Hon. E. H. H. HALL: I do not want to hear any cries of "Shame" from anyone, not even from the hon. member interjecting, who is pleasant to me at the tea table. If the Labour Party wanted representation in this Chamber, I wonder why they did not try to get it from the wage-earning section that lives in the Metropolitan and Metropolitan-Suburban Provinces. Is the reason that the leaders of Labour thought those electors knew too much about them? Was it that they thought the poor old Cocky away out in the Central Province would be caught with this chaff that Trainer was giving him? Why, it is contemptible! If the Labour Party was really dinkum, why did it not contest these seats and try to put out other members, try to obtain representation here for the Metropolitan and Metropolitan-Suburban Provinces? I ask the question, and I will provide the answer. They were not game!

Hon. H. S. W. Parker: Hear, hear!

Hon. E. H. H. HALL: In conclusion, I shall merely add that I was indeed pleased to read in this morning's "West Australian" an extract taken from the London "Times." I do not propose to read it; if members have not perused it, I hope they will do so. When we can read sentiments such as those expressed by the "Times," there is some hope for a better world. I regretted reading the report of an interview said to have taken place with Sir Joseph Cook, one of the grand old men of Australia. He was reported as saying that he had no time for the man who thought and spoke of a new order emerging from the present terrible conflict. Sir Joseph is a very old man, though, of course, of great experience. I hope the old gentleman will prove to be wrong in his outlook. In the language of the classics, our present system is "up to mud." It is a continuous fight. We all want to buy in the cheapest market and sell in the dearest. Geraldton is a long way from the metropolis, and I have reminded the residents of the northern port of that fact. They have returned the Premier to the Legislative Assembly for many years and I always secure a good majority when I seek a return to my seat in this Chamber. Geraldton, the good old Labour town! The most prosperous and wealthy storekeeper in Geraldton is a Chinaman. Yes, we all want to buy in the cheapest market and sell in the dearest. Until we can do away with the unconscionable capitalist and the equally conscienceless labourer, each of whom endeavours always to get the better of his fellow man, we will not make much worth-while progress, and the present war will have been in vain.

On motion by Hon. J. A. Dimmitt, debate adjourned.

House adjourned at 9.28 p.m.

Legislative Assembly,

Tuesday, 6th August, 1940

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

CHAIRMEN (TEMPORARY) OF COMMITTEES.

Mr. SPEAKER: I desire to announce that I have appointed Mr. Withers, Mr. J. Hegney and Mr. Seward to be temporary chairmen of Committees for the session.

QUESTION—FREMANTLE GAOL.

Employment of Able-bodied Prisoners.

Mr. SAMPSON asked the Minister for the North-West: 1, How many able-bodied prisoners are in the Fremantle gaol? 2, Apart from duties concerned in dealing with their own personal needs, is work to the extent of at least forty-four hours per week per prisoner always available. 3, From the reformative view is it considered desirable that able-bodied prisoners should be provided with regular full-time employment and habits of industry thus inculcated?

The MINISTER FOR THE NORTH-WEST replied: 1, Two hundred and eight male prisoners. Of these, 191 are able-bodied men. The remainder are detained in hospital suffering from various ailments. 2, No. It is not considered practicable. 3, Yes. At Pardelup Prison Farm, 48 men detached from Fremantle, are fully employed on farm duties.

ADDRESS-IN-REPLY.

Fifth Day.

Debate resumed from the 1st August.

MR. HILL (Albany) [4.35]: We all realise that our first job is to win the war. We must, however, do far more than merely supply men and munitions. When I spoke on the Address-in-reply last year I confined my remarks almost entirely to problems of transport, and I make no apology for doing the same this year. The prosperity of our industries depends very largely upon transport costs. I also said that the next war would to a large extent be a fight for the maintenance of our transport services. To-day the primary duty of the Navy is to maintain our sea communications. If we are to do our full share in the war effort we must provide the State with the most efficient, and economical, and the safest transport services possible. Fortunately our transport problems have been investigated and reported upon by experts appointed by the Commonwealth Government, but unfortunately the Government of this State has made very little effort to give effect to the subsequent recommendations. The Commonwealth Grants Commission is getting a little tired of the Government of this State, and not without cause. The chairman of the Commission stated that if this State continued to spend money on outports, from which there was no chance of deriving interest, the Commonwealth Government would have to reconsider the question of grants. The Commission has also objected to the State Government spending loan money on roads without making provision for interest and sinking fund payments.

On all sides complaints are heard of the inefficiency and high costs of our transport services. In spite of these high costs the losses on our transport services and facilities for 1938-39 amounted to no less than £766,000. During that year 26 per cent. of the total revenue received from taxation was required to make good those losses. Last year I think the losses were even greater. If the Commonwealth Grants Commission took the stand that not one penny would come from the Commonwealth unless the State Government intelligently studied and adopted the general recommendations of the experts appointed by the Commonwealth, it would do Western Australia a great service. Were our transport services made to pay we could considerably reduce taxation. A 10 per cent. reduction in transport costs would be equivalent to a substantial bonus to production and industry. I have on previous occasions pointed out that we can learn a great deal from the report of the general manager of the railways, harbours, airways and steamships in South Africa. His latest report, which reached me last March, is most interesting. It tells us that during the previous four years the South African Railways made a profit of over £21,000,000, and the ports made a profit of £2,360,000. Western Australian Railways in the same period made a loss of £1,479,000, and on harbours and rivers there was a loss of £96,000. Whilst our railways are increasing their charges, those in South Africa are being substantially reduced. For instance, when bulk handling was introduced here, an increase of 9d. per ton on the railway charges was imposed. Railage is charged on canes and canvasses used to enable ordinary trucks to carry wheat in bulk. Our railways collect every penny they can. In South Africa maize grown within the Union for export received a rebate of 5s. per ton of 2,000 lbs., and from the 15th June, 1939, that rebate has been increased to 7s. 6d. per ton. The railways, harbours, steamships, bulk handling, food storage facilities, motor services and airways in South Africa are all under the control of a general manager, who is responsible to the Minister for Railways, a Union Minister. Roads and road transport are mainly controlled by provincial and local authorities, who come under the jurisdiction of the Minister for the Interior. That Minister also controls the National Roads Board. The Civil Air Board comes under the jurisdiction of the Minister for Defence. The general manager is opposed to that multiplicity of control. I wonder what his opinion of

our lack of transport administration in Australia would be. Not only have we the Commonwealth Government, but in our own State we have the different activities that are controlled in South Africa by a general manager brought under the jurisdiction of no fewer than six out of eight Ministers. The Commonwealth Transport Committee recommended placing all transport questions under one Minister, with a transport authority for the Commonwealth and a similar authority for the States. The general manager in South Africa recommends the placing of all transport facilities under one Minister, and the creation of a department of transport with a National Transport Advisory Council. This largely corresponds with the recommendation of the Commonwealth Transport Committee for the appointment of a Commonwealth Minister and a Department of Transport.

Last session, I dealt with the need for sound administration in our own State, and suggested that we put all our transport facilities under the one Minister, with a commissioner or director of transport as the permanent head of a department of transport. I further suggested a transport council consisting of the Commissioner of Transport as chairman and the following members:—The Commissioner of Railways, the Commissioner of Main Roads, the Chairman, or General Manager, of the State Harbours Board, the Chairman of the State Transport Board, the Manager of the State Shipping Service or some other shipping man, and, perhaps, representatives of the producing, commercial and industrial interests, a total of nine members. It is rather interesting to compare my suggestion with the proposal of the General Manager in South Africa. On page 21 of his report he states—

> As a natural corollary to the establishment of a Ministry of Transport and the creation of a national body to co-ordinate and control all forms of transport, certain changes will have to be made in the control and organisation of the Department of Railways and Harbours. It is suggested that these should include the appointment of a Directorate of Railways, which body should, subject to the authority of the Governor-General and the control of the Minister of Transport, take over the administration of the railways and harbours. It is suggested that the Directorate should comprise nine members appointed by the Governor-General in the following manner:—
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> The General Manager of the South African Railways and Harbours as chairman; two Assistant General Managers of the South African Railways and Harbours Administration; two members nominated by the Minister of Transport; one member nominated by the South African Agricultural Union; one member nominated by the Association of Chambers of Commerce of South Africa; one member nominated by the South African Federated Chamber of Industries; one member nominated by the mining industry.
>
> Under a system of co-ordinated control by a Minister of Transport, advised by a Transport Advisory Council, the disabilities above referred to should disappear and the country as a whole would reap the economic benefits of a well considered, defined and progressive road and rail policy, under which due regard would be had to the interests of all sections of the community. The funds available for road purposes would be consolidated and used to the best advantage. Uniformity of method and incidence of road and road-motor vehicle taxation, as well as uniform traffic laws, would be obtained.

