

we should at the present juncture embark on so huge an expenditure. The property to which I have just referred is lying idle. It has been used on many occasions, and the accommodation it affords is certainly infinitely better than that provided for the Agricultural Department today.

Member: To which building are you referring?

Hon. A. THOMSON: The building at the corner of Murray-street and Barrack-street. I am not suggesting that it should be utilised for public purposes, but merely as a temporary expedient for a year or two, or until such time as Australia knows exactly how the war will end. The interest that would be payable on the money required to purchase the Christian Brothers' College would more than pay rent for the temporary occupation of that building. I commend to the earnest consideration of the Government, and of Parliament, the suggestion that provision should be made to house all Government departments under one roof, if possible. I have been urging for many years past that we should call for competitive designs. We should give our young men who have passed through our University and are now qualified architects, and whose parents paid substantial premiums for their education, the opportunity to submit designs. The suggestion is worthy of consideration. I do not think that at the present time we should enter upon either of the schemes submitted to us by the Government. One of these schemes it is estimated will cost £280,000 and the other £270,000. In any case, before embarking upon a scheme of this nature we should have more information before us than we now have. I would even support Mr. Angelo's suggestion that a Royal Commission or a select committee should be appointed, not so much to decide upon a site, as to report upon the present Treasury buildings, with a view to obtaining plans and specifications to alter these buildings, which could provide public offices for many years to come.

Hon. V. Hamersley: One hundred years.

Hon. A. THOMSON: Fifty years at least. I object to the present method. This House has been too long in accepting principles which have been placed before it. As I said before, what we require is a public works committee. We also certainly want an eco-

nomie committee as well, which should carefully scrutinise all State expenditure. So far there has been no adequate check upon State expenditure on buildings. This is unfair to the contractors and the architects of the State. We are not only asked to approve of a site, but also to approve of the expenditure of over a quarter of a million pounds. At the present stage I think that is undesirable, and therefore I oppose the second reading of the Bill.

On motion by Hon. L. B. Bolton, debate adjourned.

House adjourned at 10.5 p.m.

Legislative Assembly.

Tuesday, 21st November, 1939.

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

QUESTION—BULK HANDLING OF WHEAT.

Sole Acquiring Agent.

Mr. SEWARD asked the Minister for lands:—1, Is it a fact that one firm—Co-operative Bulk Handling, Ltd.—has been appointed sole acquiring agent for handling the 1939-40 wheat crop? 2, If so, is he aware that various merchants are today canvassing growers in an effort to have this season's wheat delivered to them as in past years? 3, As a multiplicity of agents must inevitably mean higher handling charges for growers, will he endeavour to have the handling of the wheat confined to one agent?

The MINISTER FOR LANDS replied: 1, No. The Australian Wheat Board has decided to appoint Co-operative Bulk Handling, Ltd., as licensed receivers for bulk wheat and Westralian Farmers, Ltd., as the licensed receivers for bagged wheat for the season 1939-40. The Australian Wheat Board advises that millers will be appointed licensed receivers for those country sidings and stations at which they have mills, or at which they have an agent receiving wheat, either solely or substantially for the mill. However, the Superintendent of the Western Australian branch of the Australian Wheat Board advises that the above reference does not apply to this State. 2, I am informed that the Australian Wheat Board has decided to appoint the following as licensed documentary agents in this State on behalf of the growers:—J. A. Hemphill and Sons Pty., Ltd., John Darling and Sons, Louis Dreyfus and Co., Bunge (Aust). Pty., Ltd., Trustees of the Wheat Pool of W.A., Dalgety and Co., Ltd., and there is a possibility that all the wheat merchants will be appointed licensed documentary agents. 3, From information received it is not anticipated that there will be higher handling charges, as each bushel will bear only one cost for the service rendered. The physical holder will be paid for the handling of the wheat and the documentary agent for transacting that portion of the work carried out by him.

BILL—POLICE BENEFIT FUND ABOLITION.

Introduced by the Premier and read a first time.

BILL—SUNDAY OBSERVANCE.

In Committee.

Mr. Marshall in the Chair: the Minister for Labour in charge of the Bill.

Clauses 1, 2—agreed to.

Clause 3—Interpretation:

Mr. WATTS: I move an amendment—

That in paragraph (f) after the word "plumbing" the words "or tiling" be inserted.

The building trade consists partly of putting tiles on roofs of houses, and this is not

covered by the definition. Work of the kind is done in various parts of the State.

Amendment put and passed; the clause, as amended, agreed to.

Clause 4—Application of Act:

Mr. WATTS: I move an amendment—

That in line 4 of Subclause 1 the words "Order in Council declare to be" be struck out and the words "regulation prescribe as" inserted in lieu.

Since it is proposed to extend the operation of the measure to various industries not mentioned in the Bill as it stands, the preferable course is to have the matter such that it can be dealt with, if Parliament thinks fit, by disallowance of regulations. Apart from this, there is no other method than that of disallowing an Order in Council by a separate Act. I hope the Minister will not oppose the amendment, as in future it may be desirable for Parliament to decide whether Sunday work in a trade shall be prohibited or not.

The MINISTER FOR LABOUR: During the drafting of the Bill much thought was devoted to the question whether action under the measure should be permitted by proclamation or by regulation. The Government realised then, as it does now, that the Bill is largely experimental. This is proved by the fact that we are not seeking to pass a measure having general application from the time of its passing. This measure will apply to one trade only, namely the building trade. The clause provides that the measure may by proclamation be applied to other trades. Such proclamations, if made, would not of course have to be approved by Parliament, nor even considered by Parliament. I have no objection to the amendment, because it is desirable that Parliament should have a voice as to the trades, other than the building trade, to which this legislation may apply from time to time.

Amendment put and passed.

Mr. WATTS: I move an amendment—

That in the last line of Subclause (2) the words "Order in Council direct" be struck out and the words "regulation prescribe" inserted in lieu.

I would prefer that the subclause be struck out altogether: because as the question of extending the Bill to other trades is now to be a matter for regulation, the legislation should apply to the whole State. That however, is a question for the Committee to decide.

The MINISTER FOR LABOUR: The amendment is similar in principle to the one to which the Committee has just agreed. I offer no objection to it.

Amendment put and passed; the clause, as amended, agreed to.

Clause 5—Prohibition of Sunday work:

Mr. SAMPSON: I move an amendment—

That in line 2 of Subclause (1) the words "for himself or" be struck out.

I am hopeful that the Minister will accept the amendment: because to retain these words would be futile in view of the fact that it would be difficult to prevent a person from carrying out work for himself probably on his own property.

The MINISTER FOR LABOUR: The retention of these words is necessary. If they were struck out, opportunities would be afforded to defeat the measure by partnership firms, which operate extensively in the building trade. Such firms would be able to carry on their building trade activities on Sunday in the future just in the same way as they have been doing in the past, and they have been the worst offenders in this respect. Had Sunday work in the building trade not been carried out excessively by firms of this type, I am convinced this legislation would not have been introduced. If we allowed them to do work for themselves, they could go on building at their own sweet will and as soon as a particular house was completed they could dispose of it to any buyer who might be available. Acceptance of the amendment would greatly weaken the legislation just in the place where it should be kept strong.

Mr. SAMPSON: If a partnership was concerned, the man would not be working for himself. If there was no partnership, the subclause would apply and it would be impossible to make the provision effective.

Amendment put and negatived.

Mr. WATTS: I move an amendment—

That subparagraph (ii) of Subclause (2) (b) be struck out with a view to inserting the words:—"If any such operation is performed by any person on his own property and not for monetary gain and without the paid assistance or employment of any artificer, journeyman, tradesman, clerk, labourer, servant or other employee, provided that such first mentioned person is not ordinarily or customarily engaged or interested in the same prohibited trade as that in which such operation is being performed."

If other prohibited trades are prescribed, the sub-paragraph will not have the effect intended by the Minister. A man might be engaged in the baking trade, which had become a prohibited trade, and he would be unable to effect building repairs to his own residence in his own time.

The MINISTER FOR LABOUR: I support the amendment. I am satisfied that it will assist in the direction indicated by the hon. member.

Mr. J. HEGNEY: I oppose the amendment because it would permit of the present practice being continued. How could proof be secured that a person was not employed by another or was not working for gain? The time has arrived when Sunday building should be prevented. The Labour movement has secured a reduction of hours; many workers now have the whole of Saturday off, and have more time than they had before in which to do such work. The provisions of the new sub-paragraph are mere camouflage and subterfuge. Some men, after finishing their week's work on Friday, undertake work for other people on Saturday and Sunday, and not many would work without remuneration.

Mr. FOX: The amendment should not be approved because it would really give effect to the proposal of the member for Swan. Under the amendment of the member for Katanning, Sunday work could be carried on as at present. The Bill is designed to ensure fair competition, and the Minister should not give any latitude whatever for Sunday work.

Mr. WATTS: Members have lost sight of the words "If any such operation is performed by any person on his own property." The sub-paragraph in the Bill is similarly worded.

Mr. Fox: It should stipulate his own dwelling house.

Mr. WATTS: Then the hon. member can move in that direction. If the words "on his own property" mean anything, they mean his own personal property, and he could not be working all over the State as has been suggested. In my view the objection is untenable.

The MINISTER FOR LABOUR: The member for Middle Swan appears to think that no exemptions should be granted, and that the prohibition should be absolute.

Mr. J. Hegney: I am in favour of the sub-clause as printed.

The MINISTER FOR LABOUR: The Bill provides for certain exemptions, and the main ones are set out in this sub-clause. Many persons wish to work upon their own dwelling-houses at the week-end, because that is the only opportunity they have of doing so. The main object of this measure is to prevent activities in the building trade on Sunday upon a commercial basis. The suggestion of the member for South Fremantle to substitute the word "dwelling house" for the word "property" would, perhaps, tighten up the clause to an extent that would be satisfactory. We must provide certain exemptions, but should limit them to the narrowest possible basis. Short of an absolute prohibition it seems to me that this part of the clause reasonably meets the position.

Mr. F. C. L. SMITH: Members should look more closely into this clause. I am inclined to support the suggestion of the member for South Fremantle. I cannot see that any penalties are imposed upon owners, for they appear to be inflicted solely upon the occupiers of properties. A person may desire to work upon his dwelling-house that is not his own property, and another person may desire to work on a property that belongs to him but is not his dwelling-house. The Minister should ascertain whether the clause will meet the position he desires to set up.

Mr. J. HEGNEY: Sub-paragraph (ii) does not prevent the owner of a property from working upon it on a Sunday, but does preclude an artisan, who ordinarily works in the building trade, from doing so. Workers in most industries have Saturday morning off, and any work of the nature referred to could be done on Saturday. The second part of the hon. member's amendment will render it possible for a journeyman, who has been working all the week for his employer, to spend his week end working for some other person.

Mr. STYANTS: It seems to me that the effect of the amendment would be that a carpenter who was in the course of acquiring his own home would be prevented from doing any work upon it on a Sunday, whereas a baker, who is not engaged in the building trade, would not be prevented from working on his own home on that

day. If the amendment does not mean what I think it does, I shall offer no objection to it.

Mr. WATTS: This amendment is really an exemption from the definition of the word "work." The clause itself prohibits work in connection with the building trade or any prohibited trade on Sunday, and "work" includes the performing of any of the operations usually carried out in the prohibited trade, and so on. I would not have suggested this amendment had the building trade been the only one likely to be dealt with by this legislation, and the paragraph as printed would have been satisfactory. Other prohibited trades may, however, be brought within the scope of this measure, and a baker might find himself prohibited from working on his own property on Sunday if such an amendment as I have moved were not embodied in the Bill.

Amendment (to strike out words) put and passed.

Mr. WATTS: I move an amendment:

That in lieu of the words struck out, the following be inserted:—"If any such operation is performed by any person on his own property and not for monetary gain and without the paid assistance or employment of any artificer, journeyman, tradesman, clerk, labourer, servant or other employee, provided that such first mentioned person is not ordinarily or customarily engaged or interested in the same prohibited trade as that in which such operation is being performed."

Mr. FOX: I move—

That the amendment be amended by striking out the word "property" in line 2 and inserting the word "dwelling house" in lieu.

Amendment on amendment put and passed.

Amendment, as amended, put and passed.

Mr. WATTS: I move an amendment—

That the following subparagraph be added to paragraph (b) of Subclause 2:—

(iii) Where any such operation is performed by any person engaged in rural industry or by any person employed by him in such industry.

For the purposes of this subparagraph "rural industry" means the agricultural, horticultural, pastoral, grazing, and dairying industries including (without affecting the generality of the foregoing) dairy farming, poultry farming, bee farming and also viticultural operations.

In short, the object of the amendment is to prevent the Act being applied at any time to the rural industries, which I have defined

in precisely the same terms as are included in the Rural Relief Act, although, for the benefit of the member for Swan, I have covered bee-farming as well. As was suggested during the course of the debate, circumstances arise in various sections of rural industry that render imperative operations of many kinds on Sundays.

The MINISTER FOR LABOUR: I hope the member for Katanning will not press his amendment. Should the Bill become an Act, its provisions will apply to the building trade, and to any other trades that are by regulation, declared to be prohibited. Some force might have attached to the amendment if such other trades were to be declared prohibited by proclamation, for it could be argued that the Governor in Executive Council could declare this, that or all trades to be prohibited under the provisions of this legislation. In those circumstances, the contention might have been raised that Parliament would have no voice in such actions. As other trades will have to be prohibited by way of regulations, those regulations must be considered and finally determined by Parliament. The principle underlying the Bill is not to declare trades that are not prohibited, but to declare trades that are, or should be, prohibited for the purposes of the Act. Therefore the principle governing the amendment is exactly contrary to that underlying the Bill. The member for Katanning proposes to insert a declaration that certain industries shall not be declared prohibited trades. The Bill simply sets out that the building trade shall be prohibited, but does not suggest that any other trade shall be included in that category. If the present or any future Government should seek to prescribe by regulation that any primary industry shall be a prohibited trade for the purposes of this Act, Parliament will have the final authority to declare whether that shall be the position.

Hon. C. G. Latham: Are you likely to bring dairying under the Act?

The MINISTER FOR LABOUR: Not this year! The primary industries and any activities associated with them are perfectly safe, and there is actually no necessity for the amendment.

Mr. CROSS: I am surprised that the member for Katanning has even attempted to secure approval for an amendment of such a description. If he has been actively

engaged in a rural occupation, farming to wit, he will have noticed that men who have worked seven days a week have never gained any benefit thereby. When a team of horses has to work seven days a week during seeding operations, the animals never last through the season. That has been the experience not only here but in Canada and elsewhere. A day of rest is essential for farm workers, and I am surprised that the member for Katanning has departed from the good example provided in 1677, when an Act was passed requiring people to "exercise themselves in the duties of piety and true religion, publicly and privately," and setting out further that "no tradesman, artificer, workman, labourer, or other person whatsoever shall do or exercise any worldly labour" on Sunday. That was the standard laid down 300 years ago, and we should adhere to it. I oppose the amendment.

Amendment put and negatived.

