

Legislative Assembly,

Wednesday, 29th September, 1943.

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

QUESTIONS (6).

AGRICULTURAL BANK.

As to Interest on Leased Holdings.

Mr. WITHERS asked the Minister for Lands:

(1) Is he aware that there is considerable comment in dairying districts because of the increase by the Agricultural Bank Commissioners of interest rates on leased holdings from 3½ per cent. to 5 per cent.?

(2) Did the Government order or sanction such increase in interest rates?

(3) Does the Government approve of such action?

(4) If so, will he take steps to have the matter further considered?

(5) If not, what is the justification, if any, for such action by the Commissioners?

The MINISTER replied:

(1) Yes. I am also aware that endeavours are being made to misrepresent the position.

(2) No. All such matters are the prerogative of the Commissioners who were given complete power under Parliamentary authority in the Agricultural Bank Act of 1935. The Government was not consulted.

(3) No.

(4) This has been done already, and the Commissioners have been requested to further review the position and to reconsider their decision.

(5) When replying to questions in this connection on behalf of the Agricultural Bank Commissioners, I stated that every encouragement had been given to achieve effective occupation. The viewpoint of the Commissioners is that they desire to create an incentive among settlers to develop their own holdings and conserve fodder, which they are loth to do while leased land is available at a cheap rate. The Commissioners point out that 67 reverted South-West holdings have been leased to dairy farmers in the past six months, and many lessees and intending lessees have tendered and are still offering rentals exceeding 5 per cent. of the assessed value. The Commissioners further point out that 47 accounts of clients in dairying districts have been repaid during the past six months and the mortgages discharged by the bank.

"HANSARD."

As to Absence of Index.

Mr. SEWARD asked Mr. Speaker:

(1) Is he aware that the bound volumes of "Hansard" issued to members this year do not contain an index?

(2) As the volumes are practically useless without an index, will he arrange to have one supplied at least to those members who want one?

Mr. SPEAKER replied: Last year the Printing Committee was informed by the Government Printer that owing to manpower difficulties and shortage of materials it would not be possible to publish bound volumes of "Hansard." Later on the Government Printer informed us that he had some supplies of materials and that if members kept their weekly editions of "Hansard" he would be able to bind them together for members. That is as far as the matter went. As to the second portion of the hon. member's question I will place the matter before the Printing Committee. I may add that the information at my disposal is that owing to manpower difficulties and the shortage of materials it will be difficult to do what the hon. member suggests, at any rate for the time being.

FARM BUTTER.*As to Effects of Rationing.*

Mr. SEWARD asked the Minister for Agriculture:

(1) Is he aware that country stores have had to cease purchasing farm butter owing to the impossibility of disposing of it, through metropolitan butter merchants having an unsaleable quantity on hand?

(2) Does he realise that through inability to sell their butter, farmers are fattening their cows and selling them to the butcher?

(3) Will he make urgent representations to the Minister for Commerce asking that some arrangements be made, either by exempting farm butter from rationing, or by doubling the amount of farm butter that is exchanged for one coupon, or by some other method so that the production of farm butter will be maintained?

(4) If not, why not?

The MINISTER replied:

(1) A good market exists in the metropolitan area for good quality farm butter.

(2) Reports tend to show that the number of dairy stock passing through the sale yards is not above normal.

(3) and (4) Representations along these lines have already been made to the Minister for Trade and Customs.

FRUIT FLY.*As to Board and Inspection of Orchards.*

Mr. SAMPSON asked the Minister for Agriculture—

(1) Is the Fruit Fly Advisory Board operating satisfactorily?

(2) Have any resignations been received recently from the Board, and if so, have the vacancies been filled, and by whom?

(3) Has the fruit fly position improved or worsened since the advisory board was established?

(4) Are all orchards regularly inspected and, if so, at what intervals?

(5) What action, if any, is taken when an orchardist fails to observe instructions given?

The MINISTER replied:

(1) Yes.

(2) Two. Vacancies were filled by Mr. W. H. Logie, Kalamunda, and Mr. H. Q. Robinson, Wooroloo.

(3) Improved.

(4) Yes. Most commercial orchards receive two visits while each fruit is in season.

(5) After other methods fail, prosecution.