When we set up our Commissioner of Transport and our transport authority, they will have jobs for full grown men. To put our transport arrangements on a sound basis, drastic changes will have to be introduced. No changes are ever made without someone being called upon to make sacrifices for the common good; but the tendency is to consider parochial and selfish interests instead of the welfare of the community. One of our greatest needs in this State is a sound port policy. Our capital port has the unenviable distinction of being the dearest capital port of Australia. Although Western Australia is the biggest self-governing unit in the world, our one port handles 90 per cent. of its trade and, in spite of the very high charges at Fremantle, our ports over the last four years made an aggregate loss of over £96,000. The Commonwealth Transport Committee recommended closing some of the minor ports and concentrating the trade, by road and rail transport, at the more suitable ports. This seems rather drastic; it is the only remedy. One of the greatest port and transport authorities in the world 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 pointed out that a port, to be effective, must adapt itself to the changing means of transport. He continued—

> If it does not, its trade will leave it for more suitable ports, or, if that is not possible, the results will be a handicapping of trade by increased costs and delays.

In common with all transport experts, he recommends fewer ports. Instead of adopting the recommendations of the experts, the Government has divided the State into port zones, and has given proof by this policy of the truth of Sir David Owens's statement. Albany could be made a modern port at a very nominal cost, but the zone only extends to Boyerine. The production of the zone, according to the Government, does not warrant any expense at the port. Bunbury cannot be made a modern port and the result is that the pick of the trade of the southern portion of our State is forced to Fremantle, where it is heavily taxed to meet the losses on the outports and what trade is left to the southern ports, is done with delays and heavy costs. In South Africa only two bulk handling terminals are provided. These are first-class terminals, and are at the two most suitable ports. By the adoption of this policy, economies are effected that are passed on to the producer. In this State the Government has adopted an opposite policy, and the producers have had to shoulder increased costs.

Ports are to the commercial life of a nation what fortresses are to the army and naval bases to the navy. When war breaks out, the enemy does not pander to pet national or political vanities. He looks for the weaknesses of his opponents and then concentrates upon hitting at those weaknesses. The misuse of fortifications brought about the downfall of the Roman Empire and the collapse of the French in 1870, while we all know what happened to the wonderful Maginot line some weeks ago. In 1900 Germany considered that if she built a fleet and concentrated it in the North Sea, she would bring about the downfall of the British Empire by smashing up the fleet a unit at a time, like the Japanese in 1904-05, smashed up the Russian fleet. Strategically her policy was sound; tactically she blundered. Between 1904 and 1914 there was little difference in the combined coastal defence and naval expenditure of Great Britain and Germany. While Great Britain spent 19s. in the pound on her fleet and provided only moderate defences at her ports, a large proportion of the German expenditure went on her elaborate fortifications and naval bases. When war broke out, those bases became cages. Her ships were too busy running away to those cages, to attack the moderate defences of the British ports. The British Navy did not waste its energies attacking the wonderful coast defences of Germany. Operating miles out of range of those guns, they wiped out of existence the German merchant service, which the German fleet was built to protect, and thus played a decisive part in the war. In 1919 Admiral Sir Wm. Clarkson, speaking at a luncheon in Melbourne, said:—

> It used to be thought that if we had a naval base here and a naval base there, we were defending Australia. That idea was absolutely wrong. I am pleased to see that public opinion is changing. It has always been the policy of the British Navy to keep the enemy in his own ports or to destroy him when he came out.

When Admiral Henderson came here in 1910, England was preparing for war with Germany. Had that officer been guided by purely strategical considerations, he would have recommended that Australia should spend every available penny on the construction of ships and that when he had sufficient for our local defence, the rest should be based in the North Sea. Such a policy would not have been accepted by the Sydney "Bulletin" and other newspapers, including the "West Australian," nor yet by the Commonwealth Government. They wanted naval bases in Australia. Admiral Henderson was a most obliging expert. Under his scheme we were to have naval bases everywhere. I noticed in the Commonwealth Budget for 1917-18 the two items: Expenditure from loan funds, Construction of fleet, £400,000; naval bases, etc., £660,000. I wonder what my banker would think of me if I asked for a loan of £400 to purchase a motor truck and a further loan of £660 for a garage in which to keep it. I say, with all reverence, "Thank God it was the British Admiralty and not the German or Japanese Admiralty that showed Australia the insanity of the Henderson proposals." In this State to-day ports are not seen in their true perspective. They are political playthings, and our expenditure on them is out of all proportion to our population and our expenditure in other directions. Although we have spent 7½ million pounds on our ports, we have no port administration; we have not even a Minister for ports. The Government tries to run the country for the benefit of the ports and for that reason has divided the country into four zones based on one factor only, namely, railway mileage. The

Government has done that instead of adopting a port policy that will provide the State with the most economic, efficient and safe transport possible.

To-day we are all anxiously watching Japan. That country's war with Russia in 1904-5 is of particular interest to us. The harbour at Port Arthur is a very poor cousin of Princess Royal Harbour at Albany. Before the Russians developed that port as a naval base, they considered the question whether they would make a combined naval and commercial port. They decided to keep Port Arthur as a naval port and develop Dalny—or, as it is now called, Darien—as a commercial port. When war came, the Japanese, without even saying, "Thank you," took possession of Dalny and used it as their base against Port Arthur and Manchuria. Is it not better for me to refer to our weaknesses in this State than to leave it for an enemy to take advantage of them? Some years ago a Japanese warship called at Australian ports, including Albany. Two officers on that ship were able to tell our commanding officer that eight miles from Albany a landing could be made at Torbay and the Perth-Albany railway was only two miles away. At Melbourne they showed the artillery officers where they could bombard the forts protecting Melbourne and the gunfire from the forts could not reach the ship. I guess the Japs know as well as I do that, to save on an average only 34 miles of railage, wheat is being hauled over a range of hills on a railway line that has bridges which could be destroyed by fifth columnists or aerial attack, thereby putting the railway out of action for some time. That line leads to a silted-up harbour where there is a Heath Robinson wheat terminal, the silo of which stands out as a lovely target from three sides. The fort is unfortified, and ships at the jetty are at the mercy of any raider that might appear. To protect that port by land defences would be extremely difficult. The wheat is hauled over that line instead of being taken down easier grades on a railway that has no bridge worth destroying to one of the finest harbours in the world, already fortified and capable of being made impregnable at a reasonable cost.

Mr. North: Would your plan reduce costs?

Mr. HILL: Yes, definitely. If we saw this kind of thing occurring in a comic opera we would laugh. When it is done in real life in peacetime, high costs are involved that the taxpayer and producer must pay. In wartime we may be called upon to pay for that policy with the lives of our men and the loss of our ships. Two 10-inch guns kept the Japanese fleet from Port Arthur. I imagine the Japanese know as well as I know that there are two 9.2 guns at Rottnest with a range of 29,000 yards. They know as well as I and our G.O.C. know that 100 miles away there is a convenient Dalny, and if a mechanised and motorised force landed there, we would be very hard pushed to prevent that force from treating Fremantle defences as the Germans treated the Maginot Line. Thank God, we have our navy, and our air force, and our men are showing that they are still of the bulldog breed; but we have a duty to them. I once read that "While tactics may be said to be the art of all ranks, strategy is the art for the admiral, the general and is, or should be, the art of the statesman." Our duty to-day is to make things as easy as possible for those who are fighting for us. We must cut out our weaknesses. We must aim at winning the war and surmounting the difficulties that will succeed the war. One of the Government's most important tasks is the provision of the safest, most economical and most efficient transport possible. I do not ask that the Government should consider my views. What I do ask is that it should adopt the carefully considered recommendations of experts and put the welfare of the State, the Commonwealth and the Empire before selfish and parochial interests. We should concentrate on winning the war and not the next election.