Mr. SAMPSON: Paragraphs (a) and (b) of Subclause 3 seek to introduce a principle that surely even the Minister will not attempt to justify. It is a British tenet that a person is innocent until proved to be guilty, yet the Minister would have a person adjudged guilty because certain "sounds were heard proceeding from the place such as would ordinarily be heard if persons were working therein in the usual manner." That is at variance with the views that you, Mr. Chairman, have so frequently and eloquently expressed in this Chamber. I am afraid the Minister has taken advantage of your temporary absence from your seat to endeavour to have this provision included in the Bill! It is absolutely wrong. Furthermore, it is set out that should any member of the police force, or an inspector, be refused or hindered in gaining admission to premises, it shall be prima facie evidence that work was then being done therein. I shall vote against paragraphs (a) and (b), and I hope members will not approve of the degenerate move on the part of the Minister.

Mr. F. C. L. SMITH: Logical objection can be raised to subparagraph (b) because it relates only to the occupier who might or might not have permitted work to be carried on. The same clause sets out that no person shall "work for himself or for hire or reward, either directly or indirectly, or employ or authorise or permit

any person" to work at the building trade, or any other prohibited trade, on a Sunday. Proof will have to be conclusive that the people concerned are working for hire or reward. It may be work in connection with a dwelling house occupied by someone and owned by someone else, but the whole onus is thrown on the occupier and not only thrown on him but it is concluded that the work has been done with his authority and his permission unless the contrary is proved. There should be some reference to owners in this measure. The definition does not contain a reference to owners, but I daresay owners would have some responsibility for repairs effected on a Sunday to houses owned by them and occupied by tenants. I support the member for Swan's objection.

Mr. SAMPSON: I move an amendment (I suppose I shall have to deal with each paragraph separately)—

That paragraph (a) of Subclause (3) be struck out.

The CHAIRMAN: The hon. member may move to strike out the complete subclause if he so desires.

Mr. SAMPSON: Very well; I will do that. I move an amendment—

That Subclause (3) be struck out.

The MINISTER FOR LABOUR: The policing of this measure will not be easy. It is essential that the proving of cases shall not be made impossible. All that paragraph (a) provides is that certain facts shall be regarded as *prima facie* evidence that work is being done. That is not a verdict of guilty against any person who may be charged. It merely sets up the position that there is a case for the person charged to answer.

Mr. Sampson: You have admitted it is *prima facie* evidence.

The MINISTER FOR LABOUR: Yes, it is. But the fact that anything is taken as *prima facie* evidence does not prove a case against any defendant, but merely establishes that there is a case to answer. I notice that the word "occupier" is used in the Factories and Shops Act in very much the same sense in which it is used in the Bill. All paragraph (b) does is to provide that any work being done in a certain place is being done with the knowledge of the occupier of the place and that any person employed in the carrying out of such work is doing it with the knowledge

of the occupier. If an occupier is not aware of the fact that such work is being done in that place, or has been carried out, and that persons have been employed to carry out such work, all he has to do is to submit a case that the work was carried out without his knowledge and the persons employed without his authority. That is not calling upon him to do a great deal. If the paragraph is deleted, those endeavouring to obtain convictions will be placed in an almost impossible position. All that an occupier will require to do in that event is to be absent from the place when the work is being carried out, and when questioned or charged prove or declare that the work was carried out without his knowledge and consent, and that any persons employed on the work were employed without his authority. If hon. members desire to make the obtaining of prosecutions extremely difficult, if not impossible, they will support the amendment.

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

Ayes	17
Noes	23

Majority against .. 6

AYES.

Mr. Berry	Mr. Seward
Mr. Boyle	Mr. Shearn
Mrs. Cardell-Oliver	Mr. J. H. Smith
Mr. Hill	Mr. Stubbs
Mr. Latham	Mr. Thorn
Mr. McDonald	Mr. Watts
Mr. McLarty	Mr. Willmott
Mr. North	Mr. Doney
Mr. Sampson	

(Teller.)

NOES.

Mr. Coverley	Mr. Patrick
Mr. Cross	Mr. Rodereda
Mr. Fox	Mr. F. C. L. Smith
Mr. Hawke	Mr. Styants
Mr. J. Hegney	Mr. Tonkin
Mr. W. Hegney	Mr. Triat
Mr. Lambert	Mr. Warner
Mr. Leahy	Mr. Willcock
Mr. Millington	Mr. Wise
Mr. Needham	Mr. Withers
Mr. Nulsen	Mr. Wilson
Mr. Panton	

(Teller.)

PAIRS.

AYES.	NOES.
Mr. Abbott	Mr. Holman
Mr. Keenan	Mr. Collier
Mr. Mann	Mr. Johnson

Amendment thus negatived.

Mr. WATTS: I move an amendment—

That in line 1 of Subclause (4) the words "unforeseen press of work or" be struck out. There should not be any specific provision in the clause for exemption on the ground of unforeseen press of work. That seems

to be inviting an application on such grounds, thus leaving the Minister in the unfortunate position of deciding that that is the real reason. The Minister will be given sufficient authority for his purpose if he is allowed to grant exemption in circumstances he considers of an extraordinary or unforeseen nature.

THE MINISTER FOR LABOUR: It is true that we provide a general basis of granting exemptions and at the same time provide one specific reason. It is better to leave the question of granting exemptions on the general basis without making any reference to any one particular reason for the Minister to consider granting an exemption. I agree that the amendment will improve the clause and therefore support it.

Amendment put and passed; the clause, as amended, agreed to.

Clause 6—Inspectors:

MR. SAMPSON: I draw the attention of the Committee to the wording of this clause. It says—

The Minister may from time to time appoint and dismiss fit and proper persons of either sex to be inspectors for the purposes of this Act.

It seems to me he might not desire to dismiss fit and proper persons. I therefore move an amendment—

That the words "fit and proper," in line 2, be struck out.

Amendment put and negatived.

Clause put and passed.

Clause 7—Certificate of appointment:

MR. WATTS: This clause requires an inspector to produce his certificate if required. It is advisable in all these cases that the inspector should be prepared to disclose his identity when he goes to a place to do his duty. I move an amendment—

That in line 3 the words "if required" be struck out, and the words "shall produce" inserted in lieu.

THE MINISTER FOR LABOUR: I hope the hon. member will not press the amendment because it is not so terribly important. The inspectors to be appointed will have to travel considerably and they are likely to be the only persons who will carry out inspections under this legislation. It is easily possible for an inspector to leave his home or his office without his certificate of appointment;

he might be away some distance in the country and on arrival at the place that he intends to inspect, his certificate may be demanded of him and he will not be in the position to produce it. Does the hon. member expect him to return to his home from wherever he might be, so that he might pick up his certificate? All that would be so much time wasted. There will be no danger created by leaving it to the discretion of the occupier of any place the inspector desires to inspect to demand the production of the certificate. If the occupier feels that he should see the certificate, he will have the right to demand its production. Why should we insist on the inspector producing his certificate of authority every time he visits a place? The clause affords all the protection necessary to any person carrying on building operations on Sunday. Ninety per cent. of the people who will be approached will not desire to see the certificate; they will be quite satisfied to have their premises inspected.

MR. McDONALD: I hope the amendment will be carried. These inspectors will have drastic powers and they may enter any place on a Sunday or at any hour, day or night. I have some regard for the old-fashioned idea that if a stranger comes along he should be asked to produce his certificate of authority. Of course there are people to whom it does not occur that the request for the production of the authority should be made. A stranger might come along to a house and go through it and the occupants will be apprehensive all the time he is there making a survey of the premises. So an inspector should always carry his certificate of authority with him.

MR. WATTS: I do not propose to depart from the amendment. I did not stress it very much when I moved it because I was hopeful that the Minister would see the reasonableness of accepting it. I agree with the member for West Perth that these inspectors will have extraordinary powers and that those powers can be exercised by day and by night. The Minister said that an inspector would have to travel considerably and it would be unreasonable, if he left his certificate behind, to send him back for it. I suggest that the very power that enables an inspector to make an inspection at night, renders it more necessary for him to produce his certificate at the beginning of his request to look into the premises. A house-holder

should not be placed in the position of having to make inquiries as to whether a person who comes along to make an inspection is certificated or not. An inspector should at the very outset be asked to produce his certificate.

The MINISTER FOR LABOUR: The clause sets out that every inspector shall be furnished with a certificate of his appointment and on applying for admission to any place he shall, if required, produce the certificate to the occupier. That seems to me reasonable and it should meet all the objections that have been raised. The member for West Perth suggested that unless it was made compulsory for the inspector to produce his certificate of appointment, a person who was not an inspector under the legislation would be able to go to this and that place in the day or at night and obtain admittance to premises by a false pretence. Even if we agreed to the amendment moved by the member for Katanning, such a person would be able to do the same thing. The hon. member also said that the average person did not know what an Act of Parliament contained. From that point of view it does not matter very much whether the clause remains as it is, or whether it is altered as the member for Katanning suggests. Persons of the type indicated by the member for West Perth would still go along and get away with anything. The average occupier will not know anything about an inspector's certificate and so if we accept the amendment, the type of person referred to will go along and say that he wants to inspect the premises and the average occupier will not know anything about a certificate. The position will be just the same even if the amendment be carried; it will not be improved at all. Really, the position will be made far more difficult from the point of view of the inspector. It is conceivable that an inspector may take a long trip into the country and if he makes that trip on a Sunday he will wear his Sunday clothes and perhaps leave the certificate at home in his week-day clothes. Motorists will support the clause as printed because many have been caught without having the driving license in their possession.

Mr. McDONALD: I cannot see why the Minister is not prepared to accept the amendment. If a police officer has to make a search he is compelled to produce a search warrant. Any person authorised by law to

carry out a duty such as that of an inspector should also have to produce his authority. The amendment will have the effect that if a person proceeds to inspect premises and he produces his authority straight away, the occupier will thereupon know that the visitor is an authorised person. In other circumstances the occupier might have an uneasy feeling.

Mr. Withers: A person unable to show authority should not be admitted.

Mr. McDONALD: When entry to a private house or premises is demanded, the person demanding it should show beforehand that he has proper authority.

Mr. J. HEGNEY: In 99 cases out of 100 the inspector would be armed with his legal authority. If the occupier of the premises demanded production of the authority, the inspector would, if necessary, have to travel a hundred miles to produce it.

Mr. WATTS: The difference between the clause as it stands and the amendment is that the former places the onus on the occupier of the premises to demand the production of authority whereas the latter makes it part of the inspector's duty to produce his authority. The latter method is infinitely preferable to the former.

Amendment put and passed.

Mr. F. C. L. SMITH: I move an amendment—

That the words "Penalty: One hundred pounds" in line 14 be struck out.

Practice permits courts to impose a penalty representing 10 per cent. of the maximum. In this instance, subject presumably to the circumstances of the case, a penalty as low as £10 could be imposed. But for precisely the same offence Clause 10 provides a maximum of £50, 10 per cent. of which would be £5. The general penalty clause provides a penalty of £5 for a first offence and of £50 for a second or subsequent offence.

The MINISTER FOR LABOUR: The offence covered by this clause is of a much worse type than are the offences provided for in the general penalty clause. The penalty here fixed should be brought into line with that fixed in Clause 10.

Mr. F. C. L. SMITH: In view of the Minister's remarks, I ask leave to withdraw my amendment.

Amendment by leave withdrawn.

Mr. F. C. L. SMITH: I move an amendment—

That the words "one hundred" in the last line be struck out, and the word "fifty" inserted in lieu.

Amendment put and passed; the clause, as amended, agreed to.

Clause 8—Inspector may act for whole State or proclaimed district:

Mr. WATTS: I move an amendment—

That the word "proclamation," in line 3, be struck out, and the word "regulation" inserted in lieu.

This is consequential upon a previous amendment.

Amendment put and passed; the clause, as amended, agreed to.

Clauses 9, 10—agreed to.

Clause 11—Penalty for obstructing officials, and similar offences:

Mr. F. C. L. SMITH: A previous clause provides that no person shall be required to answer any question tending to criminate him. This clause provides that any person who is lawfully required to answer any question by any inspector and fails to answer truthfully to the best of his knowledge, information, and belief, shall be liable to a penalty of £10. The two provisions conflict.

The MINISTER FOR LABOUR: No person is lawfully required to answer any question that will incriminate him. This part of Clause 11 deals only with answers to questions of such a nature as will not in any way incriminate the person questioned.

Clause put and passed.

Clauses 12 to 14—agreed to.

Sitting suspended from 6.15 to 7.30 p.m.

Clause 15—Information for offences:

Mr. F. C. L. SMITH: I move an amendment—

That in lines 2 and 3 of paragraph (a) of Subclause 1 the words "or of any other person" be struck out.

It should be quite sufficient to provide for the information to be laid by an inspector, a police officer or a constable. If the words proposed to be struck out are re-

tained, an opportunity would be afforded Sabbatarians, nosy Parkers and self-appointed special policemen, to snoop around a district seeing whether they could find any person committing an offence under this measure. This I regard as undesirable. Cranks should not be permitted to lay informations for offences against this proposed legislation.

The MINISTER FOR LABOUR: The fears expressed by the member for Brown Hill-Ivanhoe are not likely to be realised. Some persons in the community may be almost fanatical regarding observance of the Sabbath, and may travel around trying to discover breaches of this proposed legislation; but they would not be likely themselves to institute proceedings. I cannot imagine such persons going to the trouble and expense of laying an information. It might easily happen in practice that persons other than those specifically mentioned in the clause might desire to lay an information, or might even need to lay an information. Not very long ago action was taken in this city against a tailor who was doing much injury to the tailoring trade. The action was not taken by an inspector, a police officer or a constable. It was successful in every way, and has proved to be of great benefit to the tailoring trade. Therefore I cannot accept the amendment.

Amendment put and negatived.

Mr. WATTS: I move an amendment—

That in line 1 of paragraph (c) of Subclause 1 the word "proclamation" be struck out and the word "regulation" inserted in lieu.

This amendment is consequential upon previous amendments that have been passed.

Amendment put and passed; the clause, as amended agreed to.

Clause 16—agreed to.

Schedule, Title—agreed to.

Bill reported with amendments.

BILL—DAIRY INDUSTRY ACT AMENDMENT.

Returned from the Council with an amendment.

BILL—LOAN, £2,137,000.*Second Reading.*

Debate resumed from the 16th November.

HON. C. G. LATHAM (York) [7.39]: It is very difficult to say anything new on this Bill, after so many financial measures have been before us this session. We have discussed fully the State's financial possibilities from loan and taxation points of view. The few comments I propose to make I am afraid will not materially assist us in the desperate position in which we find ourselves. The Bill presupposes that we shall this year spend more loan funds than we did last year. Last year the loan authorisation was £1,369,000, and the expenditure, £1,698,000. I know very well we have a large sum of money which has already been authorised by various loan Bills passed in years gone by. Therefore, without this measure at all, the Premier has all necessary authority to raise a large sum of money. Even were we to throw out the Bill, he would still have authority to raise this money under Acts that have already been passed. This year it is proposed to increase loan expenditure to £2,210,000—an increase this year of £512,000. The Premier returned to Western Australia fairly optimistic that the Commonwealth would be able to raise all the money required to meet its commitments for this year. He told us that it was not proposed to test the money market until some time early next year: and that in the meantime the banks had agreed to find £10,000,000 at a very reasonable rate of interest. That rate of interest, in my opinion, should be fixed as a standard rate.