CIVIL DEFENCE.*As to A.R.P. at West Perth.*

Mr. McDONALD asked the Minister for Mines:

(1) Why are the civil defence personnel of the west ward, West Perth without any headquarters and thereby unable to function?

(2) As the Government has all necessary statutory powers to organise civil defence, what steps has it taken to restore civil defence services to the people of the west ward who are at present being left without any district air-raid protection?

The MINISTER replied:

(1) The west ward personnel was housed by the Perth City Council in a depot in West Perth, but the Council has recently terminated such depot which leaves the Head Warden and personnel without quarters.

(2) The Civil Defence Council is now endeavouring to ensure the re-housing of the personnel. Meanwhile certain mobilisation arrangements are in hand which would ensure A.R.P. protection to this district in the event of any danger.

ACCOUNTANCY.*As to New Methods.*

Mr. NORTH asked the Premier:

(1) Is he aware that the lecturer in accountancy at Melbourne University recently gave the first annual Commonwealth Institute of Accountants research lecture?

(2) Is he aware that in this lecture, pre-war accounting methods were held up as being old-fashioned and containing defects?

(3) Is he aware that the lecturer forecast far-reaching changes in the theory and practice of accounting?

(4) Will he investigate whether this lecturer included budget and public accounting in his survey?

(5) Will he endeavour to obtain a copy of the address for perusal by members of Parliament?

The PREMIER replied:

(1), (2), (3), and (4) The Government has no other knowledge than the information appearing in the press report on 23/9/1943.

(5) Yes.

MOTION—LEGISLATIVE ASSEMBLY DURATION.

As to Warrant for General Election.

Debate resumed from the 25th August on the following motion by Mr. Berry:—

That as the state of national emergency which existed at the time of the postponement of the State elections by Act of this Parliament now no longer exists, and, as the Prime Minister of Australia has publicly stated that there is no longer risk of a major invasion of Australia by the Japanese, this House recommends the Lieutenant-Governor, under the provisions contained in the proviso in Section 5 of the Legislative Assembly and General Election Postponement Act, 1942, to issue his warrant for a general election for the Legislative Assembly.

to which an amendment had been moved by Mr. Watts as follows:—

That the following words be added to the motion:—“Immediately after arrangements have been made to bring all electoral rolls up to date, and for a fair and satisfactory system of recording for their home electorates the votes of members of the Forces, both of which this House is of opinion should be put in hand immediately.

THE MINISTER FOR LANDS (on amendment) [4.38]: In my view there is no necessity for the amendment moved by the Leader of the Opposition.

Mr. Watts: On a point of order! Am I at liberty to ask the House for leave to withdraw my amendment?

Mr. SPEAKER: Yes.

MR. WATTS (Katanning): In view of the circumstances that exist now, I ask leave of the House to withdraw my amendment.

Amendment, by leave, withdrawn.

THE MINISTER FOR LANDS: The purpose I have in mind can be served by speaking to the motion generally. My words will be few. I would not like at this stage that there should be any recrimination at all in this Chamber in connection with actions taken in 1941 and again in 1942. At the same time, when the debate ensued pre-

viously, it seemed to me that there was a danger of that attitude being adopted. I am very conscious of the circumstances that prompted this House on the first occasion to declare that no elections should take place in the following year, and also the seriousness of the position in some parts of the State during the following year. I am afraid there are times when members, through their energy and enthusiasm for their own districts and the interests of those districts, lose sight to some extent of the disabilities and difficulties and interests of districts far removed from those represented by them. It is quite a well-known fact that there could not possibly have been an effective election in 1942; and I doubt whether at the time this matter was considered in the latter part of 1942 effective elections could have been held here, because of circumstances then obtaining in three or four seats at least.

I want to point this out very frankly, that there are districts very seriously affected by actual war circumstances. Many members know that there was a heavy raid over part of the North-West yesterday. At the time the matter was first considered in this House, no election could have taken place, in more than one seat, that would have yielded an effective opinion of the people; in fact, in two or three seats. This State has contributed heroes by the thousand to this war and to the previous wars. There are thousands of heroes living in this State, and I venture to suggest that one or two thousand of them are now resident in the north-western part of the State. My only purpose in rising is to voice a small protest at the line along which the debate was developing when the motion was last considered in this Chamber. I feared lest there should be any recrimination about who suggested that there should be a postponement, or for how long the postponement should be, when the question was raised two years ago. I ask members to consider and contemplate the mind and the action and the attitude of hundreds of people in this State one or two years ago, and the preparations they made for their interests, and compare these matters with the actions and activities of people far removed from the centre and capital of Western Australia.