MR. BOYLE (Avon) [4.55]: Conditions in the world to-day are entirely different from those that prevailed when the House rose last December. That fact has led to a good deal of recasting of thoughts and ideas by those of us who give consideration to those matters, and I think that applies to all of us. Unquestionably, a tremendous impetus has been given to ideas that were once regarded as radical, and, by some minds, as ridiculous. Those ideas are now within the realm of practical politics. Leader writers of such papers as the London "Times," and men like the chairman of direc-

tors of such a concern as the New Zealand Bank, tell us that there must be a reorientation of our thoughts and that there must be and will be a recasting of our ideas of the future. This change in thought has occurred in the same way as an alteration has taken place in mechanical warfare. Just as there has been a marked change in the weapons used in this war as compared with those used in the previous war, so have our notions regarding economics been upset. I have no doubt of the ultimate victory of the allied arms. If any of us had any doubt about the issue, we would be lacking in the moral fibre that was displayed by the wonderful men who settled this country and who in their time overcame difficulties that were deemed to be insurmountable. Bearing all this in mind, we must build for the future. Australia's future will largely be mapped out by the State Houses of Parliament throughout the Commonwealth. That will be our function. I have here from the Department of Information a most interesting circular which quotes a great Australian, Professor W. K. Hancock. His letters from England were of such importance that they were deemed by the Department of Information to be sufficiently valuable for embodiment in a special circular, and with the conclusions of the department in that regard I find myself in complete accord. Professor Hancock, in his pamphlet written on the 26th May last, refers to the passing of an age. Without claiming intellectual equality with Professor Hancock, I, in speeches delivered in this House as far back as the beginning of the depression, quoted with approval the opinions of Henry Ford, who said that we were leaving one epoch for another. This war has hastened that movement. Professor Hancock said—

> Chamberlain's resignation is symbolic—

Members will recall that Mr. Chamberlain resigned about that time.

> and is a more important landmark than the Reform Act of 1832. It marks the passing of an age—the age of the business man, 1832-1940 . . .

That, to my mind, is a profound truth. The passing of the Reform Bill in 1832, as members are aware, made possible the beginning of the machine age in England, the age of manufacturing, the advent of the business man, and the inauguration of free trade. These theories and the growth of England as the workshop of the world date from that period. During the intervening years all the evils connected with intensified industrialism in the form of sweated labour have occurred, as well as that for which we are paying the penalty today—the deterioration of the quality of manpower in the United Kingdom, which, during the 1914-18 war, was at a very low ebb. Today, however, thanks to measures taken by the Imperial Government, there has been an improvement, but still those conditions are very bad indeed. One has only to read the books of Douglas Reid, "Insanity Fair" and "Disgrace Abounding," to realise that the period of control by the business man, or what I might term middle-class control, has come to an end. But it took a war to hurry that along. In the Imperial Parliament we have in control a combination of all the brains of the House of Commons, irrespective of where they were drawn from. It is a great pity that we have not something similar in Australia. Professor Hancock proceeded to say—

> Hitler is a man who belongs to the present and the future; he accepts them and forges them for evil. Chamberlain rejected the evil, but rejected the present and the future with it. It was not morality or courage that he lacked; it was his limitations, which were disastrous. He simply could not escape from the Joe Chamberlain-Birmingham age, which was the last phase of the business man's century. That meant he was unable, despite good intentions, to wage modern war or organise modern peace.
>
> His successors will do both, and Chamberlain's acceptance of them (he did that with real nobility) is a pledge that the old order will pass resignedly into the new, as it did in 1832 . . . .
>
> As for the job—it is to make society organic without destroying freedom. In peace time we have to get a new standard of social duty. The acid test of our success will be the abolition forever of disease and disgrace of unemployment.

That is the future we must build, and we in this deliberative Assembly should keep that ever in mind. The war will not be won by us; it will not be won by this House, but the peace will be won by us if we are worthy of our responsibilities.

Mr. Marshall: Do you think we won the last peace?

Mr. BOYLE: Circumstances are different. I have often expressed the opinion, sadly enough too, that the last peace was not won by us. Actually we lost it.

Mr. Marshall: Quite right.

Mr. BOYLE: And we lost it through circumstances over which we had no control.

Mr. Marshall: It is a pity that we should have participated in it.

Mr. BOYLE: As far as this State is concerned, it rests largely with us in this House to ensure that the next peace is not lost. The Commonwealth Parliament has passed the National Security Act and has enforced regulations promulgated under the Act, which I held at the time—and this has unfortunately since been substantiated by facts—were oppressive and unconscionable in their effect on the producers of this State particularly and of Australia generally. The regulations include one known as No. 98, which deals with wheat. We have the spectacle of wheat being commandeered under the regulation by a board which, I pointed out at the time, includes five representatives of the merchants. I hope and pray that in the new order for which we are looking, the merchandising of wheat will be something that will have been relegated to the past. The Commonwealth Government, in its lack of wisdom, set up a board of nine members, five of whom are representatives of the merchants, and those five men absolutely dominate the board. Exception has been taken in certain quarters to my statement. It is held that there are only three representatives of merchants amongst the nine members of the board, but the two pool representatives—the pools are purely merchandising concerns—make the number five. I do not intend to say in a sweeping statement that all the activities of the board have been wrong. I think that the board, in many ways, has done excellent service, but the position is that the wheatgrowers of Australia, and of this State particularly, have no say whatever in the handling of their wheat or in the ultimate destination or selling of their wheat. The only representation they have is a minority one on the board. The representation that our farmers have is really nil, that is, if it is possible to have nil representation.

Mr. Marshall: You could have ill-representation.

Mr. BOYLE: Yes. In Mr. Teasdale we have one of the most able men I have ever met. There is nothing affecting the marketing of wheat that he does not understand and he is certainly an excellent representative on the board. But Mr. Teasdale occupies what I term a minority position on the board. What earthly reason was there for appointing Mr. Harold Darling as a member of the board? What reason was there for appointing Mr. Edwards, of Hemphill & Sons, a member of the board? What reason was there for appointing the representatives of other merchants to the board? Those men have no hand or part in the production of the commodity being handled. The only relation they have to the industry is the long connection of their firms with handling the product of the industry, during which they have become millionaires, or at any rate made fortunes, while the men who produce the wheat to-day, in Western Australia particularly, are submerged in debt. The farmers have no say whatever in the fixation of a price. The wheat was taken from them. According to the Commonwealth Constitution Act, a fair price must be given them by way of compensation. I suggested in this House—and I think it is a good suggestion upon which the Commonwealth should have acted because it was adopted by this House—that a price of at least 3s. 4d. a bushel at sidings should be paid to the wheatgrowers of Western Australia. That recommendation sent forward by us as a deliberative body was absolutely ignored by the Commonwealth Government, and to-day we have the spectacle of what practically amounts to paralysis prevailing in business in our wheatbelt. Farmers in my district have received 2s. 3½d. a bushel for their wheat and another payment of 4d. a bushel will be made on the 16th August. I have a circular that was sent to me evidently in anticipation of my attacking the present state of affairs. It is unsigned, but I regard it as bona fide. Generally we look for the sting in the tail but here it is in the head. One statement contained in it is—

> The probability is that there will be a further payment towards the end of the year.

What on earth was there to prevent the Commonwealth Bank's making one payment of 3s. 4d. instead of the payment it actually made of 2s. 8½d. a bushel less freight? What is the difference? The Wheat Board had an overdraft of £27,000,000 with the Commonwealth Bank and, as this circular says, the overdraft has been reduced to £16,500,000, and will be increased by £3,700,000 to make the extra payment of

4d. a bushel. Why not have increased the overdraft to £30,000,000? Why keep the farmers on tenterhooks? Practically the whole of the first payment of 2s. 4d. was seized by the financial institutions of this State, and very little of it reached the farmers. The State institution known as the Agricultural Bank in many cases took the whole of the proceeds of its clients, and from many of them collected arrears extending over years. Section 51 of the Agricultural Bank Act states definitely that only one year's interest may be collected, but there is also provision in Section 53 that the Commissioners may refund any instalment of principal or interest paid. The Bank has a habit of re-advancing interest and calling it a refund, but all of it was drag-netted into the Agricultural Bank, so much so that the Premier, in July last, was very pleased at being able to announce that he had received by way of interest for the year a sum of £274,000, whereas he had budgeted for only £220,000.

Mr. Hill: The other banks are doing the same thing.

Mr. BOYLE: Yes, and even worse things. The Government received £54,000 in interest over and above the amount budgeted for, and in budgeting for £220,000 the Government anticipated receiving a very large sum from its 6,000 clients. However, the Premier budgeted to receive nearly a quarter of a million of money, and the sum received was £54,000 more, which was taken at the expense of the men producing the wheat. Few of those men seemed to have any right whatever in their wheat. They were deprived of their rights under that oppressive and damnable Act known as the Agricultural Bank Act of 1934. They have not the rights that ordinary citizens enjoy when in danger of repossession. They have no right to approach the Commissioners of the Bank and find out what money they are going to get back. They are simply told that the interest and other charges under the Act have been made, and that the balance of their funds will be placed to the credit of their I.A.B. suspense accounts. Men who produced a thousand pounds worth of wheat are back on the dole of 28s. 6d. a week allowed for a married man.