When Governments go to the country to float loans, they create difficulty for private enterprise to raise money. They should remember that when they offer a high rate of interest—4 per cent. to 4½ per cent. is a high rate—the people's labour and the people's assets are pledged to repay that money and the interest upon it. I hope the Premier will bear in mind the difficulty that is created by Governments raising large sums of money in one year. I know it is unavoidable this year, because the defence of the country must come first and the Commonwealth Government must raise all the money it possibly can. Many people in this State believe we can get money without paying interest for it. I wish that were true. Would

not any member of this Chamber or any person outside it obtain all the money he possibly could if he did not have to pay interest on it? If that could be done, in a very little while money would become valueless and we should fall into the chaotic condition in which some of the countries of Europe find themselves. I wish such persons would reason this matter out for themselves. Today I received a circular letter from an organisation which desired me to support a measure by which the Commonwealth Bank would be instructed to provide, free of interest, all the money required for the present war. I wish we could do so, and at the same time retain the value of our currency. My own reasoning, I am afraid, convinces me that such a course would be in no way successful. Therefore, I have no intention of standing here and preaching such a proposal. We can, however, keep down our rate of interest. Whatever arrangements are made, I hope that the Loan Council, when it does go on the market for money, will keep in view the fact that if a high rate of interest is offered, industry must be affected.

The Premier: The Council is not going to offer a high rate of interest.

Hon. C. G. LATHAM: I hope it will not. I have not yet forgotten what happened during the last war, which seems to be only just the other day. At that time rates of interest were reasonable; but gradually they mounted, until eventually 7 per cent. was paid. That is a very high rate of interest. For private borrowing the rate of interest rose to 8 per cent., and that broke many people financially. We should keep that fact well in mind. There will be no need for me to speak on the Loan Estates, and I inform the Premier that I do not propose to do so. The authorisations we are making under the Loan Bill are for the continuance of works already started. I have made a searching investigation of the Loan Estimates in order to ascertain whether the Government proposes to undertake new works. Certainly new buildings are contemplated and those in course of erection are to be completed. I can offer no objection to the building programme if it is carried out as set down in the Estimates. Schools for the country are a great necessity and I can only hope there will be a continuance of the confidence exhibited by the

Government by erecting a better class of school. It is pleasant to go to the agricultural areas and find brick schools being built. To erect the temporary wooden buildings is a great mistake. They are costly, and there is hardly any building on which the wear and tear is so great as on a wooden school building. In the agricultural areas really progressive towns—not so progressive as they were because the value of produce has been so low—have tumble-down, ill-kept wooden buildings, which are a bad advertisement for the State. A movement was instituted and has been continued by the present Minister to build schools of brick. There is great demand in the country districts for hospital accommodation. A good deal of the congestion in the Perth Hospital is due to people being forced to come to the city for medical treatment.

The Minister for Health: Tell me one country hospital that is over-crowded.

Hon. C. G. LATHAM: Quite a number of them are over-crowded.

The Minister for Health: Give the name of one of them.

Hon. C. G. LATHAM: The Northam hospital, until the new ward was erected recently, and even now the accommodation is fairly fully taxed. The Merredin hospital is another. I believe that the policy of the present Government, as it was of past Governments, is to encourage people to use the local hospitals, and to come to Perth only when special treatment is needed. In order to give encouragement to country people to seek treatment locally, additional wards are needed. As a rule I am not parochial in my remarks; I seldom refer to my own district, but the York hospital—a Government hospital—must receive attention soon. The building being used as a maternity ward is about 100 years old. I think the first magistrate who went to York lived there. A former member of this House, Mrs. Cowan, was born there.

The Minister for Health: Then it has been a maternity ward for a long time.

Hon. C. G. LATHAM: I am pleased to see that provision is made for additions to hospitals, and I hope that a maternity ward will be built for the York hospital. In the past there has been a private nurse at York, but like the building to which I have referred, she has grown too old for

the work, and now the Government is expected to provide all the accommodation needed for maternity cases. I regret to be parochial, but I wished to mention that matter to the Government.

The Minister for Lands: You are not often parochial.

Hon. C. G. LATHAM: Well, I do try to look at these matters from the point of view of the Government, as well as from my own. When we speak in this House, we should not be too critical, and we should be fair in all our criticism. Under this Bill we are providing for a very small sum compared with the amounts authorised in years gone by. I realise that the Government will not get as good value for the money being borrowed as it did a few years ago. The cost of materials has increased considerably and will continue to increase. Higher prices are being charged for petrol, rubber and steel; in fact, nearly every article that the Government requires for works has increased in price. While these prices are mounting, so is the public debt being increased by our borrowing. We seem to be very generous. If we leave nothing else behind us when we die, we shall leave at least a fairly substantial debt for posterity.

The Premier: There is a good asset for it.

Hon. C. G. LATHAM: Yes. Last week-end I travelled through the agricultural areas, particularly the eastern portion where the farmers have suffered set-backs through low prices and dry seasons, and I could not help marvelling at the wonderful asset that has been created. There were magnificent crops—I have seen similar crops in previous years—and the amount of work done by the handful of people is really amazing. This work has been done as a result of authorisations by this House. All Governments have borrowed money to develop the country, and though year after year we are told what the farming community is costing the people of the State, we must all admit that the farmers have produced a valuable and an immovable asset. We have created a wealth-producing asset that will be available for all time. One has only to make an extensive tour of the wheat belt such as the Minister for Justice, I, and other members made last year, to realise the magnificence of this heritage. While I admit that the State debt is very heavy per head of population, provided there is an increase of population to assist us to carry the burden, all will be well. I

hope the Premier will bear in mind that while the war lasts—I do not know how long it is likely to last—he should be careful of expenditure.

Mr. Warner: The first seven years will be the worst.

Hon. C. G. LATHAM: I hope it will not last anything like seven years. Still, we do not know what lies ahead. During the last couple of months we have been wondering what is likely to happen next. However, there is one thing we can do and that is to watch expenditure carefully. While I do not offer any objection to the authorisation of this money—as I have pointed out, it is not a very large sum—I hope that the best possible use will be made of it. I know that when these Estimates are prepared, they are not always adhered to. We have to watch the expenditure each year in comparison with the amount authorised, and so long as the money is spent in the right directions, I have no objection. Really, loan funds should not be used for assisting the agricultural industry. Such money should be provided from revenue, if at all possible. Still, the industry must have assistance. Last Saturday evening I was at Bruce Rock.

The Minister for Lands: I hope you were not advocating the holding up of wheat.

Hon. C. G. LATHAM: No, the farmers there had sense enough to vote fairly solidly against any hold-up.

Mr. SPEAKER: Has that matter anything to do with this Bill?

Hon. C. G. LATHAM: Certainly. We cannot earn interest on this money unless production is continued. If we indulge in silly tricks like the holding up of wheat, the people of the State will not be able to pay the interest on these authorisations. Therefore I consider the reference is relevant to the subject we are discussing. I was charged at that meeting with suggesting that £150,000 should be made available for necessitous farmers. I have repeatedly said that the State should assist such farmers. Given a little assistance, I believe the eastern wheat belt will be turned to good account. The only trouble in that area is that the farmers have not had an opportunity to reach a stage when they had not a load of debt around their necks. If they could only clear off the debt, they could stand a dry season or two, but they have not been able to reach that stage and the earnings from their farms have been put back into developmental work.

I hope we shall be able to give those farmers an opportunity to make progress. Produce prices are low. I am dissatisfied with the price of wheat and the price of wool, but if we were left to market those commodities ourselves, I am afraid we would not get as good prices.

The Premier: You could not sell them.

Hon. C. G. LATHAM: There would be no value for them. While I am dissatisfied with the prices, and should like to see better returns made available, I am not stupid enough to throw away what is offered by holding up the wheat on the farms. I hope the outlook for the future will improve. I hope that people will face the position as they should, namely, with the commonsense with which they are endowed. If they do that, I shall have no fear for the future.

Apart from the loan money we are authorising, there will be a good deal of expenditure of loan funds from the Commonwealth Government, and probably a good deal from revenue also. The Commonwealth has a better opportunity to raise money than has the State. So long as we get a fair share of that expenditure, we shall be satisfied. At the same time I do not desire to see much of it expended on war requirements. Rather would I see it used for the development of industry, and every member will agree with that sentiment. We have no desire to see munitions manufactured unless necessity exists for it. If we could terminate the war tomorrow, we should all be happy to do so, and then turn the swords into ploughshares. I remember seeing a picture in Paris that brought home to me what war really meant. If we could spend our loan funds to create wealth instead of to destroy wealth, conditions would be much better for everybody. I have exhausted all I have to say on this measure. We have had many financial Bills before the House this session. There have been not only the Revenue Estimates but three or four taxing measures, all calling for some tangible argument for or against them. I have attempted to say what I could on this measure. I do not want the Premier to feel that, when he is applying for the approval of this loan money, we are opposed to it. All we ask is that he ensures it is put to the best use possible so that employment may be provided and our principal industries may be carried on.

The Minister for Labour, a few nights ago, delivered a fine speech on industrial prospects and what the department had in view, and following that I was sorry to read in this morning's paper that there is a smaller number of men employed in secondary industries now than there were a little while ago. That is due, I suppose, to the lack of markets for our manufactured goods, and also probably to the greater number of men who are going into camp. I have told the Government repeatedly, on behalf of the Country Party, that so long as it does what is right for those engaged in industry, and keeps taxation as low as possible, we will offer no objection. We will assist the Government to show a united front against those who have forced us into a conflict which none of us desired to face. I have no objection to the passing of the Bill.

MR. McDONALD (West Perth) [8.1]: I do not wish to add much to what has been said by the Leader of the Opposition, partly because, as he has stated, we have often had occasion already to deal with financial matters during the session, and partly because I find it very difficult to speak on the wide question of finance at present. We are passing through a phase, and it is difficult to forecast what changes may come about before the end of the war. We may be compelled, and find it expedient and just, to make very great alterations in our financial system before this conflict finishes. What we may think about the conduct of governmental finance in peace time may be quite invalid in these times. All I can say is that for the time being I think the principles that we have felt in the past should properly be applied to Government finance should still be carefully followed. In other words, we have to exercise the greatest care in our expenditure, to be sure that the money raised from the people by taxation and loan does not go into wasted channels, but is carefully expended in the most necessitous directions, and in directions from which the people can obtain the fullest benefit. I am glad the Commonwealth Government has shown great determination, in conjunction with the members of the Premiers' Conference, in endeavouring to keep down the rates of interest. The recent accommodation arranged with the banks at $3\frac{1}{2}$ per cent. is a satisfactory low rate, and shows that

the banks, through the shareholders' funds, are endeavouring to meet the emergency and assist the Commonwealth and the people as much as they can. I hope the start that has been made in war finance by borrowing at $3\frac{1}{2}$ per cent, may be an augury of a course of borrowing at low rates. It is very desirable to maintain our borrowing at low rates, and, as far as possible, at uniform rates. In war time finance we are compelled to fall back to a considerable extent upon individual investors. In peace time finance we rely largely upon big organisations, insurance companies, trustee companies, superannuation funds, and other people who are prepared to invest in Commonwealth loans, and leave their money for the full term of the loan. In war time we are compelled to rely more upon the small investors. It would be very discouraging to the small investor who, for patriotic reasons, put perhaps all his savings, say, £1,000, into a loan at $3\frac{1}{4}$ per cent., to find a year or two later that by reason of successive increases in the existing rates the capital value of his loan on the market was down to £90 or £91 per centum. That has happened since the depression. People who lent their money at low rates, the small investors, have often been compelled to realise on their investments, only to find that having invested £1,000, through successive increases in interest rates, their money is worth only £91 or £92 for every £100 they have invested. If we can maintain borrowing at uniform rates, it will be not only an act of justice to those who for patriotic reasons have put their money into war funds, but will also avoid discouragement to those who would otherwise be discouraged by the fall in value of their security.

The Leader of the Opposition referred to the present difficult wheat position. I do not propose to say anything more about it than that I hope wise counsels will prevail in connection with the sale of wheat to the Federal Government. I only add those words so that I may not be silent on a subject where perhaps there should be some expression of opinion. I think any direct action by any section of the community, whether wheatgrowers or any other section, must be avoided at present, not only for the sake of our community, but for the sake of the standing which this country will have in the course of this conflict, where

anything that happens internally is seized upon and very often magnified and used for propaganda by those who are opposed to us. I feel sure that at this stage all parties and all sections of the community have a sincere desire to work together in the interests of justice to all, so that any section that may have perhaps legitimate grievances may rely upon constitutional measures for an adjustment of them.

I wish to say how glad I was to notice that the Federal Government had established a Council of Finance which, I understand, will not only guide the Federal Government in the very difficult question of war finance, but will also look forward to the time when we have to meet the difficulties of reconstruction after peace has been attained. I do not wish to stress this, as it must be obvious to the Treasurer and members of the Government generally and to all members that while the war is proceeding we can at the same time be constantly bearing in mind and preparing for the day when we have to change over from war industries to peacetime industries, when there will be a cessation of funds spent on war objectives, and when we will need to provide employment and ensure a continuance of industry under peace conditions. It is of the utmost importance that we start now, in all our financial measures, to keep in mind the change-over to peace conditions with the least possible dislocation of our economy and the employment of our people.

One matter I wish to mention, namely the question of the expenditure of war funds or other funds upon war industries in this State. I had occasion some two years ago to discuss this matter with the late Mr. Hawker of the Federal Parliament. As a member for the State of South Australia he was deeply interested in seeing that his State received its fair share of expenditure in connection with preparations for defence and defence industries. I learned that however desirable it was that the defence expenditure should be spread over the different States, in fairness to the people of those States, to do so represented almost insuperable difficulties. Time was the essence of the matter. The country had to be put into a state of preparedness at the earliest possible moment, and that could be done much more cheaply and expeditiously in the central States where the organisation was already

in existence, than if the authorities had endeavoured to start factories in the outlying States. I think there are going to be very great advantages for the inner States from the huge expenditure of war moneys in industry. It will mean, if there can be such a thing in time of war, a period of relatively great prosperity for those States. Through the Grants Commission, or any other appropriate channel, the advantages obtained by the major States through these conditions should be taken into account, and some consideration given to this State in view of the fact that it will carry the defence of the country without reaping anything like the advantages from the expenditure of the money that will be obtained by the other States to which I have referred. The Estimates show that the net loan expenditure last year was, I think, the lowest for quite a number of years. That is an encouraging sign. Whilst the proposed expenditure this year is considerably in excess of last year's authorisations, I feel that this is not the time when one can properly offer an objection to the proposal. While the authorisation will no doubt be given by the House I hope none the less it will be possible to restrict the increase in our indebtedness while still meeting the requirements of the State and finding the necessary avenues of employment.

