial relations between the States and the Commonwealth can be satisfactory which do not frankly take into account the differing economic positions of the different States and provide for a systematic review, from time to time, of any scale of payments adopted.

That does not refer to the claimant States only, but to all the States. On page 7 of the same publication—"History of Tasmania's Parliamentary Formula"—in connection with the working out of the particular formula used, the net benefits to the various States are given; New South Wales shown as benefiting to the extent of £19,000, Victoria £14,000, and Queensland £220,000. Thus Queensland is shown as benefiting financially to a greater extent than any other State. The three States named are those from which the other States obtain the amounts of their grants. On page 10 it is stated—

We do not attach great weight to the actual figures for the suggested new scale of per capita payments; but we sincerely believe that no financial relations between the States and Commonwealth will be satisfactory which do not frankly take into account the differing economic positions of the different States, and provide for systematic review of any scale of payments from time to time.

The Premier: And yet the motion says we ought to back out.

Mr. SEWARD: No. It is only a review of the principle of any arrangement that may be arrived at. That was the feature of the conference on the Financial Agreement which took place in 1929.

The Premier: No. That agreement was made for 28 years.

Mr. SEWARD: I know that our delegates stressed the need for elasticity in any agreement arrived at. In introducing his Budget the Premier said that with the particular scale of payments adopted under the uniform tax we were already falling behind what we would expect to receive by way of taxation. The hon. gentlemen was pointing out that a principle laid down might not prove applicable in view of the changed earning capacities of the people. What we adopted in 1940-41 is getting out of date in 1943. In opposing a unified system of financial arrangements and in paragraph 88 the Commonwealth Grants Commission's report for 1936 states—

Thus the States have played a valuable role in representing the administrative principle of decentralisation. It is sometimes said that in a unified State a central authority will be more generous in delegating powers because if the occasion demands it such powers can be taken back. But this is not really true. In a system of parliamentary government, where Ministers are subject to interpellation, there will always be centralisation of administration, because the Minister is likely to be challenged on any point at any time. To get effective decentralisation the devolved powers must be constitutionally protected, and the local authorities must have adequate financial resources and responsibility for their use. In South Africa, which is a unified State, some critics suggest that provincial government has failed because the provinces have so little independence. A federation, where the States have adequate resources and are given sufficient powers to deal with them, is likely to be a more stable political organisation than a unified State which has to provide services for people scattered over a large area with differing requirements and interests.

The next paragraph refers to the economic differences in our Australian States, some of them being centralised and industrialised while others are large States having scattered populations engaged in rural industries. Paragraph 90 of the report states—

The difficulties and problems which this system creates should be dealt with by conferences and discussions, and a system of voluntary co-operation on matters not determined by the Constitution itself will produce what is required. This is just what has taken place in Australia, and outside observers have commented favourably on the considerable amount of very successful co-operation which exists between State and Federal Governments.

That was written in 1936 pointing out the necessity for elasticity. If things are to go on as at present, under unified taxation—as to which some of the principal Commonwealth Ministers have stated that it is to be

permanent—it is radically important that there should be a conference between the States and the Commonwealth which might result in some arrangement that would give this State some hope of progressing.

The Premier: The present arrangement has not been officially repudiated.

Mr. SEWARD: That arrangement has definitely been repudiated by Dr. Evatt and another senior Minister. The words proposed to be struck out should be retained because they give us something definite and refer to "the termination of the present war" as the time at which to take action.

On motion by Hon. W. D. Johnson, debate adjourned.

House adjourned at 10.50 p.m.

Legislative Council.

Thursday, 23rd September, 1943.

	PAGE
Questions: Liquid fuel, as to distillation from wheat	708
Aluminate works, as to administrative costs and staff	709
Farmers' Debts Adjustment Act, as to stay orders	709
Daylight saving, as to protest to Commonwealth	709
Leave of absence	709
Motions: Meat, as to supplies and rationing of mutton	709
Bills: Workers' Homes Act Amendment, 1A.	715
Fremantle Municipal Tramways and Electric Lighting Act Amendment, 1A.	715
Wood Distillation and Charcoal Iron and Steel Industry, 1A.	715
Lotteries (Control) Act Amendment, 2A.	715
Electoral (War Time), 2A.	716
Town Planning and Development Act Amendment, 2A., Com., report	720

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

QUESTIONS (4).

LIQUID FUEL.

As to Distillation from Wheat.

Hon. A. THOMSON asked the Chief Secretary: 1, What progress, if any, has been made in Western Australia in the construction of buildings and machinery necessary for the distillation of fuel oil from wheat? 2, When does the company operating this distillery anticipate supplying the public with oil and its by-products?

The CHIEF SECRETARY replied: 1, The construction of plant and buildings to produce power alcohol from wheat is well