Mr. Marshall: I am not defending the Agricultural Bank, but there is a big difference between it and the ordinary Associated Banks.

Mr. BOYLE: Well, I hope so. However, I refer to only one thing at a time.

Member: It is only a matter of degree.

Mr. BOYLE: I do not say that the administration of the Agricultural Bank is unsympathetic in this respect. In this Chamber I have spoken of Mr. Donovan in eulogistic terms, and I still do so. At heart he is a most humane man. However, I do not for one moment believe that Mr. Donovan has been granted a free hand in this matter. In my opinion, the Government's urgent requirements for money had to be met by Mr. Donovan, and in the Agricultural Bank to-day Mr. Donovan is simply a collector for the Government.

Mr. Marshall: And the Government collects for the Associated Banks.

Mr. BOYLE: Now I wish to deal with another matter relevant to farming. I am continually met in the city and also in country areas to-day with an argument against the farmer relatively to the price of bread. A Wheat Products Prices Fixation Act has been passed, and as a result we find that we have created another aristocracy, or at least privileged class. There is a baker in one of the important towns in my electorate, Merredin, who had the infernal effrontery to sell his bread, on the basis of bread tickets, at 5½d. per loaf. He had the outrageous impertinence to attempt to reduce the price of a necessity of life to the workers in the town of Merredin. What a shocking thing! I will state why it was shocking. He received a notice from the chairman of the committee to the effect that if he persisted in that vile course, he would be dealt with severely under the Act; and he was ordered to withdraw the tickets immediately from the workers who had bought them at 5s. 6d. per dozen and at once to revert to the price of 6d. per loaf.

Hon. C. G. Latham: One baker down here has been fined £20 for similar conduct.

Mr. BOYLE: That is the kind of legislation we pass. I took that case up, and I assure the House that I did not fare fortunately as regards the reply I received. It took the chairman of the committee some considerable time to reply, and his answer was to the effect that bread tickets were issued in the metropolitan area, on the goldfields, in Albany, and—incidentally—in the town of Northam, which I fail to see is entitled to any special treatment. On the other hand, the answer continued, bread

tickets were not permitted in Merredin or Narrogin and similar centres because it was thought that the bakers there would not be able to make a profit out of their businesses under those conditions. I have the letter of the chairman here. In other centres where bread tickets were not issued, the issue of them was prohibited because the bakers in those centres could not achieve a sufficient out-turn to make a profit if trading under the ticket system. What a particular softness for bakers in those areas! Why should the people of the metropolitan area receive their bread at 5½d. per loaf on the ticket basis? Flour, I may point out, is 8s. 6d. per ton cheaper to the baker at Merredin than to the baker at Perth, because of the existence of the flat rate. Merredin was a milling town until certain things happened—until the Agricultural Bank secured a verdict for £700 against our local milling company in respect of wheat the farmers had placed in the mill. The Merredin mill had to meet that judgment for £700, and the farmers had all the amounts paid for that wheat re-debited to them. One would hardly credit those things, but they are going on. Now we are trying to put a stop to them. We say that no committee, no law passed by this Parliament, should have a tendency to keep prices up. Everything we do and authorise should tend to make prices lower.

Mr. F. C. L. Smith: What about the military?

Mr. BOYLE: I am glad the hon. member mentioned that phase. It deals with the reward to the producer. That, I think, is what the hon. member has in mind. Lately the military authorities in Western Australia accepted a contract for a military camp situated in the metropolitan area for bread at 1-3/16th of a penny per pound. That works out to a 2lb. loaf at 2⅜d. That was the actual price, and I am quite sure that no inferior bread would be sent to a military camp. The price is considerably lower than 3d. per loaf. Now, what does the producer get out of it? Out of the flour tax ruling in Australia this year he gets 1d. per bushel, equivalent to 1-28th of a penny on a 2lb. loaf. Such is the incidence of the flour tax in that regard. But the whole of the profit, the difference between what the producer receives and the sale price, is eaten up by middlemen's and bakers' profits; and the consumer is compelled to pay 6d. per loaf for bread that is sold to the military authorities at 2⅜d. There may be reasons for it. If there are, I would like to learn them. Federal Senators, including Labour Senators, go about the country saying that the Wheat Products Prices Fixation Act should be repealed. That means the repeal of an honest effort by the Federal Government, backed by an honest effort on the part of this Parliament, to give the wheatgrower a place in the firmament, so to speak, a place in the scheme of things obtaining in this highly protectionist country.

So we find that our efforts are vain. We find that instead of the producer getting the benefit of the Act, it is secured by a coterie of middlemen. In this Chamber we saw representatives of the Master Bakers sitting in the gallery until seven o'clock in the morning while we were passing the Wheat Products Prices Fixation Act. No doubt there is great joy to-day among the bakers. I do not object to any man getting the full result of his labour. I am greatly pleased to see a man make money by sound conduct of his business. But when we assist men to maintain a cast-iron ring of prices, as we did by the passing of that particular Act, and when I, as member for an inland constituency, am told that bread cannot be sold there at 5½d. per loaf but that 6d. per loaf must be paid, undoubtedly there is something rotten in the state of affairs.

Mr. Styants: The same has been done in Kalgoorlie.

Hon. C. G. Latham: And down here a man was fined £20 for selling bread under the fixed price.

Mr. BOYLE: A great deal has been said about the closing-down of the bolt and nut factory at Bayswater. There is much to excite thought in the closing of that factory. As far as I can learn from inquiries I made in Melbourne, McPherson's was a factory practically owned by its operators, owned by the workers in the factory. As a further result of my researches I learned that the Country Party Government ruling in Victoria, and ruling excellently, has the whole-hearted support of the Victorian Labour Party. I am not prepared for one instant to admit that the Labour Party of Victoria would permit

industrial conditions unfavourable to the workers. Not for one second would I admit that. But it does appear to me that there must be something radically wrong with our industrial conditions when such a factory is compelled to close down here. The local managing director said, "Our factory has been working at a loss of 30 per cent." Is there something wrong with our industrial conditions that brings about such a result? I think there must be.

Mr. J. Hegney: It is a strange thing that those people bought out the previous proprietors in order to eliminate competition.

Mr. BOYLE: I am merely seeking information. I have no object other than that. Let me say here to the Minister for Industrial Development that I want to see that industry established in Western Australia. I have already told the Minister that to attain that end I would support him to the uttermost. No support from me will be lacking towards the establishment of secondary industries in this State. But the hon. gentleman has an impossible task, apparently, in the existing state of affairs. In pursuit of the creation of further secondary industries in Western Australia I have interviewed the managers of big businesses in Perth; managers of factories making wearing apparel and so forth, firms making men's trousers—an indispensable article of clothing—engaged upon the making of trousers entirely apart from any other article of clothing that is to say, the putting together of the material. Now, in Western Australia the lowest quotation for trousers as per sample shown to me was 39s. 6d. per dozen. That quotation was mentioned to me by a well-established Western Australian firm. I was also shown a similar pair of trousers put together by a Victorian firm at the price of 24s. 6d. per dozen. Why should that difference exist? I got a sidelight on the reason. I do not know whether it is correct, but I will state to the House what I learnt in that regard. The refugees admitted into Australia are having a depressing influence on the industrial affairs of Australia. I was told that some of the Melbourne clothing firms were composed of refugees who had been admitted into Australia, and that the industrial laws of Victoria were evaded by making refugee workers into partners. One such concern employing about 20 people has 10 registered partners owning the business. I understand, further, that the work of such firms is largely done off their premises. Finally, I consider that the Minister for Industrial Development might as well close down his department if that state of affairs is to exist.

The Minister for Mines: Why did not the Victorian Government take the matter in hand?