MR. NORTH (Claremont) [8.14]: I have a few remarks to add to those of the Leader of the Opposition and the member for West Perth (Mr. McDonald). I am induced to do so because of the reference of the Leader of the Opposition to certain monetary reforms, and to the reference to the Commonwealth Bank opening its coffers and issuing free money. During the last ten years this House has had occasion to congratulate monetary reformers on what they have done to enlighten us on the question of the liberalisation of finance. It would not be true to say that these complaints, querulous discussions and propaganda in various places have had no effect, because they have had a tremendous effect. When this State opened its loan expenditure, the first loans were raised at £4 ls. 3d. in 1891. In 1921 after the last war—to show how we were preparing to make the world a better place to live in—we were raising money at £6 12s. 8d. per cent. The last issue mentioned in the statement, dated the 30th May, 1939,

which was before the war broke out, shows that money was raised at £3 10s. per centum. Now we learn from the Leader of the Opposition and other members that the same rate is to apply to the £10,000,000 loan that is to be floated, although war has already broken out. Surely that is not merely due to the fact that science and engineering have expanded in all directions, which has enabled financial arrangements to be liberalised. Surely some credit is to be given to those ardent reformers who are so often laughed at and sneered at, who have worked so assiduously to assist us to evolve a more liberal financial system with which to attack our problems! A rate of $3\frac{1}{2}$ per cent. compared with $6\frac{1}{2}$ per cent. must make all the difference in the world to the Premier in his capacity as Treasurer. When we remember that interest at the rate of £6 12s. was charged in times of peace, after victory had been achieved and the Versailles Conference concluded, we must realise what a remarkable situation confronts us. Ten years ago we raised a loan on Treasury bills at 6 per cent. That was for temporary accommodation. When I asked the question in 1931, I thought the roof of this Chamber would fall on me for daring to raise such a query. I sought information as to why Treasury Bills were offered at a discount and not issued at par, seeing that they represented accommodation by the Commonwealth Bank to the Government. I received the interesting answer that it was the usual custom. There is a vast difference between issuing Treasury Bills at $1\frac{1}{2}$ or 2 per cent., which would be reasonable, and issuing them at 6 per cent. So I say we can give credit to all those ardent monetary reformers who are continually advocating reforms in practice and theory. There are some in this Chamber tonight, not in their seats on the floor of the House but in the public galleries. Wherever those reformers may be, I feel that, without any contraction or fight by politicians in the realm of finance, the desired results can be achieved, and that a loan, such as we are now asked to authorise, could be raised under such conditions that many of us within our own lifetime will see an interest charge of $3\frac{1}{2}$ per cent. providing its own sinking fund. That is the crux of our loan problems. We must not only meet the interest bill but we are required to repay the principal over a period of years. In other words, we are required

to pay for the money twice over. Two hundred years ago, before the French Revolution, an eminent French theorist stated that finance supported the State much as a rope supports a hanging man. That was his idea of public finance in those days, showing that difficulties were experienced even then. Now 200 years have passed and we find that the State may still be hanging by the rope, but the position today is that the State and politicians have grown so powerful that it is finance itself that faces a dangerous future. The rope may break. We are so powerful; our necks are so thick; we have not been strangled. The fact that a loan can be floated, in war time, at $3\frac{1}{2}$ per cent. is adequate proof of my contention. No one can argue with any logic that the relative positions in 1921, after a victorious war, and in 1939, with a war in progress, are comparable. How could members compare an interest rate of $3\frac{1}{2}$ per cent. now with a rate of £6 12s. 6d. per centum which had to be paid in 1921 when the previous war had ended? Any work done in this State for monetary reform has resulted in improvement. There may be criticism. Personally I will welcome the comments of monetary reformers. I will take their knocks and submit to their criticism. I will attempt to answer any questions they may ask, because I believe our loan expenditure will be carried on and approved in such a way that we shall eventually enable the State to carry on without fear of calamities such as that expressed from time to time by leaders of our political parties. They may fear the future, but I have no qualms. I am convinced that, though the war should last for 20 years and we be forced to find £100,000,000 a year for financing operations, money will be found at least so long as the war lasts. I hope, however, that this time when a better era dawns, the experiences gained in the past will again be available for the arts and pleasures of peace.

MR. MARSHALL (Murchison) [8.20]: I did not intend to contribute to the debate and would have refrained from doing so had it not been for the remarks of the leaders of the Opposition parties, who expressed their ideas regarding State borrowing, as they termed it. I support the Bill, because I am coerced into adopting that at-

itude. I have no alternative under the existing financial system but to support it.

Mr. Thorn: You can oppose the Bill if you like.

Mr. MARSHALL: I cannot do so because I am not so inhuman as is the member for Toodyay (Mr. Thorn).

Mr. Thorn: You are talking nonsense.

Mr. SPEAKER: Order!

Mr. Thorn: You can oppose the Bill and express what views you like.

Mr. MARSHALL: I cannot refuse to support the loan authorisation, for to do so would be to withhold the pittance now enjoyed, if it can be described by that term, by a large section of the community, consisting of the part-time employees who receive a dole of 7s. per week. Other factors are governed by the passage of this legislation. Anyone refusing to support the Bill will take bread, butter and meat out of the mouths of those dependant upon the State.

Mr. Needham: And very little meat.

Mr. MARSHALL: Yes, that is so. In the circumstances I am forced to support the Bill. The system that operates today forces me into that invidious position against my will. I know better than to make a suggestion such as that voiced by the Leader of the Opposition, who evidently is most confused regarding the question of borrowings. He seemed to believe that the Government, as is contemplated in the Bill, goes on the market and borrows money. That seemingly is the idea of the Leader of the Opposition.

Mr. Doney: And the opinion of the Premier as well.

Mr. MARSHALL: I shall not answer for the Premier, whatever his views may be. I did not hear him mention them. The Leader of the Opposition said that we could not expect to get money without paying interest for it.

Mr. Doney: The Premier holds identical views.

Mr. MARSHALL: If the Premier holds those views, the outlook for the people of Western Australia and of the Commonwealth as well will be most forlorn. Money is not really a commodity. We cannot reckon money only in respect to the cost of its production, as we do with other commodities, and assess its value accordingly. If we did, money would have little value. As a matter of fact, it possesses no in-

trinsic value whatever. All it possesses is centred in its intangible value. It pays for goods and services and it is recognised as a measure of value when we exchange it for other commodities. It is the one commodity that controls all other commodities, and he that controls money controls the destinies of the State. I heard a member opposite say, "That is right." He does not disagree with my assertion. We are a sovereign people; the private banking institutions are not.

Mr. Patrick: There is nothing to prevent the Government from opening a bank and doing the same, so as to get cheap money.

Mr. MARSHALL: There is a lot to prevent that being done.

The Minister for Lands: The hon. member's Government gave our bank away, although we have the Agricultural Bank now.

Mr. MARSHALL: But the Agricultural Bank never was a bank in the ordinary sense, and never functioned as such. It was not expected to do so. If it were a bank, and, being under State control, complied with the provisions of the Commonwealth Constitution, members would not now be in the invidious position of having to discuss the Bill tonight. If members agree that money is the one commodity that controls all others, then what value is there in any contribution to debates in this Assembly upon the question of unemployment or the deplorable state of the primary producers? What use to discuss the unfortunate condition of our public utilities and assets. To do so would be merely a waste of time. How futile would it be to bring under the notice of the Government the wretched poverty, misery and degradation that we have on all sides! That includes the primary producers. All this trouble is due to a chronic shortage of money. If members could challenge the expenditure of the loan funds to be raised under the Bill, and show where the Government was deliberately spending money wastefully or unnecessarily, they would achieve something worth while. Continually to wail about the Government expending money, when they know, and admit, that the Premier has no control over that particular form of exchange, is surely ridiculous. Unfortunately that state of affairs applies to the Commonwealth Gov-

ernment as well. I remind Opposition members that it was their leader in the Bruce-Page Government who hamstringed the Commonwealth Bank and rendered it inactive because of the appointment of a controlling board composed of men interested in the great financial institutions, whose prospects would be jeopardised by the Commonwealth Bank if permitted to function as a national asset. Let me tell the primary producers of this State that their leader, Sir Earle Page, is the man who brought them where they are today.

Mr. Patrick: They were very generous before that time lending money to primary producers.

Mr. MARSHALL: The Commonwealth Bank should have been permitted to function as was originally intended. It could have functioned and could today function under direction from the Federal Government. I would agree with the Leader of the Opposition's statement that we cannot borrow money without having imposed upon us an obligation to pay interest on it. But will hon. members not realise that the great bulk of the work of underwriting these loans is done by a corporation or corporations? No money whatever is borrowed, but here we have the primary producers' representatives failing to realise that private institutions, and banks in particular, never lend money. When they underwrite a loan to the Government, the Treasurer does not walk down to them or ride in a motor car to collect legal tender out of those institutions. His loan is underwritten by the addition of figures to the bank's ledgers. That is all that happens. The Treasurer, on that understanding, lodges his securities—stocks and bonds, etc.—and so is built up a superstructure upon which the banks can issue further credits to private individuals because the Government's securities are accepted as cash and utilised as cash. Every £1,000,000 worth of Treasury bonds that goes into a private bank is expanded ten to one. The way members talk about borrowing money is ridiculous. Banks never lend their subscribers' money. They use deposits of private individuals and by the expansion and issuing of credits and working upon the cheque basis, they utilise those deposits to pay out on those cheques from day to day. It is not their money

they send out. The money belongs to private individuals. I am just about tired of this wonderful reverence for banks that individuals who are elected to represent the people seem to have. They never hesitate to put forward plausible arguments about the trials and tribulations of the individuals who go to make up the community of this State, and at the same time protect the interests of the private banking institutions. The one thing is a direct negation of the other. They cannot have it both ways. The Leader of the Opposition said we cannot get money without its being a debt upon which interest must be paid for all time. I do not know what writers or what authorities have been educating the Leader of the Opposition. Let me congratulate the member for West Perth (Mr. McDonald) who seemingly has some knowledge of the subject, and anticipates a change. The member for West Perth, who is the Leader of the National Party, appears to see the writing on the wall. He can see what is coming. He can perceive a change approaching, as he stated, and so can any other member. When we realise that this Bill will add to the enormous debt structure, we can foresee the inevitable result in the near future. The load can be carried very little farther. There is high taxation everywhere we look. Every commodity we consume, use or wear is taxed. The only thing I know of at the moment which is free is the atmosphere. Thank God the banking institutions have not provided mechanism to control that. They have not succeeded in securing a monopoly of the atmosphere. Money cannot control that. I do not know whether the farmers of this State can ever expect much relief from the Leader of the Opposition, who is apparently a hardened and determined advocate for the orthodox system that has brought about the deplorable state of affairs under which we are existing.

Mr. Doney: If you had any responsibility for the finances of the State, you would take exactly the same view as the Premier and the Leader of the Opposition; but it is not your responsibility.

Mr. SPEAKER: Order!

Mr. MARSHALL: So I have no responsibility for the finances of the State!

Mr. Thorn: You get up and talk at random.

Mr. MARSHALL: I want the farmers to understand that members opposite have more regard for the banking institutions and the system of financing this State than they have for the welfare of the people they represent. That is obvious.

Mr. Thorn: This is one of the most stupid speeches you have ever made.

Mr. MARSHALL: I can give the hon. member the facts, but not the intelligence to understand them. Let me return to the Leader of the Opposition. I should like to know who it is that educated him in regard to money matters.

Mr. Thorn: You have us puzzled.

Mr. MARSHALL: It is not very difficult to puzzle the hon. member, because the simplest problem is a puzzle to him.

Mr. Thorn interjected.

Mr. SPEAKER: Order! I must ask the member for Toodyay to keep order.

Mr. MARSHALL: Apparently the Leader of the Opposition never went to the trouble of looking up the report made by a certain commission that was not appointed by a Labour Party Government, and was not composed of men with Labour ideals. The men composing that commission were men that the Government at that period—an anti-Labour Government—considered to be authorities on this subject. They are men whose word the hon. gentlemen opposite will accept as being the most authentic upon the question of banks and their activities. Here we have individuals who are potential Treasurers and Premiers of the States uttering such statements as have been made here this evening, and the unfortunate, foolish people outside, believing in them, as though money was a divine gift that came from Providence, came from the Heavens, where none of us mortals dare gaze! They speak as though money was never made by man, as though it was never created by him to serve his needs. Are man-made laws immutable? Are not man-made laws changeable? Can we not attempt to amend laws made years and years ago, laws which in those days no doubt served their purpose? If the monetary system is not a divine gift but is man-made, why not amend it to suit the needs of the present day? Let me quote, for the benefit of the Leader of the Opposition—I am sorry he is not here—what the Banking Commission had to say with regard to the very matter with which

he dealt. If the opinion of the Leader of the Opposition is more reliable and weighty and authentic than that of the men comprising that commission, then members opposite might be well-advised to follow the Leader of the Opposition. But I can see that in the rural areas of this State a dawning is taking place, and some day an awakened community will call upon members of Parliament to give an account of their stewardship. That time is not very far distant.

The Minister for Lands: You have the member for Swan looking worried.

Mr. MARSHALL: If I were in the same financial position as the member for Swan (Mr. Sampson) I would not worry about anything on this earth. Let me quote from the Royal Commission on Banking that was appointed by the Lyons Government, and see whether its report coincides with the statement of the Leader of the Opposition. I will quote paragraph 503, on page 196. This is what the commission had to say about central bank credit—

The central bank in the Australian system is the Commonwealth Bank of Australia. This bank is a public institution engaged in the discharge of a public trust. As the central bank, its special function is to regulate the volume of credit—

I emphasise the word "credit"—

—in the national interest, and its distinctive attribute is its control of the note issue. Within the limits prescribed by law, it has power to print and issue notes as legal tender money, and every obligation undertaken by the Commonwealth Bank is backed by this power of creating the money with which to discharge it.

That is, the credit. Paragraph 504 reads—

Because of this power, the Commonwealth Bank is able to increase the cash of the trading banks in the ways we have pointed out above. Because of this power, too, the Commonwealth Bank can increase the cash reserves of the trading banks; for example, it can buy securities or other property, it can lend to the Governments or to others in a variety of ways, and it can even make money available to Governments or to others, free of any charge.

Mr. Seward: Why don't you go on?

Mr. MARSHALL: I do not want to read it all.

Mr. Seward: You are not reading the recommendations.

Mr. MARSHALL: I will leave the hon. member to read the rest.

Mr. Seward: Read the recommendations.

Mr. MARSHALL: This is a statement of fact.

Mr. Seward: It is not the recommendations.

Mr. SPEAKER: Order!

Mr. MARSHALL: All right. We come now to another interesting article and we will see whether the member for Pingelly (Mr. Seward)—

Mr. Seward: You dropped the other report pretty quickly.

Mr. MARSHALL: I have here the Federal "Hansard" of the 21st September, 1939.

Mr. Doney: What made you drop the Commission's recommendation?

Mr. MARSHALL: The recommendation is here, and any member can read it for himself. I quoted only the definite statement made by the Commission, showing as a fact what the Commonwealth Bank can do, and nowhere in its report or recommendations is that statement denied.