Motion put and passed.

MOTION—AGRICULTURAL BANK, CASE OF A. J. ADDIS.

To Inquire by Select Committee.

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

That a Select Committee be appointed to inquire into and report upon the case of A. J. Addis, formerly of Pingrup, farmer, particularly in regard to—

- (a) Whether there was sufficient of both legal and moral justification for his being dispossessed of his property, and whether the handling of his case by those then in control of the Agricultural Bank was just and equitable?
- (b) Whether a tender was bona fide submitted subsequently by his wife or himself to acquire the said property through the Agricultural Bank? If such tender was made, was the rejection of such tender justified? If its rejection was not justified, what loss has the State suffered?
- (c) Whether any, and if so, what compensation or other assistance should be given to Addis?

MR. BOYLE (Avon) [4.45]: I support the motion for a Select Committee as moved by the Leader of the Opposition. I have had a great deal to do with Addis in one way and another during a period extending over years. There are many facts associated with what is popularly known as the Addis case that should be the subject of inquiry by a Select Committee. I know of instances where Addis has complained of certain treatment received from the Agricultural Bank, and I have heard of counter allegations which have been made. In the circumstances I think that a Select Committee would be the best tribunal to which to refer this much-debated case. Therefore I support the motion.

MR. WATTS (Katanning—in reply): I wish first of all to say that I appreciate to the fullest extent the moderate objection which the Minister expressed to this motion. I know that from the hon. gentleman's point of view it doubtless is possible to couch objections to the matters I wish to refer to in stronger language than he did. To that extent I desire to express a measure of appreciation. At the same time I wish to say that the hon. gentleman did not in any way, so far as a large amount of the information I put before the House is concerned, make any effective reply. I

refer, for example, to the evidence which I quoted as having been given by certain officers of the Agricultural Bank in close touch with the affairs of the Pingrup district at the time of this dispute. That evidence was given on oath before a Royal Commission subsequently held to inquire into the affairs of the Agricultural Bank generally; and evidence given on oath must attract considerably more attention than open statements made by other persons at the time. The Minister in the course of his observations said he would endeavour to show that this man had received the utmost consideration not merely from legal people and not merely from the Agricultural Bank officials.

If members will recollect the remarks made by the Minister on the decision of the judge, they will clearly realise and plainly understand that he did not attempt to deal with any aspect of the matter other than those aspects which were purely legal or closely associated with those legal aspects. The judge of course said that the bank was justified because interest was more than two months in arrears. Because it was more than two months in arrears, he said, it was time to make an order. He stated that the interest so due to the bank had been due for some time, and that the default had continued for longer than two months. The question, he said, was had the bank received the money? It was quite clear that it had not. Of course it had not. As I said in my previous remarks, I have never taken the slightest exception to the legal decision of Mr. Justice Dwyer in that case. I would not be entitled to do so in this House if I felt inclined to do so, but I was not inclined. I have asked the House to determine whether there was sufficient justification from the legal and moral aspects for the Agricultural Bank's action. The Minister also said—

It was in April, 1933, that the then Agricultural Bank trustees declined to consider Addis any further because, as the documents show, they considered that he had given the Bank a raw deal.

In order to overcome that point of view, which I realise would probably be an expression of opinion from the Minister, I was at some pains to explain how impossible it was for Addis to take off his crop in time to make it worth while for him to do so. I quote again from the observations

of the Minister in that regard. The Minister said—

Addis stripped part of the crop and dumped the wheat without bagging same.