Mr. BOYLE: They did, but in the meantime others engaged in the trade were suffering. In my opinion, the Government of Western Australia and the Commonwealth Government could work together in this regard. What objection would there be to this State forming a framework of its industrial legislation and Commonwealth industrial legislation and operating within that framework? Would it not be better to have some form of industrial uniformity in that respect? Are we to regard these refugees in the same light as Chinese or Japanese people attempting to put our industries out of existence? Reference to the Statistical Register shows that in the year 1933-34 we imported £8,000,000 worth from Eastern Australia, in the next year £9,000,000 worth, while in the following year £10,000,000 worth, in the next ensuing year £11,000,000 worth, and in 1937-38 no less than £13,000,000 worth. Even admitting that there was a slump during 1932, 1933 and 1934, there should not be so much difference. The figures show that our local industries are not able to make headway against such competition. The figures show that our local industries are being handicapped out of existence by a coldly-calculated system of dumping into Western Australia. In my opinion, the Western Australian Government should devise some means of preventing that practice. We could, by agitation and pressure, secure the adoption of a uniform system throughout the Australian Commonwealth, a system providing that highly industrialised States should not prevent a less industrialised State from supplying at least its own requirements. It is obvious that if we purchase £13,000,000 worth of Eastern States goods, we are getting the money to pay for those goods from goldmining and from other primary industries of Western Australia. That is plain to the least intelligent. It is simply one-way traffic; we sell only 1½ million pounds worth of goods to the Eastern States, while importing from them

13 million pounds worth. I am in agreement with the Minister. I sympathise with him in the hopeless job he has on his hands. He simply cannot establish industries successfully in this State when they become immediately the subject of a barrage from the Eastern States. It is no use saying we have no local patriotism. We have only the local patriotism that enables our wives to expend the income that we give them. That is all the worker, the farmer or anybody else in this State can do; he must get the most he can for his money, and of course advantage is being taken of that fact. As a friend said to me, "How can I sell a pair of trousers in competition with other tradesmen unless I get them manufactured at the lowest possible price?" I daresay the same thing applies to the factory that is now being closed down in Western Australia, and I suppose it will apply to many of our other factories. We must bear in mind—I am firmly convinced of this, although I hope I am wrong—that when the war ends the artificial price of gold will go with it. What will we have then? When the war is over we shall be compelled to re-cast our economy; we shall have to eliminate non-essentials. What is the essential use of gold beyond its use for filling teeth and the making of ornaments? William Jennings Bryan said in 1894 that mankind was being crucified on a cross of gold.

Mr. Patrick: Do you want to put silver in its place?

Mr. BOYLE: One would be as bad as the other; there would not be much difference. I am aware that Western Australia is heavily indebted to the goldmining industry. I am a Western Australian born and know that in my young days gold put Western Australia on the map. Gold made possible the agricultural development of this State. Gold again has come to our rescue when our primary industries are languishing nigh unto death. All over the State men are leaving their farms, some imbued with patriotic motives—they are enlisting—while others frankly are driven from their holdings. I mentioned before in this House the fate of a man who pledged £1,000 worth of wheat at a financial institution with which he was doing business. He was told that he could not draw £20 against it. That led to his walking off his farm with his four children, and he is now on sustenance at Palmyra. A man in the violent and noisy ward at the Claremont asylum would not allow such a thing to happen. Yet we permit it, we who sit complacently in this Chamber; at least I do not, nor do those associated with me, because at all times we draw the attention of the House to cases such as this. They are provable cases. Here is another instance. I received in my mail this morning—and I may inform the House that my mail and my official work are getting as much as I can physically cope with—as I say, I received in my mail a letter from a farmer whose people took up his holding 90 years ago. He is a good man, I know him well, and his farm is situated in a district close to the metropolitan area. This farmer has none of what we call the ordinary failings; he lives a hermit-like existence. He received yesterday from his bank the following notice:—

> Take notice that the . . . .
> I shall not mention the name of the bank—
> . . . Bank, the registered proprietor of instrument of mortgage registered in the Land Titles Office, Perth, on the 9th day of July, 1931, and numbered 5193/31, requires payment by you of the moneys owing under the said mortgage, and take further notice that in default of your making such payment the said bank will proceed to exercise its powers of sale and all its other powers under the said mortgage. Dated the 22nd day of July, 1940. Signed by . . . .

That farmer gets notice of dispossession in this present year of war! His wheat was taken from him; it was commandeered under the War Precautions Act, National Security Regulation 98. His wool was taken from him under Regulation 108. The Price-fixing Commission fixed the price of meat against him.

Mr. Marshall: I thought we went to war to protect our freedom and liberty.

Mr. BOYLE: I tell the House that this document reached me only yesterday, and that we have done nothing to protect men of that type. That is why I advocate a limited moratorium. Parliament should pass a moratorium Act, not having general application, but to meet cases such as I have mentioned. Why should a rich bank foreclose on a property that was taken up 90 years ago by the father of the present mortgagor? The father went into that district 90 years ago and cleared the land, living literally on the smell of an oil rag. It is an excellent farm, and now the financial institution says that because the son has not paid his interest and because the

capital sum has perhaps been increased by the compounding of interest—that foulest of all crimes—

Mr. Marshall: Has the farmer yet been paid for his production this year?

Mr. BOYLE: No.

Mr. Marshall: Of course he has not.

Mr. BOYLE: He certainly has not. He has not yet been paid the extra amount for his wheat, nor will the 10 per cent. of the price of his wool be paid until the end of the month. In this instance an institution steps in and says, in effect, "The time is ripe to get rid of you old stagers; we want fresh capital." And yet we members sit down quietly in this Assembly and allow such atrocious things to happen.

Hon. W. D. Johnson: In what district is the farm situated?

Mr. BOYLE: I do not wish to mention the district. Many of these men prefer to suffer in silence; they have their pride and do not wish to hold themselves or their districts up as horrible examples. I can assure the House that it is not an isolated instance. There is a certain institution that seems determined to clean up the Great Southern district as far as primary producers are concerned. I will quote another instance and mention the district this time. It is the Pingelly district. A farmer there was put off his holding. He showed me receipts for £8,000, representing interest and other charges, that he had paid to the financial institution in question. That particular institution seems to be obsessed by the idea of cleaning up the whole show; and we, the paramount power in the State, are allowing it to be done—we, the members of the Legislative Assembly of Western Australia are permitting such injustices.

Mr. Berry: Is the institution to which you refer a bank?

Mr. BOYLE: Yes.

Mr. Berry: Cannot you mention the name of the bank?

Mr. BOYLE: Yes, the Union Bank. Our country districts to-day are in what may be termed a state of suspended animation, owing to enlistments for the war and to other circumstances. Lack of expenditure of Government money is a large factor in our scheme of economy. We have not had any compensating expenditure of public money in Western Australia by the Federal Government. I cannot understand why we have not got militia camps at Kalgoorlie and in the wheat belt. Our men are drawn from Kalgoorlie and other country towns and located in Northam. I understand 3,000 men are in the A.I.F. camp at Northam to-day, and that it is being enlarged to take both militia and A.I.F. men. It is not right that large camps should be established so near to the metropolitan area, to what I may term the congested metropolitan area. I was extremely pleased to notice that our Premier drew attention to the necessity for the decentralisation of these camps; he mentioned Geraldton, Katanning and Narrogin as towns where other camps could be established. To those names I can add Merredin and Kellerberrin. It is on the boards that 250,000 men will be trained in Australia, and I understand that of this number no fewer than 22,000 will be trained in Western Australia under what we can virtually call conscription. These men will be taken from the areas we members represent and located in some particular spot. For the life of me, I fail to understand why we should not support the Premier in his advocacy of a policy of decentralisation of training camps. The Commonwealth Government has, we are told, decided to spend £1,500,000 on the manufacture of munitions in Western Australia. In the same breath we are also told that it is intended to work a night shift at the Midland Junction workshops, where the workmen will practically be engaged round the clock. Is it seriously proposed to spend the £1,500,000 this year on munitions to be manufactured at Midland Junction? I believe we are to manufacture in this State shell cases, casings for bombs and fuses. An ordinary well-equipped workshop can do this work; and we have in our country districts many well-equipped garages threatened with extinction. On account of petrol restrictions the proprietors are going out of business. Could not they be given some of this work to do? I hope the Government will follow the matter up.

Why should not the Government amend the Agricultural Bank Act and the Rural Relief Fund Act? It is said that the failure of this legislation is due to the fact that it emanated from this side of the House, but

we should be bigger than that. I am not accusing the Government of being little in this respect. I am afraid, however, that circumstances will compel us to do something to restrain our settlers from leaving their holdings, because otherwise we shall be faced with a depopulated wheatbelt. The present exodus from the land is far more serious than it has been in the past. Some of our young men are leaving the land to go into camp. In the past our young men left the goldfields to take up land. The men that are here to-day are not up to the best physical standard, and I fear the Government will have to face a labour problem during the coming harvest. There will also be the financial problem, so why not avoid both in time? Why not consider an amendment of the Agricultural Bank Act and also the Rural Relief Fund Act, and go after the mortgagees? Why should the mortgagee be a person whose mortgage is sacred while the country storekeeper gets 1s. 6d. in the pound? Storekeepers in my district show me lists of their debts that have been compulsorily compounded. Are there not institutions like the A.M.P. and the National Mutual and others that would not object to writing down if it were done by law? But they will not make a voluntary writing down. That is the reason for so much dissatisfaction. I look forward to a new era in Western Australia and I am sure that the members of this House are men who want to see justice done. I do not think one member will wilfully deny justice to anyone. There is a war in progress and things are much more serious than most people consider them to be; but we are not helping at all by having a discontented section amongst our people.