Mr. McDonald: I could do it myself.

Mr. MARSHALL: The hon. member understands the subject. Let me now quote a statement made by Mr. Spender, whose name is an appropriate one for an assistant Federal Treasurer.

Mr. Needham: Or for any Parliament.

Mr. MARSHALL: On page 712 of the Federal "Hansard" appears the following statement by Mr. Spender:—

This Government does not dispute that the credit structure of the country can be used. It not only intends but will be obliged to use the national resources. There is no dispute as to that.

Mr. Doney: We do not dispute it either.

Mr. MARSHALL: Mr. Spender continues:—

The real dispute appears to be as to the extent to which the credit structure shall be used.

He goes on to say:—

The Commission, it is true, states that the Commonwealth Bank can lend to the Government or others in a variety of ways, and it can even make money available to Governments or to others free of any charge. No one disputes that.

The hon. member can read Federal "Hansard" for himself.

Mr. McDonald: Why is he borrowing from the banks at 3½ per cent.?

Mr. MARSHALL: I shall have something more to say on this subject tomorrow.

Just now I do not wish to delay the passage of the Bill. I have just shown that Mr. Spender agreed with the report of the Commission, and he said there was no dispute about it. If the member for Pingelly (Mr. Seward) will read that speech and follow on with the one made by Mr. Seullin, he will arrive at the whole position in a nutshell. When will the people realise that the credit of the country is constituted to produce and consume real goods and services? When stupid individuals understand that what is a physical possibility is also a financial possibility, we will get the Commonwealth Government to finance Australia with money free of interest; that is its correct function and proper prerogative. It is a ridiculous statement that the more farmers produce in the way of real wealth the greater is the debt. We have to borrow our way into prosperity until ultimately we arrive at another depression. That is the system under which we have been living for years, first inflation and then deflation. Under a proper monetary system, with the necessary limitations, proper control, and a proper functioning of the Commonwealth Bank, we would not have to borrow from financial institutions.

Mr. Doney: We want to know the solution of the problem.

Mr. MARSHALL: If I stood here for weeks explaining the situation I suggest the hon. member would still fail to appreciate it.

Mr. Doney: That may be so.

Mr. MARSHALL: He has not studied the subject. He takes his line from the capitalistic Press, which is the mouthpiece of financial institutions. He reads an article once or twice a week, and that satisfies him, though he comes here and does his utmost to force the Government to spend money in his electorate, knowing well that the Government has no money and never had any. Until we get monetary reform the Government never will have money. We must give back to the people their sovereign rights, and until we do there will be no sovereignty. Governments are dictated to by financial institutions. The Treasurer repeatedly attends Loan Council meetings. He is told by the banks they do not think the money market will carry the load it is proposed to put upon it, and his requests are cut down to the lowest possible minimum. The banks imply that money is a

scarce commodity, whereas as a fact only 1 per cent. of the commercial life of the Commonwealth is lived on real money. All the business is done by cheque. I remind members opposite of our experience in 1930, when we did away with loan moneys, and cut down our social services and expenditure generally. Did we live within our means? Were we able to reach Budget equilibrium? As a fact, never in the history of the State did we experience worse conditions nor was industry dislocated to the extent it was then. This shows clearly that we cannot exist without the expansion of credit, which brings real money into circulation. Banks have taken finance away from Governments. They use issued credit against the capacity of the farmer to produce goods. They make it a liability against him which one day he must meet. Naturally, the Government has to tax individuals almost out of existence in order to service the debt. It borrows money with a guarantee of repayment. We have never repaid our loans. They have lost their identity with conversion and by being mixed up with other loans. The public debt of Australia today is £1,272,000,000. We have paid out over £800,000,000 in interest, to say nothing of what has gone in exchange and in servicing other liabilities overseas. The amount has reached tremendous proportions, almost beyond calculation, and this Bill will still further aggravate the position.

Mr. Doney: What do you say the total indebtedness is?

Mr. MARSHALL: The total debt of the Commonwealth today is £1,272,000,000.

Mr. Doney: I hope that is taken down.

Mr. MARSHALL: I have quoted the correct figures.

Mr. Cross: What is a million?

Mr. MARSHALL: I am inclined to support the Bill, but I realise the criminal effect of it. The Treasurer will have to impose further taxation upon the people and charge higher rates for all services. We have reached an abominable position, when for every pound that is collected from taxation and other charges, 11s. goes in interest alone, and this Bill will aggravate that position. Under such a system, can we expect to see happiness, fulness and contentment in the community? That is impossible. There never will be a solution of the problem until we tackle the cause of our troubles, and cease to wail about our diffi-

culties. Then only shall we solve the problems that are facing us today.

Question put and passed.

Bill read a second time.

In Committee.

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

LOAN ESTIMATES, 1939-40.

In Committee.

Resumed from the 1st November; Mr. J. Hegney in the Chair.

Vote—Departmental, £107,282.

MR. BOYLE (Avon) [8.59]: The increase in the Loan Estimates for 1939-40, compared with the previous year, is over £500,000. In that regard the Government is carrying out its expressed determination that business shall be conducted as usual. The sentiment is a commendable one and will not be opposed from this side of the House. The development of agriculture shows an increase of £24,000, from £172,000 to £196,000. I presume that will include the consolidation of agriculture. There are many phases of agriculture for which an increase of £24,000 would be quite an inadequate provision. Water Supply and Sewerage shows an increase of £170,000—from £871,000 to £1,040,000. The increase of £170,000 is largely, I think, for the provision of sewerage in the metropolitan area. That is undoubtedly a work from which interest and sinking fund may be obtained.

The Premier: The vote also covers Goldfields Water Supply and the Canning Dam.

Mr. BOYLE: Yes; £250,000, I think, for the Canning Dam. Those matters will meet with no opposition from country members. If the works carry interest and sinking fund charges, they are works of a highly commendable nature. But there are works in the country—for instance, one scheme I heard talked of tonight as representing parochialism. In my opinion there is a time to be parochial and a time to be national. After all, it takes the units to make up the whole. There was a scheme for the conveying of water to one part of the central district along the Yarra-

mony-Eastward railway, which was estimated by the engineers to cost £82,000. But perforce, thanks to four bad years, the Government did not let the question of expediency deter them from conveying water to the district. I desire to pay a tribute to the Minister in this regard. Unfortunately, however, pressure of expediency has interfered with the main scheme, a scheme that would cost £82,000 but would water that particular area almost completely. Owing to the urgent pressure of the occasion, water has been conveyed to Yorkrakin in that area, and outwards from Yorkrakin; but there are other sections of that area which today are sadly in need of water. I urge the Government to make more use of the eight-inch pipe line from No. 4 pumping station, a scheme which today is practically used only for the conservation of water in the Barbalin scheme of that area. The engineers have a rooted objection to touching an eight-inch pipe line which cost £60,000 in order to supply agricultural services. That I regard as quite a wrong idea. I call to mind that a few nights ago the Premier twitted me with the marginal area scheme. I am afraid it will be only a few years when we shall be back in the same position. The country I speak about could be insured now for the carrying of sheep and other stock. However, shall we say, through the reluctance of engineers to touch the scheme, it is today being used only once a year for the filling of the Barbalin supply, and is practically untouched for the rest of the year except for the water it conveys to the Nungarin scheme and a few minor schemes, being used only to a fraction of its capacity. That is hardly fair to the settlers in the district. I trust the Minister will give a great deal more sympathetic consideration to this question than it has received in the past.

As regards the education question in country districts, these Loan Estimates do not appear to touch it at all. Doubtless the trouble is that in most country centres the requirements are reckoned in hundreds of pounds and not in thousands. I must institute some comparisons with the metropolitan area in this connection. No effort at all has so far been made in the agricultural areas to provide technical education for the youth of those areas. Yet we

find £38,000 is allotted to the Technical School in the City of Perth, which is nearing completion—a very fine building, but not one which shows a sense of financial proportion. No provision at all is made in agricultural areas for the teaching of technical subjects, leaving the youth there to the prospect of pick and shovel work as their commencement and their ending in life. The recommendations of the Select Committee on Education were rejected by the Government. Recently I urged here that provision should be made in country schools for the ordinary, commonplace details of life. For instance, there is the provision of fly-proof doors and windows. The Leader of the Opposition tonight mentioned the erection of brick schools instead of wooden schools in country districts. I agree with the policy of the Minister and the Education Department which declares that there are sections in the agricultural and mining districts where it would never do to erect brick schools, owing to the shifting, changing population. In those sections the provision of wooden schools is quite adequate. But I do join issue with the policy of the department when it insists, as at Merredin, on not completing under £3,000 a school for the accommodation of not more than 300 children, while a denominational body in the same town erects at a cost of £1,150—or a little over a third of the cost I just mentioned—a school that is today accommodating 120 children and can take another 30. This school is a brick school with an iron roof. The provision of ornate buildings in agricultural districts is not warranted, if it means that the utilitarian side has been overlooked. Educational facilities in country districts, however, are most inadequate.

Another matter with which the Government will shortly find itself faced is the bringing of the permanent way in this State to a far better condition than it is in today. For example, the ballasting that is going on from Northam eastward on a main trunk line, I suppose one of the most important railways we have in the State, is to cease at Merredin, I understand. We shall then be in the position of having our main line from Perth to Kalgoorlie ballasted for only 162 miles of its length. When I call it ballasting, I refer to the blue metal, up-to-date ballasting in place of the gravel ballast that has been used. Railway

men tell me that this enables much heavier loads to be carried and a better speed to be maintained. I regard it as a mistake to stop the ballasting at a point, instead of continuing a good work like that right through. The pressure on the Railway Department will increase with the present prospect of petrol rising in price. Tonight I saw an alarmist telegram stating that petrol is likely to reach 4s. or 5s. per gallon.

Mr. Cross: That is only a guess.

Mr. BOYLE: I do not know. The other evening I mentioned in this Chamber that petrol would see 2s. 6d. per gallon before long. The newspaper now states that petrol will see 2s. 6d. next week. So the guess of its going still higher may not be a bad guess. However, I think there is a good deal of bluff put over regarding the petrol position. We are told by the Federal Government that it must secure dollars in order to buy petrol and oils in America. But under agreement with the oil companies, two thirds of our petrol and oils comes from Sumatra, north of Australia. Sumatra is a Dutch possession, and has nothing whatever to do with America. Today two-thirds of our petrol and oils come into Australia on sufferance, coming in because of a protest made by the American Government, which would not see America shut out of the Australian market. The result was that the American Government secured one-third of the supply of petrol and oils required by the Australian Commonwealth. We could quite easily draw the whole of our petrol and other requirements from an island not many miles north of Australia.

Hon. C. G. Latham: We do draw a great deal.

Mr. BOYLE: Under agreement we draw two-thirds. Another matter that may be termed parochial, but is a live issue to the unfortunates who went out in 1910 to settle in the Yarramony-Eastward districts, is the Yarramony-Eastward railway. It has been mentioned from this seat many a time in the past, and I have great respect for the memory of the man who put up that fight. I hope I am able to carry it on for those people who since 1910 have been out in those areas and carting their produce, year in and year out, 20 miles and more to railway lines. I noticed in the Transport Board's report that there was a possibility of an amendment being made in its Act to

enable a subsidisation of those farmers. I hope the Government will bring down the necessary amending Bill; and I appeal to Ministers not to close the session without doing so, because there are at least 500 farmers eastward of Yarramony to Nungarin who are waiting for some relief in that respect. Under the present Transport Act only commercial vehicles may be subsidised. Now, it is not possible to get contractors in this area to do the job to the satisfaction of the farmers concerned. Many farmers today have expensive plants of their own, and are willing to contract with other farmers to convey their commodities to the railway lines either north or south; but they are faced with the position that the Transport Board cannot grant any subsidy to the individual farmer. These men went out there in 1910 with a full promise of a railway, a promise that has not been honoured by any Government. No Government in particular is to blame. Today, of course, the building of new railways is an anachronism, something that no Government would undertake in present circumstances. But these men are faced with the rising cost of petrol. I do not doubt that petrol will rise very steeply indeed, and their transport rates are going to be complicated again. Contractors will be hard to get. No blame attaches to the contractors, for they do not know when taking on a contract in these times, what they will have to pay for their fuel.

The Premier: Make it a condition.

Mr. BOYLE: But it would be subject to an increased cost, and the increased cost must be borne by producers who cannot pass it on.

Mr. Cross: Could they not use charcoal gas?

Mr. BOYLE: Perhaps the member for Canning is right; but one must bear in mind that there are 22,000 trucks in Western Australia that would have to be converted, and I can see many years' work ahead to supply only half the necessary fittings. For the moment, I prefer to deal with the practical side of the matter, and so I hope the Government will bring down an amendment to the State Transport Co-ordination Act. I hope it will be possible to subsidise these men who have been the playthings of fortune. When looking through the Loan Estimates to-

night I noticed that in 1924 the sum of £30,000 was voted for preliminary expenses for that particular line. Today, of course, that sum is merely shown as an unexpended balance in the Loan Estimates. Considering that £30,000 was voted in 1924, the Government could be a little more liberal in that regard. The crops in that area are magnificent, better than they have been for years. Now again these producers are faced with further trouble—the war and rising costs, as well as the action of the Federal Government—or is it inaction? Personally, I think it is neither; it is sheer bewilderment. The Minister for Commerce evidently does not know the difference between wheat at ports and wheat at sidings. That is what is causing the unrest in the wheat belt today; it is the uncertainty that besets the farmer today. For instance, the Minister for Commerce said that the only deduction to be made from the proceeds of the wheat would be $4\frac{1}{2}$ d. freight. The average farmer knows from experience that when he is offered a price f.o.b., Fremantle, it is subject to deductions amounting at least to $7\frac{1}{2}$ d.

Hon. C. G. Latham: The other charges have to be carried forward.

Mr. BOYLE: To the second payment, I take it.

Hon. C. G. Latham: Yes.

Mr. BOYLE: And so confusion is worse confounded today!

The Premier: That was stated the day after the previous announcement.

Mr. BOYLE: I remind the Premier that in today's "West Australian" it is reported that the Minister for Commerce had mentioned that the only deduction would be $4\frac{1}{2}$ d. freight. I do not think I am in error in making that statement.

Hon. C. G. Latham: That is right.

Mr. BOYLE: That would increase the price $3\frac{1}{2}$ d. per bushel. It brings the price that the Federal Government is offering back to 1s. 6d. a bushel, because today the Federal Government proposes to include the flour tax—5d. a bushel—£2,000,000, equivalent to 3d. a bushel, as part payment of the 2s. $2\frac{1}{2}$ d. per bushel. Deducting 8d. from that sum we arrive at a price of 1s. $6\frac{1}{2}$ d. per bushel guaranteed by the Commonwealth of Australia.

The Premier: The Commonwealth Government has not guaranteed anything. It is going to make an advance.

Mr. Seward: The Commonwealth Government guaranteed 2s. 9d. and 2s. 7d. per bushel.

The Premier: I know.