That was found in the report given by an officer of the Agricultural Bank to the Minister at that time. I gave the evidence of Mr. Wardle, an Agricultural Bank inspector, to the effect that Addis did not have bags until late in January and early in February, approximately two months overdue. Despite that, the Minister continues to allege, as has always been alleged, that Addis dumped the wheat without bagging same. Taken in conjunction with what I am about to say, that, I think, amounts to a most unfair statement because, although I cannot attribute it to the Minister direct—nor do I desire to do so for he was only quoting from the statements of others made prior to his term of office—it is quite clear from the documents I have here, which comprise invoices from Cresco Fertilisers W.A. Ltd., that on the 30th January, 1932, that firm delivered two bales of cornsacks to A. J. Addis and on the 12th February, 1932, it delivered two more bales and I think there are altogether, in four bales, no fewer than 1,200 bags or sufficient to contain 3,600 bushels. Therefore it is quite clear that it was not a question of dumping the wheat without bagging same but of dumping it because he was unable to bag it, which is the contention he has always made—a contention allied with his further assertion that so much delay took place in expectation of bags arriving and so great a change in the weather occurred that a considerable portion of the crop he would otherwise have been able to put in was lost altogether. Further on in his observations, the Minister said—

There are many documents to show that this man had not merely the utmost consideration from the Bank, but that the case has been scrutinised by many people capable of assessing the facts. If the facts were examined by any unbiassed people they could come to no other conclusion than that arrived at by those gentlemen of 11 years ago.

It is a curious thing that one of this farmer's creditors who, on the 1st October, 1932, came into possession of information that the Agricultural Bank had started proceedings against Addis for repossession, should write to him in the following terms:—

Dear Sir,—We have notice that the Agricultural Bank have issued a writ against you for the possession of your property.

If there is anything we can do to help you retain possession please advise us, as we will be only too pleased to assist, if at all possible.

That letter was from the Westralian Farmers Ltd. I submit it is most unlikely that a firm of that kind, which has transactions with all types of farmers during the whole of the tenure of their farms, as a general rule, would write to a man in those terms after a writ had been issued against him for dispossession if that firm was of the opinion that the facts of the case, if scrutinised by any unbiassed people, would lead to no other conclusion than that he should be dispossessed. This firm, which at that time was in just as good a position through its officers to assess the responsibility or irresponsibility of Addis as were the officers of the Agricultural Bank, wrote to him and said that if there was anything it could do to assist him in order to prevent his being dispossessed it would be only too pleased to do so. I submit, therefore, that the evidence the Minister referred to as proving that Addis's record as a farmer is disgraceful was at least not considered to be sufficient by that particular organisation.

Again, I have here copies of letters dealing with his record as a farmer, which record the Minister said was disgraceful. These letters have been signed—and I have at least one original—by such people as the secretary of the Kent Road Board and a number of farmers at Pingrup, the majority of whom I know well and whose word I would be quite prepared to take against the word of any person in the community. The Kent Road Board, so far from thinking the record of this man is disgraceful, says—

This is to state that the Kent District Road Board has always found Mr. A. J. Addis of Pingrup a most desirable member of the community, an efficient settler and a most worthy member of the board.

For and on behalf of the Kent Road Board, under its instructions, by resolution. C. R. Mitchell, Secretary.

On the 10th November, 1932, four farmers of the Pingrup area wrote—

We, the undersigned, have known Mr. A. J. Addis since he settled on the land in Pingrup, and can certify that Mr. Addis lost his total oat crop, and are of the opinion that his losses in his wheat crop were heavy and were due to heavy rains and winds and the late delivery of cornsacks.

Certain people, who are just as qualified to know as are the Agricultural Bank officers, testified in their own way many years ago that his conduct as a farmer was not disgraceful, and they are men who held responsible positions at that time, many being still in business. The Minister also referred to the inquiry by the Land Committee of the R.S.L. He assumes that the inquiry conducted by that committee was complete. I am in no mood to criticise any finding made by such an organisation as that, for which I have the highest regard. But I do not think the Minister is justified in the assumption that the committee's inquiry was made in the light of the full facts of both sides of the case, because I venture to say that no tribunal or body has yet inquired into this matter in the light of the full facts of the case on both sides.