MR. F. C. L. SMITH (Brown Hill-Ivanhoe) [5.47]: I have listened with a great deal of interest to the remarks of the hon. member who has just resumed his seat. I was interested in his efforts to make out a case for farmers who have been unsuccessful in the enterprises they have undertaken, unsuccessful either because of the vagaries of bad seasons or bad markets or possibly on account of their own inefficiency. It seems to me that there is a desire to bring about some sort of general rule under which a person coming under this particular category can be assisted in bad times, can have benefits conferred upon him because of his ill fortune or his inefficiency, and still have all the benefits of all the high prices and good markets and good seasons. It is no use the hon. member talking like that when he knows the principles of the system that we support. The institutions that he refers to as vultures of some type or other are only exercising their rights under contracts which have been entered into between them and the persons whom they are asking to meet the terms of those contracts. The whole idea underlying the system of profit, and production for profit through the medium of private enterprise is still governed by sanctity of contracts.

If one is not satisfied with that system, he has to look around for some other, a system into which contracts will not enter at all. The hon. member referred to two generations as having been on farms for 90 years without having been able to make those farms pay. Apparently there is something wrong with persons of that description. The policy of getting rid of inefficients from the farming industry is a good one that has been followed elsewhere. I live in a district in which there are more retired farmers than in any other suburb in the metropolitan area, and I venture to say that 90 per cent. of those men have retired from farming. I know of the case of a man who only last year sold a farm of 2,050 acres for £3 5s. an acre.

Mr. Thorn: Did he get cash?

Mr. F. C. L. SMITH: Yes, and the property was purchased by another farmer so that he might put his son on it. When we know of instances of this kind, is it not begging the question to talk about farming as if there were no possibilities in it, and as if every person in Western Australia engaged in the industry was in a state of bankruptcy? So I feel there might be quite a lot of merit in the policy that is apparently being exercised by banking institutions. It is quite obvious that in the farming industry in this State, if we pay any attention to the speeches of the member for Avon and others on the benches opposite representing the Country Party, there are large numbers of men who obviously are not following the avocation Nature intended they should engage in. I did not propose to comment upon the remarks of the hon. member when I prepared a few notes for my speech on the Address-

in-reply, which I think provides members with a proper opportunity to make a few remarks on subjects that are dear to their hearts. What I desire to do is to compliment the Premier upon the results which he achieved last year in connection with the State's accounts. It was a very creditable performance to find that the deficit amounted to only £146,000, particularly when we bear in mind that the deficit was as high as we found it because another place refused last session to pass legislation which, through the traffic fees, would have brought into revenue another £120,000; consequently the deficit that was estimated by the Premier at £31,000, if added to the £120,000 which he expected to receive by the passing of that legislation and which he was not able to collect, came to a greater amount than the deficit that was actually realised. It showed an improvement on his Estimates of something over £4,000. In that connection, too, if the railway receipts had come up to expectations, I feel sure the Premier would have been justified in being even a little more proud than he is now as a result of his achievement, because last year railway receipts and expenditure combined resulted in a deterioration in comparison with the estimate of £237,000. I suppose that to some extent we might have expected such a position because, after all, the war brought about a dislocation of markets and, I have no doubt, interfered with the movement of wheat and other commodities to the metropolitan area. In actual fact there was a reduction of £88,000 in the railway receipts as compared with the estimate, where we expected to have an increase of £94,000. Then in connection with railway expenditure, though it was £55,000 above the estimate, it showed an improvement of £102,000 over the figures of the previous year. So I think, all things considered, the dislocation of markets and the conditions that impeded the movement of traffic in the metropolitan area, the railway results were not at all unsatisfactory. Had they been up to what was expected by the Premier, the result would have been very much better than that which the Premier actually achieved. The question of budgetary equilibrium is a very important one in war time, and at all times. Very often we find amongst the general public the idea that if a deficit is created the amount represented comes from some source that has not been paid for. We all know that it has to be made up from loan money, and that this helps to build up our loan accounts upon which we have to pay interest.

Mr. Patrick: That is the trouble with the farmer when he has a deficit.

Mr. F. C. L. SMITH: I suppose so. It is particularly important in war time that we should endeavour to balance the Budget. Now that the Commonwealth Government is so involved in this great defence effort, all the States should make a special effort to balance their Budgets. I realise it is not always possible to do that, or to foreshadow events that may have a very important bearing on receipts and expenditure. There are the vagaries of the season and of the markets and these, if they are adverse, bring about abnormal positions under which sometimes our estimates go astray. If we are to make a maximum war effort, I believe the balancing of the Budget is the most essential undertaking. It is not only a question of raising sufficient revenue to meet the estimated expenditure, but the balancing of the Budget indicates that there has been a close watch over both revenue and expenditure. I make this plea not in the interests of economy but rather in the interests of efficiency.

In connection with our accumulated deficit, the Auditor General, in a review of the position, divided the years in which we have had autonomous government into certain periods, and showed the budgetary results in those periods. I was rather surprised to find from his records that from July, 1914, to the 30th June, 1919, (the war period), the accumulated deficit increased by no less than £2,971,000. He also drew attention to another period which he called the war rehabilitation period. There was a large increase in the deficit during then, practically equivalent to that which occurred in the previous term. The two periods taken together, 1914 to 1919 and 1919 to 1924, accounted for almost half our accumulated deficit. That is a reflection upon those who were responsible for the financing of the State during those years. When we are going through a period such as that through which we are now passing, or through a period such as was gone through in those other years, abnormal expenditure which must reasonably be anticipated should be accompanied by some commensurate attempt to raise the necessary revenue. Apparently during those two periods no great effort was made in that direction.

Taxation was not increased to any considerable extent, and consequently those alarming deficits grew even during periods that we regarded as more or less reasonably prosperous. The result of these accumulated deficits is that we are now mulct in a charge that has to be met every year out of revenue of something in the vicinity of £400,000. Our funded deficits cost us every year for interest £276,740, and our unfunded deficits cost us £159,965 every year. It seems to me that payments of that kind are unfair to the present generation, and that the fact that these deficits have been allowed to accumulate indicates a disregard for what I would call the ethical considerations of public finance. The important point to which the Auditor General drew attention in his review is that in connection with our unfunded deficit we are meeting the payments per medium of Treasury bills. He pointed out that this method, which apparently has assumed some degree of permanency, is really a temporary measure, and that if an unfunded deficit has to be funded, as no doubt ours will have to be, not only will the interest have to be found on the amount at 4 per cent. but a large sum will have to be found under the Financial Agreement for sinking fund purposes. The cost of servicing the unfunded deficit will, as a result of it, largely increase.

During the debate a good deal has been said about the inadequacy of our war effort. I do not know whether that was intended to convey that the potential effort and resources of the Commonwealth should be organised to better advantage under complete Government control, or whether it was thought that without a great disturbance of our system of production for profit we should be doing more. I am of opinion that consistent with the maintenance of the freedom that we know is associated with democracy we are doing quite well. Liberty and freedom connote individualism and individualism means private enterprise. It is through private enterprise that the Commonwealth Government has to supplement through factories under its control the programme of defence it proposes to undertake. I feel disposed to regard the effort being made by the Federal Government as very fair in all the circumstances in which it finds itself. I admit that I have a very limited opportunity of forming a definite opinion in respect to the adequacy of our war effort, good or bad. There are other members of this Chamber, and other people outside, who are not behind the scenes, and who also have very limited opportunities of forming definite opinions concerning the adequacy of the effort. The Commonwealth Government, through the Munitions Board, controls a large number of factories in the Eastern States. These have been expressly built for the manufacture of munitions and war material of various kinds, and some for the manufacture of clothing, and I have no reason to doubt that these establishments are working to capacity. I know also that annexes have been built at some private engineering establishments in the Eastern States, and that others have been attached to some railway workshops. I believe that single-purpose machinery has been installed at these places for the manufacture of shell cases. It was recently reported that there was delay in bringing the work up to full pressure in some of these annexes. We must realise that a job is never as easy as it looks. In connection with a programme that has to be enlarged, very important decisions have to be made, and often there must be many inquiries before such decisions can be arrived at. After the decisions are arrived at, when they involve extensions of factories or the building of new ones there is a great deal of work associated with the planning, designing and projection of the scheme that is decided upon. The effort that is associated with our defence programme is in my view no small one. In this morning's paper I saw a reference to the difficulties that were encountered in the manufacture of aeroplanes in the Eastern States.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. F. C. L. SMITH: I was drawing attention to a statement published in the "West Australian" this morning concerning the difficulties confronting the Commonwealth Government regarding the manufacture of aeroplanes and the large number of "jiggers," tools, and special contrivances that it expected to be able to import but which will now have to be manufactured in Australia. In order to manufacture those tools, special machinery will have to be designed and constructed. Thus the necessity for planning that has arisen through the impossibility of importing machinery and the difficulty, and probable impossibility, of securing supplies of precision tools gener-