Mr. BOYLE: We shall have to wait for another telegram in the morning to learn the latest news from the Eastern front, so to speak. The confusion and bewilderment in this matter has caused the unrest in the wheat belt today.

The Premier: The Commonwealth Government does not know whether it can sell 160,000,000 bushels of wheat.

Mr. BOYLE: I do not care what the Commonwealth Government knows. A war is proceeding. The Commonwealth Government has compulsorily acquired the wheat, and there is not a scintilla of reason why the farmer should not at least receive his moral right, the cost of producing the wheat. That should be guaranteed.

The Premier: If it cannot be used, what then?

Mr. BOYLE: It can be kept here. Wheat has been kept in Australia before. So far as I am concerned, I would not object to the Government taking steps next year to ensure that less acreage was sown.

The Premier: If it is not sold.

Mr. BOYLE: We shall have to continue producing wheat in any case. It is estimated that we shall sell only 50 per cent. of our wheat this year; but that does not absolve the Commonwealth Government from the responsibility for paying a fair price for wheat forcibly acquired under a war regulation. Statutory Rule No. 96 empowers the Australian Wheat Board to acquire the wheat, by seizure if necessary. One regulation empowers the board to employ police officers of a State to seize wheat.

The Premier: Do not you wish the board to acquire the wheat?

Mr. BOYLE: I do not care whether the board acquires it or not. It will not make much difference to the farmer if he is to be paid 1s. per bushel below the cost of production. Of what benefit is it to the farmer to know that his wheat has been acquired, when he has no voice whatever in the price to be paid to him?

The Premier: He would not get 6d. a bushel if somebody did not acquire it.

Mr. BOYLE: I doubt that very much. I remind the Premier that last year, up to the 20th July, the price of wheat ranged from 1s. 10d. to 2s. a bushel. There was a

sharp fall on the 20th July, but the farmer had the opportunity from December, 1938, to the following July to sell his wheat at 2s. a bushel. To that price must be added the flour tax, thus yielding a price equivalent to 2s. 5d. a bushel. Under the National Security Act, Statutory Rule No. 96, what is he being paid? Nothing at all. He has been given no guarantee. The member for Pingelly (Mr. Seward) said that there was a guarantee, that he had been told it was 2s. 7d. and 2s. 9d. a bushel, less 4½d. freight.

The Premier: As an advance.

Mr. BOYLE: Yes, but the difficulty is this—who knows?

The Premier: It is an advance.

Mr. BOYLE: Of course, the wheat might realise 3s. 6d. or 3s. 9d. per bushel spread over the whole season. Yet in the same breath we are told that 50 per cent. of the wheat may be retained in Australia. I would like a little clarity from the Commonwealth Government, a better understanding of the position, a setting out of whether the price is f.o.b., or f.o.r., at siding, whether it is subject to 4½d. deduction, and whether handling charges will be deducted. That is causing the confusion and trouble in the wheat belt today.

The Government has provided for other matters, and I think well provided for them. The loan account of £2,200,000 is quite an accretion to our public debt. I listened to a discourse tonight—and quite an interesting one too—from the member for Murchison (Mr. Marshall). He said that this loan would add another £80,000 per year to our interest bill. I agree largely with some of the arguments advanced by the member for Murchison, although I do not admit that he is the only shining light of monetary reform in this House, because my memory goes back to a motion I moved in this House some years ago. It was rather interesting to me tonight to hear the hon. member speaking of and quoting from the report of the Banking Commission which I dealt with in that motion. I desired that a committee should be appointed to prepare information for that commission when it reached Western Australia. The greatest opposition came from the member for Murchison: he said that it would be an interference, and that it would create opinions in Western Australia that

would—shall we say—set up a standard. I replied, “Nothing of the sort.” The motion was moved by me in October, 1935, over four years ago. Today the member for Murchison quotes with great satisfaction from the report of the very banking commission that he did nothing to help. The point I wish to make is that evidently the hon. member agrees with Emerson, who said, “Consistency is an attribute of fools.” I do not, of course, imply that the hon. member falls into the category of the persons mentioned in the concluding portion of the quotation. The hon. member is consistent, but he should carry his consistency to a logical conclusion. Before criticising members on this side of the House, he should study the speech on my motion, against which he voted. One could then listen to him with a great deal more respect for his opinions. I feel rather mortified, because I thought I had an ally in the member for Murchison; I find, however, that he has that ingratitude which is sharper than a serpent's tooth. The hon. member, an ardent monetary reformer, turned down a proposition which I, in my innocence, thought would receive his utmost consideration. Tonight he upbraids members on this side of the House for his own sins. I do not wish it to go forth that members on this side of the House are uninterested in the reform of our monetary system. I said then—and I quoted eminent authority—that our lack of a sensible monetary system is probably the cause of war and discontent. I hope when I bring the subject forward again—it may be soon or late; it cannot be too soon—that the member for Murchison will rally round members on this side of the House and assist them in every possible way. His policy of splendid isolation makes no appeal to me. I am aware the Government has a stiff task ahead of it, but it is the duty of an Opposition to oppose. That is laid down in May's “Parliamentary Practice.” There is, however, a difference in opposing in a normal ordinary way and in assisting a Government to carry out duties that it will find increasingly harder as time goes on. The employment problem must be faced. Already there is dislocation throughout the State. How on earth are farmers to get their crops off this year? I do not know. There is a shortage of labour in my electorate and eastward,

where we have some of the largest crops that have been grown for the last ten or 15 years. Those crops will provide the railways with long haulage. I would not be surprised if this year the railways earn £700,000 for freight on wheat. A million tons will have to be transported over the railways. That is 37,000,000 bushels. The Minister for Lands looks a bit doubtful: but in portions of my district the crops are averaging ten bags to the acre today. I quoted in this House seven road board districts in the eastern areas where the yield did not average five or six bushels last year. One of them averaged 1.6 bushels last year; today it is yielding 16 bushels to the acre. That is a case of shifting the decimal point. This year the yield will quite possibly be 16 bushels per acre in that district. I put up a plea for the Yarramony settlers and the farmers remote from railway communication, because the Government, in assisting them, will itself be assisted. Those are the people who will make a revenue of £700,000 possible in the way of wheat freights alone this year, and the Government should therefore realise that the goose that lays the golden eggs ought to be kept in good condition. This can be done by extending a little sympathetic treatment to those people. I ask the Government to amend the Transport Act. A simple amendment is required, so simple as to be difficult to understand. I remember a Minister once telling us, when speaking about group settlement, "The whole system is so simple that even you would not understand it." The Minister for Works does understand the position. He has been sympathetic, but I appeal to him to translate his sympathy into active support for those fine men and women who went out into that country 20 years ago and are now worse off than they were then.

MR. HILL (Albany) [9.32]: When I spoke on the Address-in-reply, I referred to the fact that if we could make our transport services pay, we could considerably reduce taxation, and if we could further reduce transport costs by 10 per cent., the result would be equivalent to a substantial bonus on industries. The returns supplied to us with the Estimates show that last year

the losses on our transport services were as follows:—

	£
Railways	567,706
Tramways	7,630
Harbours and Rivers	18,120
Roads and Bridges	142,967
State Ferries	458
Shipping Service	29,829
Total loss	£766,710

These losses are caused by the high interest bill due to uneconomical expenditure, failure to make proper provision for sinking fund payments, and lack of co-ordination of our services. Our revenue from taxation for the year was £2,792,700, so that it took over 26 per cent. of that revenue to make good those losses. The income tax yielded £741,178, or £25,000 less than the losses on our transport services. I have not the figures for last year, but the total gross value of our agricultural, pastoral, dairying, and forestry production for 1937-38 was £19,334,000 and transport charges, etc., on those products amounted to £2,721,000, so that a 10 per cent. reduction of those costs would have been equal to a bonus of over £250,000.

As I pointed out when speaking on the Address-in-reply, our first need, when we set out to straighten up our transport, is sound administration. When I referred to the way in which nearly every Minister has a finger in the transport pie, the Minister for Agriculture interjected, "Many hands make light work." I have been acquainted with the Department of Agriculture for a longer period than has the Minister, but my association with the department has not been as close. About 28 years ago the department was re-organised and we had three commissioners—one for wheat, one for fruit and one for the South-West. Later that organisation was abolished and a Director of Agriculture was appointed. This director held office until a couple of years ago, and now we have the department under an Under-Secretary and all the branches of agriculture are under the one Minister, who tells us that "Many hands make light work". I wonder what the Minister would say if I suggested that we disorganise the department and deal with it as we do with transport. For example, what would the result be if we put the wheat department under the Premier, fruit under the Chief Secre-

tary, dairying under the Minister for Works, potatoes under the Assistant Minister for Works, bananas under the Minister for North-West, the entomologist under the Minister for Industries, the veterinary officer under the Minister for Health and poultry and bees under the Minister for Lands? If I put forward this suggestion seriously the House would consider me ready for Heathcote. In 1918 the Allies had to cut out their petty jealousies and appoint a central and co-ordinating command, and we must do the same with our transport administration, if we are to get results. When we appoint our Minister for Transport and a Commissioner or Director of Transport, we need men with plenty of backbone, because they will have jobs for full-grown men. Any dead fish can float with the tide; to advocate and adopt reforms is a different proposition. No reforms are ever introduced without sacrifices in some quarters for the common good. But when one treads on the corns of those with their pet, little parochial interests and ambitions, one meets strong opposition. One sometimes hears it said, "We must consider every part of the State". We can do this best by first of all considering the State as a whole.

When we get sound transport administration, the next thing required is a sound port policy. When we examine this phase of our transport, we find in this State that ports are rarely seen in their true perspective. To a very large extent they are political playthings. We hear it said that each port should handle its natural trade.

The Minister for Lands: I suspect now that you are leading up to Albany.

Mr. HILL: Perhaps the Minister will tell me what that expression means. What is the natural port for, say, Narrogin? Is it the port provided by nature or one of the ports provided by the Governments of this State? The Premier has divided the State into port zones. If each port should have its zone, each zone should pay interest and maintenance upon its port. Let the Government adopt this policy, and there will then be no need for me to continue to ask for fair play for the port which it is my privilege to represent. Our present port zones are based on one factor only, namely railway mileage.

A very large number of people in this State ignore the fact that ports must be paid for as well as railways. It is not economy to save 1s. in railage on wheat and to have to pay 1s. 6d. in haulage and extra handling charges at the port because the wheat silo is over a mile from instead of alongside the ship. We must consider the total costs and not railway freights only. Excluding the North West we should limit future port development to the four equally-spaced ports of Geraldton, Fremantle, Albany and Esperance. Attempts to develop more ports than these four is causing enormously increased costs.

Unfortunately we have no proper port administration. Harbours and rivers are under the Minister for Works, the Fremantle Harbour Trust under the Chief Secretary, Bunbury Harbour Board and Harbours and Lights under the Minister for the North-West, the port of Perth under the Premier, bulk handling under the Minister for Lands, and cool store facilities under the Minister for Agriculture. I suggest that all our ports be under the control of a State Harbours Board or authority as in South Australia and New South Wales, and as recommended by the Royal Commission on Transport in Queensland. One of the greatest authorities on ports and transport is Sir David J. Owen, formerly General Manager of the Port of London Authority and a past president of the Institute of Transport. He has stated that a port is not a means of conveyance or transport; it is only a facility for the actual means of transport, and a port to be effective must adapt itself to the changing means of transport. We in this State have not kept pace with the changing means of transport. I have been in contact with the changes in sea transport. The improvements in land transport have increased the area which one port can serve, and the increase in size and cost of ships has brought about a demand for a very few properly-equipped ports, and these are enormously costly to construct and usually very costly to maintain. All experts agree that to suit modern conditions we need fewer ports. Those who know more than transport experts and advocate many ports quote New Zealand with its multiplicity of ports. A couple of years ago Australia obtained a 12½ per cent. reduction in overseas

freights and New Zealand at the same time received 12½ per cent. increase. Other people quote Queensland. The position there has been described as "seven hungry ports and one ravenous railway," and according to the last Queensland "Year Book," Brisbane handles 80 per cent. of the State's trade. Sir George Buchanan, in his report, suggests that Queensland should attempt to develop only two of its outports as overseas ports.

Last year the Port of Fremantle showed a surplus of £116,320 which, instead of being used to reduce the loan liability, was paid into Consolidated Revenue, which in turn had to pay out £134,440 for the losses on the other items under the heading of Harbours and Rivers. Since the Collier Government took office in 1924 about £2,500,000 has been spent on the ports of this State. Of this amount less than £2,000 capital expenditure has been spent on the port of Albany. Before the elections this year, the Government candidate, Mr. Arthur Wansbrough, stated that we could not reasonably ask the Government to spend money on the port of Albany, as that port was not meeting its interest commitments. Since 1860 the total expenditure at Albany Harbour, which includes the Kalgan River 16 miles away, has been £219,416 12s. 9d., but the loan liability today is shown as £272,369. In 1872 the Albany people complained because the revenue from the port was greater than the expenditure in the district. All profits in the past, instead of being used to reduce the loan liability, were taken into Consolidated Revenue. Today Albany handles only a fraction of the trade of its hinterland, some goes to Fremantle and the bulk of the trade of the Great Southern goes to Bunbury. In spite of the interest on very inflated loan liability and the cost of repairs being provided out of revenue last year, the deficiency of the portions under Harbours and Rivers and Railway Department combined was last year only about £1,100.

Had the port of Albany handled its legitimate trade, that port would have been the best and most profitable concern under the Government. Now Mr. Wansbrough attempts to justify the continued Government expenditure on Bunbury by saying that the Bunbury harbour paid its interest commit-

ments. This is not quite correct as the accrued unpaid interest of that board, on the 30th June last, was £277,000 and the deficiency last year was nearly £23,000, equal to a loss of nearly 2s. per ton on the trade of that port, in spite of the fact that such a large proportion of Bunbury's trade was from Albany's hinterland. Since 1924 £150,000 has been expended on the port of Bunbury to endeavour to prevent the silting, £100,000 on dredging maintenance, £70,000 on wheat silos and £73,000 on re-grading the railway between Collic and Brunswick. And a further £10,000 of loan money is on the Estimates for this year.

Geraldton, since 1924, has had an expenditure of about £800,000. Last year the portion under harbours and rivers showed a deficiency of £32,192. I have not the figures available for the portion of the port under the control of the Railway Department. I have not the figures except for the loan liability of that portion, which amounts to £329,000.

The CHAIRMAN: Is the hon. member reading the whole of his speech?

Mr. HILL: No.

The CHAIRMAN: The hon. member knows that is quite contrary to the Standing Orders.

Mr. HILL: Yes, but I have so many statistics to quote that I desire to be careful. If the figures were available they would probably show a further loss. The port of Esperance has had an expenditure of £75,000 since 1924, and the portion under Harbours and Rivers shows a debit of £39, in addition to the capital charge of £755. Here again we have not the figures relating to the portion under the jurisdiction of the Railway Department. I have not the figures for the expenditure on the North-West ports, but I notice that the loan liability is shown as £570,000. There is a debit of £3,329 and, in addition, there are capital charges that must be paid. These bring the total deficiency for last year to £30,287, and I notice that the estimate of expenditure from loan funds this year is £11,000.