Late though it may be, it is high time for an investigation of that kind to take place. I do not think anyone who has not dealt with the matter as a Royal Commission, or equipped with some similar authority enabling him to call before him the persons concerned to obtain the evidence from both sides, would be prepared categorically to state there is no justification for the case put forward by Addis. If the inquiries made by those people—excellent though I believe them to be—were carried out only in the light of the information disclosed on the departmental files, they might take the view expressed by the Minister. I venture to suggest they never had an opportunity to examine the evidence tendered before the Royal Commission, to which I have referred, scanty though it may have been; because, as I indicated in introducing the motion, there was considerable evidence to show that the character of Addis was no worse than the character of others in the neighbourhood, that his work was quite as good as that of many others, and that he did not fail to carry out his obligations in a reasonable manner in regard to the clearing contracts, etc., against which moneys had been advanced by the Agricultural Bank. Moreover, he was at the time no further indebted—in fact, far less than some farmers—to the Agricultural Bank than many other settlers who have remained, and properly so, on the properties they then occupied.

Had the Agricultural Bank adopted the same method in regard to all the farmers

who were only two months, or even one year, in arrears with their interest—take a farmer who owed as much as £110 on £1,700—as it did in this case, in applying for dispossession, there would not have been more than 15 per cent. of the farmers in Western Australia remaining on their properties. The Minister, in referring to the tender, expressed the opinion that probably the trouble was that no deposit was included with the tender. I have never suggested that there was a deposit. In the course of my earlier remarks I admitted that no deposit was made, but I have sufficient reason to believe that a committee should be appointed to inquire into whether money was available to pay for the property at the tendered price, had the tender been acceptable to the Commissioners. I agree, too, that the Commissioners would have been justified, had they objected to the absence of the deposit, in saying so. But this is the very letter addressed to Mrs. G. J. Addis on the 21st November, 1933—

I am in receipt of your letter of the 28th ultimo, in which you tender £1,000 for the above property. Your tender was submitted to the Trustees, but they were not prepared to accept. Thanking you for your offer, Yours faithfully, (Sgd.) E. A. McLarty, Managing Trustee.

The Trustees never raised the question. The evidence given by Mr. Wardell was to the effect that the Bank would have been in the same position anyhow. But, as I said before, had the arrangements, which I have every reason to believe could have been given effect to, been put into force, the Trustees would have been paid the amount to which they were entitled, and that would have been the end of their obligations. The Minister failed to give a sufficient reply to any of the matters I have brought forward. He has simply dragged out the oft-repeated assertion, to be found on the files, that the position was peculiarly unsatisfactory, and the man even more so. He has neglected or refused to consider the new matter introduced into the discussion by the evidence I brought forward, and in consequence I contend that this House should not be satisfied with his reply.

The Minister for Lands: It is difficult for me to trace the happenings of 1932.

Mr. WATTS: I admit that, and that is all the more reason why two things should not have happened. First of all, it was a most unusual thing for a Minister of the Crown

to reply to a motion of this character without adjourning the debate. I did not wish to mention that until the Minister interjected in the way he did. His rising to speak on the motion without seeking an adjournment is evidence of the fact that his mind was made up before he heard what I had to say, because he was prepared to rise and oppose the motion immediately after I had finished speaking, when the almost invariable rule in this Chamber is that there shall be a motion for the adjournment of the debate.

The Minister for Lands: I followed one of your colleagues, and not you.

Mr. WATTS: The Minister had very little time in which to consider the substantial matters that I brought before the House on this question. I wished to reply to what he has said. I knew that if I waited I could deal with the position of certain correspondence which I have read. That, I think, was desirable. I later arranged for the matter to be postponed because I wished to reply in the presence of the Minister for Lands, and not in his absence, the reason for which absence we all greatly regret. I do not propose to say any more except to ask the House to grant the opportunity for an inquiry of this kind to be held into the character of this man. If, after a careful investigation of all the aspects of the case, it is found on the evidence that the Bank was justified, then I shall have no quarrel; if, on the contrary, the decision of the committee is that a mistake was made, then I shall ask that effect be given to whatever recommendation the committee, in the circumstances, makes.

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

Ayes	..	..	..	15
Noes	..	..	..	22
Majority against	..	..	..	7

AYES.