ally, must have added considerably to the difficulties of the Government, not only regarding the manufacture of aeroplanes, but many other projects associated with the defence programme. Having consideration for the position those who are responsible for the general organisation and control of our defence programme, even apart from the Government itself, and for the fact that men possessed of great capabilities in other walks of life have been called upon to participate in the task, it is patent that these difficulties are such that no one could possibly have handled affairs in quicker time than they are being dealt with now. In the circumstances, a very good job is being carried out. As time goes on, the necessity will be emphasised to concentrate our efforts on work of an essential character. That has been done in the countries with which we are at war to-day, and we must follow their example if we are to attain the same standard of efficiency. On that account the necessity will arise to curtail some of the undertakings that are non-essential, in order that skilled labour available may be diverted into avenues of essential work. As a result of restrictions upon imports of goods of a non-essential description, those goods cannot now be obtained, but nevertheless it would be a matter for regret if we were to find companies being formed in Australia for the manufacture of goods of that description. If such companies are formed they will make a certain demand upon the skilled labour that is available but which ought to be diverted for work of a more essential description. To my mind, the proposal to start the manufacture of motor cars in Australia represents something in the nature of a hot-house proposition, and it certainly would make demands upon skilled labour that could be used to much better advantage.

I regretted exceedingly to notice a report in the Press recently that the unemployment statistics, as disclosed by returns made by recording trade unions, are higher for the quarter ended the 30th June, 1940, than for any other quarter since 1936. The workers referred to in the statistics from the recording unions mostly concern organisations comprising skilled operatives. In those circumstances it would certainly appear that our defence programme is not yet in full swing. To my mind no workers in any industry can reasonably be asked to work longer hours or to work overtime while skilled workers are available and unemployed. The disclosure that we have such a large percentage of unemployed men would suggest that we have not yet reached our maximum war effort, but I say to those who make much of such a circumstance that not sufficient time has elapsed since the commencement of the war to enable us to have possibly reached our maximum war effort. If we view the position sensibly, we must appreciate that very important decisions that have to be made require much investigation and inquiry. Such matters are subject to the influence of rapidly changing conditions overseas and possibly even within the Commonwealth. This must affect policy generally and, consequently, may nullify much of the planning and many of the decisions tentatively arrived at, and, perhaps, make it necessary to work along entirely different lines. Personally, I feel that, should the war last for many years or even for a number of years, Australia will play a big part industrially, much more than is likely from a purely military standpoint. I have always much sympathy with those who are charged with the shouldering of such vast responsibilities as some are called upon to undertake to-day, and at no time am I prepared unduly to criticise them without a full knowledge of the facts. I feel that there are very few indeed in Australia to-day who are in a position to enjoy a full knowledge of those facts. Nor am I at all concerned because the Commonwealth Government has not found a place for every person stirred with a desire to help in the war effort. Possibly there are some who imagine that by now the Government should have found a place for each and every one, just as though Ministers had to deal with so many players on the football field. I am entirely opposed to such an attitude. It postulates something entirely revolutionary in character. No country has ever attempted such a step; certainly no country has ever achieved it. True, from experience we know that the most successful organisations are those that provided as many outlets as possible for the enthusiasm of those in favour of their objectives, thereby enabling that enthusiasm to be converted into activity. Some of us can call to mind many such organisations that exist to-day, but because of peculiar features associated with those

bodies, the outlets for such enthusiasm have been successfully availed of. Nevertheless, there must always remain a large rank and file whose duty must be, in my opinion, to remain solid and subservient, ready and willing. If the rank and file do that and maintain reasonable calm and morale, they are doing their part in the war effort and they should continue to do so until called upon by someone in authority to undertake some specific activity. In the circumstances I was particularly pleased to note that the Commonwealth Government had frowned upon proposals for the formation of so-called unofficial armies. Such a movement would be particularly dangerous under war conditions. Once allowed to spring up in various parts of the country, those organisations would find great difficulty in controlling their own members while yet being responsible to no constituted authority.

Mrs. Cardell-Oliver: They have such organisations in England.

Mr. F. C. L. SMITH: I do not think so. There may be such organisations. Possibly there may be room for them under strict Government control, but to exercise only their own authority would be an entirely different proposition. Members will recollect reading recently of a body in the Eastern States comprising men who, because of their services to the Commonwealth, should have exercised a greater sense of responsibility which, by applause and cheering, gave wide approval to a statement made by its leader that "they would march on Canberra and tell the tall poppies what they had to do and that the tall poppies were not going to tell the members of that organisation what they had to do." That is the sort of thing that the formation of such unofficial armies would lead to.

Mr. Doney: That was entirely an isolated instance.

Mr. F. C. L. SMITH: That was one statement recorded by the representatives of an unofficial army, and such statements are caused by the stirring of the emotions of people comprising such an organisation. While it is desirable to control the skilled labour position, subject to the workers being employed under such conditions that their efforts can be diverted into the carrying out of work of an essential nature, I realise that not all our activities will be 100 per cent. essential. Some work will be necessary that cannot be described strictly as essential, but nevertheless is required because of the demands of civilisation to which we have become accustomed. I have not what is called a utilitarian mind on the subject. I do not go along to a football match and, seeing a crowd of people there, think to myself, "If those people were only properly organised they could build a bridge over the Swan River from a point near the Causeway to South Perth this afternoon instead of wasting their time viewing this football match." I do not think along those lines; but there is a great necessity, if we are to make an attempt to put forth a maximum war effort, to divert this skilled labour as far as possible into essential avenues. While I think that, it also seems to me desirable that people with money available for investment should not be tempted to desert the channels along which funds can flow into Government resources and so be used for defence expenditure. Encouragement should be given for the investment of whatever money lies idle, in war loans and war savings certificates. I know that war certificates will not absorb much per individual because the amount that may be invested is limited to £250 per individual. Nothing, however, should be done to try to tempt people with money—and particularly should nothing be done in that way by financial institutions—to place their money in any kind of investment other than the war loans which will be floated from time to time and subscriptions for which will be so necessary to our war effort. Yet I saw in the "West Australian" this morning an indication that banking institutions are competing with the Government for idle money awaiting investment. An advertisement appeared in the paper drawing attention to a certain bank's interest-bearing deposits and pointing out that this is a way of making provision for our future needs and safeguarding the savings of past periods.

I do not see any prophecy in the proposition of any change in the social order arising out of the present conflict after the war is all over. If investments in interest-bearing bonds are going to make provision for future needs and safeguard the savings of the past, no change in the system seems to be contemplated. That idea appears very familiar. It seems much like the system we have been used to for the last hundred years and certainly does not contemplate any change on the part of the banking institutions. Seldom

is interest paid on deposits unless the deposits can be invested again at still higher rates of interest and I have no doubt that that is the purpose for which the banking institutions want this money. If a proposition of this kind proves to be attractive all the idle money that would go direct into war loans will be attracted to interest-bearing deposits and so become concentrated in the hands of banking institutions, and that must inevitably —because of the lack of competition for loans—lead to high interest rates on the loan money that the Government will have to raise. That is quite the obvious outcome of the concentration of idle money in interest-bearing deposits. The more subscribers there are to war loans and the more money lying idle and awaiting investment, the greater is the probability that the Government will be able to raise its loans at reasonable rates of interest.

Turning to a few domestic affairs, owing to the increase in the cost of living—which is very obvious, and is reflected in an increasing basic wage—the time is overdue for the Government to consider an increase in the sustenance for unemployed workers throughout the State. The present sum of 7s. a week is less, I understand, than is being paid to the dependants of internees. Even in times of depression, when wages and costs were lower, 7s. per unit was little enough. Unfortunately, the position was such that to give more at that particular time was very difficult. After all, it is a beneficence on the part of the Government. The time has arrived, however, when some consideration should be given to increasing that amount. People cannot possibly live on 7s. a week. I do not know how some of them have existed in the past. I certainly believe that with the increase in costs that must inevitably occur, their difficulties will increase unless something is done to improve their condition by an adequate allowance.