Now we come to the Swan River. The loan liability of that reclamation work is £400,000. Last year there was a debit of £480 and capital charges bring the total deficiency to £19,216. In spite of this the proposed expenditure from loan funds this year is £45,000.

Mr. Cross: What is wrong with that?

Mr. HILL: The Commonwealth Government will probably soon say what is wrong with that. Although about £500,000 has been spent on the regrading of the railways since 1924, not one penny has been spent on the Great Southern railway south of Narrogin. The Government should reduce the few grades of 1 in 80 on that railway, which would only involve in the aggregate about 13 miles of re-grading. Then the haulage of wheat from the country east of the Great Southern Railway would be far cheaper if hauled to Albany, compared with the cost of haulage to any other port in the State.

Mr. Withers: Would that result in rail freights being reduced?

Mr. HILL: It would make for more economical working of the railways, and that would enable the Government to reduce freights.

Mr. Withers: It would not benefit the people you represent by one threepenny bit.

Mr. HILL: If the Government ran the railways on a sound economical policy, it would do so.

The Minister for Labour: What is a "sound, economical policy"?

Mr. HILL: If the Minister would listen without interjecting so much, he would secure a few more facts. I feel safe in predicting that the need for more economical working of the railways and for reduced costs to the producer, the Commonwealth Grants Commission and the continued silting of the harbour at Bunbury will combine in the near future to force the abandonment of the present port zones and their re-arrangement on an economical basis.

I draw the Government's attention to a short article in the "West Australian" of the 27th October, wherein it was stated that the Commonwealth Government proposed to erect stores for wheat at the principal ports. To provide such an installation at the mercy of an enemy raider at Bunbury when the fortified port of Albany is available, would be a ridiculous action. I request the Government to co-operate with the Commonwealth and to erect the stores for the Great Southern at Albany, and to plan so that they may be used as part of a first-class terminal. On the existing railways the wheat, which now goes to Bunbury, could be far more economically handled at the port of Albany. The railway through the Great Southern district is practically with-

out bridges, etc., that could be destroyed by enemy action or sabotage. Further, if necessary, a large proportion of the wheat that now goes to Fremantle, could, in the event of the destruction of the Guildford bridge or some other emergency, be diverted to Albany over the existing railway system, at comparatively little extra expense.

I would be very popular with the Treasurer if I could give him £2,000,000. I cannot do that, but I can draw his attention to Nature's gifts, which are worth many millions to the State. Two years ago he told me that I was a lucky man to represent one of the best watered harbours of the world. He is a lucky Premier to have that harbour in his State, but is it wise to fight Nature when there is so much to be saved by working in with her?

The Government has spent £300,000 on the reclamation of the Swan River foreshore and that expenditure is not paying one penny in interest or sinking fund. At Albany an area could be reclaimed which would be worth many times the cost of the work, and would very quickly repay the expenditure involved. For instance, if the Government reclaimed a site for a proper bulk handling terminal, cut out the few heavy grades on the Great Southern railway and adjusted railway rates to encourage the despatch of wheat to Albany, there would probably be a saving of 1s. 6d. per ton on the haulage and a further 1s. 6d. per ton by reduced haulage and handling charges at the port. The Great Southern area last year produced about 150,000 tons of wheat, so this would mean a saving of something like £22,500.

Mr. North: What is the worst grade now? Is it one in sixty?

Mr. HILL: Yes. I have a map showing the grades from Narrogin onwards, and if any member cares to examine it he can do so. Then there is the question of the superphosphate supplies for the Great Southern. The superphosphate companies are prepared to erect works at Albany if a site is provided on the waterfront. If the Great Southern drew its supplies from Albany, I can safely say that there would be a saving to the railways of over £25,000 a year. The saving in freight to the farmers would be £5,000, and a further saving of £9,000 would be effected by having the works on the

waterfront providing an aggregate saving on wheat and superphosphate of over £60,000 a year. I ask the Premier to throw his mind back to the 24th May, 1929, when he, as the then Minister for Railways, addressed a gathering at Fergusson, near Bunbury. He stated that the problem of providing additional accommodation at Bunbury was causing the Government grave concern, but, he continued, that was not his business. Had the Premier and his colleagues adopted the recommendations of Sir George Buchanan and set out to develop Albany as the overseas port for the Great Southern, the economies I have mentioned would have been effected today. Further, today we are at war. The destruction of the "Heath Robinson" bulk handling terminal at Bunbury would be a matter of seconds for a ship like H.M.A.S. "Sydney," and a couple of minutes would see the end of the Preston superphosphate works. Had those works been at Albany, the fortifications there would have made them comparatively safe. Those fortifications may be made impregnable in the near future. I note that £332,000 of loan funds is to be spent on the railways. The cost of regrading of the railways is a legitimate charge against loan expenditure, and I trust that the department will consider my remarks regarding the Great Southern railway. It is also pleasing to hear that more powerful engines are to be constructed, but there is no doubt that some of that cost should have come from a replacement fund and not all from loan.

One must regret to see that such a large amount of the loan expenditure is to be spent on roads. It is not sound policy to provide work for the unemployed out of loan revenue unless such work will pay interest and sinking fund charges. This year the Government had to break into the coffers of the metropolitan local governing bodies to get the money to pay the interest charges on road work for the unemployed. Obviously, if it continues with such an uneconomical policy, the whole of the local governing bodies of the State will soon lose their traffic fees. The folly of the Government's policy is evident when we note that the amount of interest on the expenditure on roads almost equals the average yearly amount of loan money spent on the roads by the Collier and Willecock Governments. I can hold out no hope for im-

provement in the finances of our transport utilities and services until we get sound administration, free of political wire-pulling, and I trust that the Government will adopt the recommendation of the Federal Transport Committee and appoint a Minister for Transport, with a transport authority to give us a national, complete, efficient and economical system of transport.

What we need is co-ordination, or co-operation regarding our transport services, the utilisation of our existing assets, the reduction of our liabilities and the expenditure of loan funds only on works which will directly or indirectly pay interest and sinking fund charges.

Vote—Railways and Tramways, etc, £332,000—agreed to.

Vote—Harbours and Rivers, £91,500:

Item, Improvements to Harbours and Rivers, 45,000.

Mr. HILL: I move an amendment—

That the item be reduced by £1,000.

Members will have noticed that last year the Commonwealth Grants Commission visited Western Australia and the chairman of that body commented on the Government expenditure at out-ports, which did not pay any interest charges. He said that if the Government continued doing so, the Commonwealth would have to review the State's grant. The work on the Swan River has created a loan liability of £400,679. The expenditure on reclamation has amounted to £294,509, and during the last three years the amounts spent have been: 1937, £16,972; 1938, £29,086, and 1939, £41,142. Now it is proposed to spend another £45,000 this year. I wish to enter my protest against the expenditure of so much money, which will not pay interest nor is it likely to do so. I am not opposed to work being carried out on the Swan River, but I consider it should be paid for by the metropolitan people. The Fremantle Harbour Trust should not be converted into a taxing machine for the purpose.

Amendment put and negatived.

Vote put and passed.

Vote—Water Supply and Sewerage, £1,040,000:

Item, Water Supply in agricultural and North-West districts (including drainage

and irrigation, and loans and grants to local authorities and drainage boards) £290,000:

Mr. McLARTY: I am extremely pleased at the appreciable increase in the Vote. We have heard a lot about money being spent on unproductive works. I feel that this Vote will be reproductive and the State will benefit in the long run. Hon. members know that a good deal of this money is to be spent in the irrigation areas. There is no doubt that the money expended in those areas has been well worth while. Probably some question the expenditure of such a large sum, but I think the results have justified it. Those districts have gone ahead by leaps and bounds, the population has grown and the production has increased enormously. The Minister for Industrial Development should be well pleased with the output of the factories in that part of the State. I should like the Minister for Water Supplies to give the Committee some information as to when he intends to declare the new irrigation area in what he calls the Cookernup-Wagerup area. That area will be served by the new Stirling dam. I do not anticipate there will be any opposition to it.

The Minister for Water Supplies: There is.

Mr. McLARTY: Only in regard to Benger's Swamp, which is not in the area to which I am referring.

The Minister for Water Supplies: You think we can ignore that, do you?

Mr. McLARTY: No, I do not suggest the Minister should ignore it, but it may be worth some consideration in view of the fact that it is a swamp.

The Minister for Labour: You had better discuss it privately.

Mr. McLARTY: No, I do not worry the House much and I will not discuss it privately. I hope the Minister will have the good manners to listen while I complete my peroration. I hope the Minister for Water Supplies will give me the information as to when that work will commence.

Mr. J. H. SMITH: I want to refer to the irrigation proposals of the Government. I am wondering whether they are wise at this particular moment. Unlike the member for Murray-Wellington in whose electorate a vast amount of money has been spent, I am not optimistic about these irrigation proposals. I would like

to remind the member for Murray-Wellington of the vast sum of money that was lost on the first irrigation scheme at Harvey. I remember that when I first came into Parliament a few years ago a burning question was the non-payment of rates. I remember deputations waiting on the then Minister, the late Mr. George, as a result of which many thousands of pounds were written off. The irrigation scheme was very small at that stage. Now that irrigation has been in progress for five or six years I would like to ask the Minister whether interest and rates on that last expenditure of money are being paid. The money being spent there could be expended more beneficially in other portions of the South-West. It has been proved that in that particular part of the country, before irrigation, people by cultivation were growing summer crops. When it is further considered that for five months of the year that region was waterlogged, I am wondering whether it is advisable to spend this vast amount of money there. The member for Murray-Wellington wants information as to when the work will be started. I think the money could be spent to greater advantage elsewhere, for instance on the Bunbury harbour which is the natural port for the whole of the production of that portion of the South-West.

Mr. W. HEGNEY: Unlike the two previous speakers I hesitate to ask for information from the Minister. I propose to refer not to the South-West harbours, but to Port Hedland. The people of Marble Bar are appreciative of the action of the Government in providing for them a reasonable water supply. At present, however, the people of Port Hedland are obliged to pay no less than 3s. 6d. per hundred gallons for water that is carted by the railways for some 20 miles from a place called Poondina. In addition, they are obliged to pay 6s. 6d. a month for the local scheme water. I ask whether provision has been made on the Estimates for the inauguration of an adequate water supply for the residents of Port Hedland. When the present member for Boulder was Premier I believe a scheme was investigated and approved. Some 10 or 12 years ago it was considered essential and all those who realise the world position

today and the situation of Port Hedland from a defence aspect will recognise the importance of a proper water supply for that locality. I do not propose to go into details but Port Hedland is far distant from Perth. A number of the present Ministers unfortunately have not had an opportunity to visit the outlying districts including Port Hedland, but I hope the time is not far distant when at least one member of the Cabinet will be able to take a run through that area and obtain first-hand information. I think it will be generally recognised that the request I am making on behalf of the people of the district is reasonable and is one that the Government might well take up with the Federal authorities with a view to ascertaining whether such a scheme could be jointly financed. The requisite surveys have been made; the Turner River is only 20 miles out and the scheme is practicable. I hope the Minister will give this matter consideration in the near future with a view to providing Hedland with an adequate water supply.

THE MINISTER FOR WATER SUPPLIES: To reply to the member for Pilbarra first of all, it is true that surveys and estimates have been made for providing an adequate water supply for Port Hedland. Speaking from memory the estimated cost was £35,000 to serve about 300 people, and even then the engineer could not guarantee that the supply would be entirely satisfactory. For that reason the scheme was delayed, though at one time the matter of installing the scheme was seriously considered. I agree that at Hedland and other places in the North-West, the provision of water supplies presents a very serious problem, but at this stage I cannot promise that the scheme in question will be revived. Yet I agree with the hon. member that those ports are entitled to adequate schemes. The whole obstacle has been the financial obligation. I remind the hon. member that in January, 1939, a severe cyclone struck Hedland and almost completely washed away the foreshore protection and causeway between the town and the jetty. The cost of the work of reconstruction was approximately £9,000. Thus Port Hedland has been unfortunate in more ways than one, but the Government did come to its assistance by re-

newing the work on the foreshore that had been washed away. Improvements have been carried out to the Marble Bar water supply, which is also in the hon. member's electorate.

I have some information regarding both the irrigation works proposed in the South-West. Samson's Brook dam situated about 10 miles east of Waroona will have an earthen bank 101 feet high. The catchment area is approximately 25 square miles and the storage capacity will be 1,800 million gallons. This will provide for the irrigation of additional areas of the Waroona flats. A road has been constructed to the site of the dam, camps have been established, and the preliminary work of constructing the outlet tunnel and the concrete cut-off core is now in hand. During the summer all preliminary work, including preparation of the seat of the dam, etc., will be carried out, so that the construction of the bank during next summer can be pushed ahead with full strength. It is estimated that the work will take two years to complete and will afford employment for approximately 110 men for that period.

Stirling Dam is situated about 10 miles east of Harvey, and will consist of an earthen bank with a concrete cut-off core below surface level and a pug core through the centre of the bank. The bank will be 156 ft. high, measured above the level at the downstream toe, and is being designed in accordance with the latest practice adopted in America for the construction of high earthen dams. It will be, if not the highest earthen dam in Australia, within a foot or two of any already constructed dam of similar type. The catchment area is approximately 96 square miles, and the reservoir, when full, will hold 12,000 million gallons, being second in capacity in this State only to Canning Dam. Stirling Dam will provide for the irrigation of areas north of Harvey, to the southern boundary of the Waroona irrigation area, east of the existing Harvey irrigation district, and south to a distance not yet definitely determined. The quantity of water impounded will provide five waterings for 12,000 acres, and on the basis of irrigating one-third of each holding, will cater for a new irrigation district totalling approximately 36,000 acres. A road has been constructed to the dam, and

the clearing of the site is now in progress. Machinery is also being assembled, and it is expected that the first stages of the work will be in full swing in approximately six weeks' time. The construction of this work will occupy three to four years and will provide employment for numbers of men varying from 100 in the winter to approximately 300 during the summer months of 1940-41 and 1941-42.

Regarding the proclaiming of the irrigation area, as the member for Murray-Wellington is aware, we have to comply with the formula of advertising. This has been done. Objection has been made to me by way of petition from one district. This is being examined by the officers of the department. We shall endeavour to meet those people so far as the swamp is concerned. That was not included in the irrigation area and there was no need for its inclusion. It has been excised from the area mentioned, namely, the 36,000 acres. Otherwise the landholders are fully behind the scheme, and I think they should be, because it will improve the productivity of the district. Not everywhere in Western Australia can we declare an irrigation area and provide water from a supply that has been conserved.

Mr. J. H. Smith: How many dry months of the year are there?

The MINISTER FOR WATER SUPPLIES: In Western Australia it is fashionable to have six months rain and six months dry weather. Even the South-West is not exempt from that general rule. What is normally the lean period will be the prolific period where irrigation is concerned. As I pointed out some months ago, it is in that period that we have to import dairy produce—butter, cheese, etc.—from the Eastern States to the value of about £250,000. Consequently there is every justification for installing the scheme. Not only will labour be provided for the unemployed but it will be profitable work. I wish there were other works as worthwhile as is this irrigation scheme.