I hope that during the session social legislation will not be neglected. Even the Workers' Compensation Act might reasonably be overhauled in an endeavour to iron out the anomalies of which we know and to supply some of the deficiencies experience has shown to exist. A number of appendages of the human body are not provided for in the second schedule. They might well be included. I recollect that when legislation to amend the Workers' Compensation Act was introduced in 1924, and led to the existence of our present measure, the then Minister endeavoured to provide that workers who had lost a limb or a finger or an eye or the efficient use of a limb, should be provided with the compensation that is set up in the second schedule and that no obligations of employers under the first schedule should be made a charge on the sums that are set out in the second schedule. But that is not the position to-day. I know that that second schedule provides a kind of minimum payment for the loss of a finger, a leg or an eye, and other losses enumerated, but it frequently happens that associated with the loss of a finger is injury to a number of other fingers and in the process of having those other fingers attended to and cured, the whole of the sum that the beneficiary is presumed to be entitled to by the second schedule for the loss of the finger is denied altogether because the amount has been cut out in the half wages received by the patient while having his injured fingers restored to their normal condition. Some attempt should be made to improve the position and to ensure that instead of the obligations under the first schedule being made a charge upon the second, the benefits enumerated in the second schedule should be the right of every person who suffers the losses indicated therein.

We introduced a Bill in this Chamber, I think in 1937, for the provision of artificial teeth and eyes and glasses where such were necessary as the result of an accident. I remember that that Bill was defeated in the Upper House and I do not believe it has been introduced since. That some alteration should be made along those lines is, however, very desirable. I know it has been said and published in the papers that the cost of workers' compensation in this State is much higher than in other States of the Commonwealth, but if we traced the cause I think we should find the circumstance to be due to the fact that we have more workers employed in hazardous occupations in this State than are so employed in any other State of the Commonwealth; that is, in proportion to the total number of workers employed. I know that accidents in our mining industry are very much more numerous in this State than they are in the mining industry in the other States. So I trust the Government will give some consideration to an amendment of the Workers' Compen-

sation Act along those lines. There is another point, and that is the provision of board and lodging for injured workers who are compelled, because of the fact that there is no doctor in the vicinity of the district in which they are working, to go to an entirely new district for medical attention. In those circumstances men should be entitled to some board and lodging allowance while under medical attention in that other district.

The Mine Workers' Relief Fund Act is also due for an overhaul. I understand that notice of the introduction of some legislation of this kind has already been given. The scale of payments to beneficiaries after workers' compensation payments cease under the Mine Workers' Relief Fund Act might be reviewed with advantage with the object of seeing whether it is not possible to increase the benefits that such beneficiaries are entitled to.

When legislation for the mine workers' relief fund was introduced, I drew the attention of the then Minister, the late Mr. Scaddan, to the very large liability that I thought the fund would have to bear. It appeared to me that from an actuarial point of view the funds subscribed by the workers, the mine-owners and the Government would not be sufficient to meet the obligations provided for by the Act. I understood that the Minister for Mines was having an actuarial valuation of the fund made. I gathered that before it would be possible to say whether the benefits provided under the Act could be increased, an actuarial valuation would be made by the Registrar, Mr. Bennett. If that is not so, I hope a valuation will be made to ascertain the exact position of the fund. I have had a good deal of experience of benefit funds, and I know what a large sum of money is necessary to demonstrate on an actuarial basis that there is 20s. for every pound of liability.

In many instances where large funds have been built up, people have come to the conclusion that much higher benefits could be paid than is actually possible. How much a fund can pay depends entirely upon the contributions and the claims made for benefits from time to time. After a fund has been operating for a number of years, a man with actuarial knowledge can make a reasonably sound calculation of the position. If that were done, we would know whether the Mine Workers' Relief Fund is as solvent as we think it is, or whether it has a surplus as many people think it has. I do not know just what the fund does with its surplus money. I have seen a record of the financial position in the Public Accounts, but I have not seen any statement of the investments and the income from investments.

Mr. Marshall: Have you seen a balance sheet of the assets and liabilities of the State?

Mr. F. C. L. SMITH: Yes.

Mr. Marshall: Then I have not.

Mr. F. C. L. SMITH: It is in the Auditor General's report.

Mr. Marshall: That is only a statement of receipts and expenditure.

Mr. F. C. L. SMITH: The Auditor-General shows the amount of money received and what has been done with it. The Auditor-General's report shows that the Mine Workers' Relief Fund has accumulated a surplus of £150,615 19s., and from 1934 to 1939 the surplus has been built up at the rate of £20,000 or £30,000 a year. Many beneficiaries of the fund in Kalgoorlie, knowing that that large sum of money has been accumulated, are of opinion that the fund is in the position to pay higher benefits. I do not know whether that is so, but an actuarial calculation would give us the information, and it is very desirable that such information should be forthcoming so that everybody concerned might know the true position.

The member for Avon (Mr. Boyle) predicted that the future of gold was rather uncertain. I do not share that view. I believe that the future of gold is just as certain as ever it was. I do not care whether the system be communism, socialism or capitalism, there must be a medium of exchange, in an exchange economy, something by which values can be measured, and throughout human experience no other commodity has been proved to be so suitable as is gold. Gold has been the measure of value for so long as to build up a confidence that is not easily destroyed, while it has other features such as uniformity, portability and acceptability that make it outstanding as a commodity used to measure value.

I did not feel interested last session in the so-called protest this Chamber made against the imposition by the Commonwealth Government of an excise tax on gold. Seemingly the House was not very indignant, although the motion asked it to be indignant. When

one is indignant, one does not commence to express indignation in September and finish in December. One usually expresses it immediately. Consequently I grew sick of the business, the postponing of the debate from week to week. Another point is that the motion was introduced by the member for Canning, instead of emanating from the Government bench. If the Government was indignant, that should have been the source of the motion. If in the future an occasion arises when members feel they should express their indignation, I hope they will do it quickly in order to demonstrate that they really are indignant.

I do not know whether grounds existed for indignation on this score because, while the price of gold has advanced through circumstances forcing Governments to revalue it in terms of the currency, it has gone up not only in price but also in value as a result of that manipulation. There is a difference between those two terms. Commodities might go up in price without there being any alteration at all in their value. Value is a term which implies relationship between one commodity and another. Not only has the price of gold advanced as a result of alteration in terms of a representative currency, but undoubtedly the value has also gone up, and because the value has advanced, there were grounds for taxing the increase in value rather than the increase in price.

Mr. Marshall: You told us that gold was a measure of value.

Mr. F. C. L. SMITH: So it is.

Mr. Marshall: So would any other commodity be a measure of value if it were legalised.

Mr. F. C. L. SMITH: The manner in which gold was made the measure of value was the passing of a law determining the quantity of gold in the sovereign and the fineness of the gold. This was demonstrated by Sir Robert Peel, when he said in the House of Commons, "What is a sovereign?" and answering himself, went on, "A piece of gold of a certain weight and a certain fineness."

Mr. Marshall interjected.

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

Mr. F. C. L. SMITH: Legislation provided for the weight of the sovereign and for the weight of the gold it should contain. When we received a sovereign, we knew how much gold we were getting and the degree of its fineness. Through the manipulation of currency, gold has improved in value as well as in price. If it had advanced in price only, other commodities would have advanced in price in sympathy with gold. Other commodities did go up in price but not proportionately, and it was very desirable from the point of view of debtor people that the price of gold should advance as it has done. As a matter of fact, the manipulation has meant nothing more or less than an easing of the debt upon the people of debtor nations.

Mr. Patrick: It is a form of inflation.

Mr. F. C. L. SMITH: Yes, but on this occasion inflation preceded the alteration in price. France, I believe, was the only country in the world where the amount of gold in the franc was reduced to four-fifths, and so the currency was stabilised on the franc, not only in fact but by law. Great Britain chose other ways of altering the price. Apparently Britain preferred some flexibility in her policy in that direction. However, I do not share the fear that there will be any change, in the commodity which provides a basis for our currency and measures values, when this conflict is over. Nor do I share the opinion of those who feel that the conflict gives promise of a new social order. I think that when human nature changes, the possibility is that we shall have a new social order overnight. In the meantime we shall have gradual improvement in social conditions, but such improvement will arise as a result of improvement in the intellectual development of the people. That has always been the cause of improvement in social conditions generally.

On motion by Mr. Mann, debate adjourned.

House adjourned at 8.17 p.m.