Mr. McLarty: You certainly made investigations beforehand.

The MINISTER FOR WATER SUPPLIES: Yes, not only from the engineering point of view but from the viewpoint of the economics of the scheme. The work was not hurried in any way. If we ask ourselves what great work is ahead of the people of

Western Australia we find that the answer is the conservation of water supplies everywhere. As time goes on all available water will have to be conserved.

The member for Avon (Mr. Boyle) referred to country water supplies. Every time the hon. member speaks on that question he fairly boils. He believes he has a grievance with respect to the administration of country water supplies. He objects to the rate of interest charged upon works when departmental officers are making up their Estimates. To the 30th June, 1939, the area of country rated lands was 1,486,514 acres. At the twopenny rate, near the goldfields line, 71,430 acres were served, at the 3d. rate, 724,506; at the 4½d. rate, 45,430 acres; and at the 6d. rate, 645,148 acres. In respect to all these water schemes there are arrears of rates. In connection with the Goldfields Water Scheme the arrears amount to £79,956, for the Barbalin district £59,891, the Narembeen district £14,605, and the Kondinin district £3,608, a total in arrears of £158,060.

Hon. C. G. Latham: Narembeen has not been a great success in the summer until this year.

The MINISTER FOR WATER SUPPLIES: Compared with other districts Narembeen is not so greatly in arrears. During the past six years the Government has constructed and made major improvements to 69 tanks at a cost of £157,853, has expended £51,000 on boring, sinking and equipping wells in agricultural areas, and has received no revenue as a result of such works.

Mr. Boyle: How much of the 6d. rate is in arrears?

The MINISTER FOR WATER SUPPLIES: Of the rates struck we have got in 26 per cent. It is supposed that the scheme will pay interest and sinking fund, but the total revenue for the year 1937-38 was £15,624, whilst to meet operating expenses and bad debts reserves a further sum of £14,829 was required, providing practically nothing towards loan servicing charges. The scheme has merely paid working expenses, but has not paid interest and sinking fund. There has been no complaint about the charges. In spite of all the evidence that is brought here, members cannot show a case where undue hardship has been exercised by the department. The member for Avon referred to a water supply

that was nearly cut off from a man who had 1,400 sheep. The sheep were probably not owned by the man who was in possession of the land, but were put there by stock merchants. Sheep are often grazed on land belonging to the Agricultural Bank, and we have to supply the water, after which it is suggested we should write off the amount or should not attempt to collect it. I would not censure officers for attempting to collect rates, but for failing to make the endeavour. Where there are genuine cases of hardship, and a man cannot pay, we do not cut off the water. We have endeavoured to make the scheme pay, and to collect the rates wherever it was possible for the owner of a property to pay them. Outside of that no hardship has been inflicted on anyone.

Mr. Boyle: I could give you a few instances of hardship.

The MINISTER FOR WATER SUPPLIES: I could tell the hon. member of instances where men could have paid but did not pay. From the York Electorate a man called at the office of the Under Secretary and said, "Unless you will make the others pay who can pay, I will not pay any more." I think he was quite right in his attitude. When men who are paying their way find their neighbours are not doing so, they become dissatisfied. When people can pay, it is our business to endeavour to make them do so. The notes referred to by the hon. member were sent out because payments were not made, and these notes were responsible for the collection of a good deal of the money outstanding. With regard to the Barbalin extensions, I am sure every member knows from the engineers' estimates that the Goldfields Water Supply scheme is fully loaded, not only as to the catchment area but as to the pipeline. The average for last year was nearly 5,000,000 gallons per day, which was estimated to be the utmost limit when the reservoir was constructed. It will be understood that there is a big load now, with the goldfields at their peak of production and with Norseman and other fields showing great development. The goldfields are the first responsibility of the scheme.

There is an erroneous impression that the scheme pays. True, for the year 1938-39 there was a surplus of £18,000; but that is without taking into consideration £1,800,000 odd which still stands at the Treasury as a debit against the scheme. It has never been

paid. It represents the sinking fund, and was provided by the Treasury during the time the loan was being repaid. When making up the balance sheet of the Goldfields Water Supply Department, interest on that amount is not taken into account.

Mr. Patrick: The Treasury used to pay the interest and the sinking fund.

The MINISTER FOR WATER SUPPLIES: Yes. There was I believe a heavy sinking fund of three per cent. The working expenses of the scheme could not be wholly met. When the loan was redeemed there was still £1,800,000 standing to the debit of the scheme at the Treasury. It still remains. As regards Barbalin, the member for Avon knows that the pipe line was put into Barbalin so that it could fill the reservoir from Mundaring Weir during winter; but it was never suggested that when the pipe line was working full pressure, the Barbalin line could be drawn on. We have refused extension from that line to the goldfields because the engineers consider it at its reasonably safe limit. If extensions are made in the future, then for safe working the Mundaring Weir will have to be raised and additional supplies impounded there.

Mr. Doney: Is the Mundaring catchment good for further supplies?

The MINISTER FOR WATER SUPPLIES: During the whole period of its existence, 34 years, it has failed to overflow only three or four times, but those are the three or four years that one has to plan for. That is what is behind the failure to supply those holdings along the pipe line to Barbalin. That pipe line was constructed for the one specific purpose of a safeguard. The member for Mt. Marshall will remember that the year prior to that pipe line being put in, the Barbalin scheme had practically failed and we were within two days of shifting the stock by train from that district. The scheme was not put in to serve those along the route of the pipe line. As time goes on, if additional supplies can be provided from Mundaring Weir, more use will be made of water supplies along the route of the goldfields pipe line.

Mr. Doney: Unless the Kalgoorlie and Boulder consumption increases.

The MINISTER FOR WATER SUPPLIES: So much depends on the water supply to the goldfields, and also along the line, being absolutely guaranteed,

that one cannot go past one's expert advisers. Therefore their advice has been accepted with regard to extensions. At present we would not be justified in taking on additional country supplies from Mundaring, with its present capacity, seeing that we have to be prepared not for the average year but for the worst year. The hon. member can assure himself of this. We will give him the information either publicly or privately that from country water schemes we have collected merely working expenses, and practically nothing for interest and sinking fund. As for the objection he takes to the capitalisation of those schemes, in the interest rate charged no account is taken of the cost of Mundaring Weir or the main pipe line, but only of the extensions. Even then our experience is that the farmers have been unable to pay. The Agricultural Bank has now under consideration a scheme for the amalgamation of holdings in outlying districts. We have to provide for them also in the matter of water supplies. The idea is to extend the utmost consideration to those farmers who are unable to pay, but at the same time those who can pay are expected to stand up to their obligations.

Mr. Boyle: No one will quarrel with you on that score.

THE MINISTER FOR WATER SUPPLIES: It is useless to quarrel with the policy of the department. Hon. members cannot complain as long as the department does not deal harshly with people unable to pay. I shall extend every consideration to those who are unable to pay, and likewise every effort will be made to collect from those who are able to pay.

Vote put and passed.

Votes—Development of Goldfields and Mineral Resources, £59,000; Development of Agriculture, £196,500—agreed to.

Vote—Roads and Bridges, Public Buildings, etc., £352,867:

Mr. PATRICK: I wish to ask the Minister when he expects to finish the expenditure of loan funds on roads this year. During the last four years, in spite of tremendous increase in receipts from the Federal Aid Roads grant, sums have been consistently expended from loan. For 1935-36 the Federal Aid Roads money amounted to £536,000, and expenditure from loan funds

to £134,000; in 1936-37 the figures were £609,000 and £126,000; in 1937-38, £717,000 and £155,000; in 1938-39, £805,000 and £126,000. So that in four years the amount received from Federal Aid Roads grant increased by nearly £270,000, and yet we expended £126,000 from loan. Work on roads undoubtedly is one of the chief methods of employing men who need employment; but if certain legislation is passed, there will be a decrease of £100,000 odd in the amount of Federal Aid Roads money expended on roads. Is the difference to be made up from loan funds?

The Premier: It can be, easily.

Mr. PATRICK: If statements made to-day are to be believed, we are likely to experience a heavy decrease in the amount to be received from the Federal tax. I do not know what that will amount to. If statements made so far are correct, and the supply of petrol will be decreased by 25 per cent., that will represent something like £200,000 for the 12 months. I would like to know whether that deficiency is to be made up by means of additional loan funds. Further, I would like to direct the attention of the Minister to the matter mentioned by the member for Avon. Does he contemplate introducing an amendment to the Transport Co-ordination Act, as recommended by the Transport Board?

Mr. TONKIN: I am in somewhat of a quandary, and I must seek your assistance, Mr. Chairman. Provision is made by means of the Vote for roads and bridges, public buildings, etc. Then there is reference to loans under various headings, and mention is made of the Workers' Homes Board in respect of readvancements for additions and renovations to private property. Am I permitted to discuss the Workers' Homes Board under the Vote?

The CHAIRMAN: If there is any Vote for the Workers' Homes Board, the hon. member will be quite in order.

The Premier: But there is no Vote provided.

Mr. TONKIN: The Government does not propose to spend any loan funds on the Workers' Homes Board, so there is no provision.

The Premier: We passed legislation last session to provide the board with borrowing powers, and those powers are to be utilised.

Mr. TONKIN: That does not help me at the present juncture.

The Premier: But it helps the Workers' Homes Board.

Mr. TONKIN: Then perhaps I had better proceed with my remarks.

The CHAIRMAN: No Vote is provided for the Workers' Homes Board, so the hon. member is not entitled to discuss it.

Mr. TONKIN: Then I must protest against the form in which these Estimates are presented to Parliament. Members who desire to express their opinions are thereby gagged.

Hon. C. G. Latham: You gave away your right last session when you approved of legislation that we passed.

Mr. TONKIN: No, I did not. If the Government had provided for the expenditure of £1 out of loan funds, that would have given members an opportunity to discuss matters affecting the Workers' Homes Board. I do not know whether the Chairman claims that I cannot protest against the non-expenditure of loan funds already authorised. For example, there is an unexpended authorisation of £10,000. In my opinion, the Premier should see that that money is utilised.

The Premier: We shall spend much more than that amount this year.

Mr. TONKIN: But the £10,000 should also be spent.

The Premier: But we are getting enough out of other funds.

Mr. TONKIN: I doubt if that is so. Since the outbreak of war, financial institutions have ceased lending money. Even private lenders are chary about doing so. Difficulty is experienced in securing money on mortgages.

The Premier: The Workers' Homes Board is increasing its loan expenditure this year.

Mr. TONKIN: I am glad to hear that. The board should go to the absolute limit in providing money for the erection of homes. Far too many are on the waiting list at present. Every day members are asked to render assistance to persons whose applications have been before the board in some instances for two years or more. That is not a desirable state of affairs at all. Everything possible should be done to expedite the erection of homes for the people. I do not desire to criticise the board, because it is doing excellent work; but I wish it

would build more houses. If treble the number were erected, the position would hardly be met. The board should strive to clear the waiting list so that in future an applicant should be able to secure the erection of a home within at least six months of the receipt of his application. To expect people to wait for two years or more is asking altogether too much, more especially as the Workers' Homes Board can be availed of as an avenue for providing increased employment. I trust greater activity will be displayed by the board in the direction I have indicated.

The Premier: The board is making use of superannuation fund contributions and between £30,000 and £40,000 will be available this year.

The MINISTER FOR WORKS: For the financial year 1938-39, expenditure from loan funds represented £126,423 on various road construction proposals, and £17,121 of that was spent in connection with the co-operative scheme with the local authorities, whereby they provide the materials and the Government provides the labour. That scheme is to be continued, so that certain loan funds must be spent to maintain operations. We do not know the amount that will be derived from the Federal tax. Everybody is guessing what it will be.

Hon. C. G. Latham: It will probably be less.

The MINISTER FOR WORKS: Yes. Last year it was over £800,000. This amount is considerably in excess of last year's. It is increasing substantially each year. Although normally we may expect an addition, there may not be a decrease. It is a matter of speculation. We are not anxious to spend any loan money on road construction; but the difficulty is that we have to provide sustenance work for about 6,000 men. To give members an idea, some of our undertakings work out at about £7 or £8 per man per week; water supply undertaking work out as high as £30, because the cost of the material is so great. That is the difficulty of undertaking water supply work; we would expend our money on material and have no prospect then for providing sufficient work for the unemployed throughout the year. The other question is the recommendation of the Transport Board that it might under the subsidy Act, arrange con-

tracts for cartage and subsidise them from the fund. The Act does not authorise the board to subsidise individual farmers. Once that were done, we would have hundreds more applications. In the Lake district the amount paid was as much as 8d. per ton per mile; but a contract has now been arranged for as low as 3½d. or 4½d. per ton per mile.

Mr. Patrick: What about the Yuna district?

The MINISTER FOR WORKS: That district will be excluded, unless a contract is arranged. Once we open the door, other districts distant from a railway line would be demanding subsidies from the Transport Board. In any case, consideration will be given to the matter, but the Government has decided against opening the door still wider by introducing a measure such as that recommended by the Transport Board. It would be a dangerous proposition for the board, with the limited funds at its disposal, to issue invitations to all and sundry to request subsidies for carting wheat grown at a distance from a railway line.

Vote put and passed.

Vote—Sundries, £31,903;

Mr. McLARTY: The Government has purchased a property known as Bundibup, with the idea, I understand, of converting it into a farm for mental patients. If that is so, will the Minister state what it is intended to do with Whitby? Is it intended still to continue to use that property as a farm for mental patients, or is it intended to transfer the patients to Bundibup? A very large sum of money has been spent on the development of Whitby, which is an ideal spot.

The MINISTER FOR HEALTH: It is difficult to give a complete answer to the hon. member's question. A general scheme of reorganisation is under consideration and presumably the Whitby patients will be transferred.

Vote put and passed.

This concluded the Loan Estimates for the year.

Resolutions reported and the report adopted.

House adjourned at 10.56 p.m.

Legislative Council,

Wednesday, 22nd November, 1939.

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

QUESTION—YOUTH EMPLOYMENT.

Training for Skilled Positions.

Hon. A. THOMSON asked the Chief Secretary: As the Government is in communication with the Prime Minister regarding the desire to train unskilled youths for skilled positions—1, Will the Government consider providing in its scheme for an opportunity of training unskilled youths from the ages of 18 to 24 for skilled positions who, owing to the late depression, lost their chance of becoming skilled workers? 2, Will the Government arrange or endeavour to place a proportion of youths whose ages range from 18 to 24 in the Midland Workshops so that they may become skilled workmen?

The CHIEF SECRETARY replied: 1. The proposed scheme referred to is a Commonwealth scheme and so far we are not in receipt of any particulars regarding same. 2, Having regard to industrial award conditions, it would not be practicable to adopt this course.

MOTIONS (2)—STANDING ORDERS SUSPENSION.

On motion by the Chief Secretary, resolved:

That Standing Order No. 62 (limit of time for commencing new business) be suspended during the remainder of the session.