Mr. Boyle	Mr. Seward
Mrs. Cardell-Oliver	Mr. Shearn
Mr. Hill	Mr. J. H. Smith
Mr. Kelly	Mr. Stubbs
Mr. Mann	Mr. Warner
Mr. Patrick	Mr. Watts
Mr. Perkins	Mr. Doney
Mr. Sampson	

(Teller.)

NOES.

Mr. Collier	Mr. Nulsen
Mr. Coverley	Mr. Pantos
Mr. Cross	Mr. Rodoreda
Mr. Graham	Mr. F. C. L. Smith
Mr. Hawke	Mr. Styants
Mr. J. Hegner	Mr. Tenkin
Mr. W. Hegney	Mr. Triat
Mr. Johnson	Mr. Willcock
Mr. Marshall	Mr. Wlee
Mr. Millington	Mr. Withers
Mr. Needham	Mr. Wilson

(Teller.)

PAIRS.

AYES.	NOES.
Mr. Abbott	Mr. Holman
Mr. Berry	Mr. Fox
Mr. Thora	Mr. Raphael

Motion thus negatived.

RESOLUTION—MEAT, SUPPLIES AND RATIONING OF MUTTON.

Council's Message.

Message from the Council received and read requesting the Assembly's concurrence in the following resolution:—

That, in the opinion of this House, the rationing of mutton in Western Australia is unnecessary for the following reasons:—

- (a) There is a surplus of mutton in this State;
- (b) Owing to the deplorable mismanagement of manpower the treatment of mutton for export to the United Kingdom is impossible.
- (c) Rationing has lowered the price obtained by the producer.

This Parliament urges the Commonwealth Government to exempt Western Australia from the provisions of the regulations until satisfactory arrangements have been made to handle the surplus supply. This resolution to be forwarded to the Legislative Assembly for its concurrence.

MOTION—WHEAT.

As to Acreage Restriction, Price, Manpower, etc.—Order Discharged.

Debate resumed from the 22nd September on the following motion by Mr. Boyle:—

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

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

to which an amendment had been moved by Mr. Berry as follows:—

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

MR. BOYLE (Avon) [5.12]: I move—

That this item be discharged from the notice paper.

In doing this I would ask members to recollect that when the motion was under debate last week the Premier suggested that a more acceptable motion could be framed. That has since been done, and notice given.

Question put and passed; Order discharged.

MOTION—TAXATION.

As to Pay-as-you-earn System.

Order of the Day read for the resumption from the 22nd September of the debate on the following motion by Mr. North:—

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

Question put and negatived; motion defeated.

BILL—CONSTITUTION ACTS AMENDMENT.

Order Discharged.

On motion by Mrs. Cardell-Oliver, this Order of the Day was discharged.

MOTION—COMMONWEALTH AND STATE RELATIONSHIPS.

As to Post-War Financial Reform.

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

That this House is of the opinion—

(1) That there is urgent need for consideration of radical reform at the termination of the present war in the financial relations between the Commonwealth and the States, and expresses its agreement with the principle of the joint resolution of both Houses of the Tasmanian Parliament to the effect that no financial relations between the Commonwealth and the States can be satisfactory that do not frankly take into account the different economic positions of the several States and provide for a systematic review from time to time of any scale of payments.

(2) That at the termination of the present war means should be found to restore to the States the right to impose income taxation either generally or in defined limits, while at the same time not imposing on the taxpayers, the

necessity of providing two different returns and complying with two differing laws.

(3) That a conference between representatives of the Commonwealth and State Parliaments, including both Government and Opposition members, should be arranged at a reasonably early date to consider such reforms.

(4) That copies of this resolution be conveyed to the Prime Minister and the Premiers of the several States.

to which an amendment had been moved by the Premier as follows:—

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

MR. WATTS (Katanning—on amendment) [5.15]: I think the Premier, on reconsideration, will agree that the amendment does not go as far as he proposes. In the course of his remarks, if I understood him aright, he took objection to the proposal of a systematic review from time to time of any scale of payments. I should be surprised if he really intends that the financial relations between the Commonwealth and the States post-war would be satisfactory if they did not take into account the economic positions of the several States. I have always understood that this difference in the economic positions is covered by the word "disabilities" and that the Commonwealth Grants Commission does not take much notice of those disabilities but considers the "needs" of the States, and that this fact has constituted a substantial objection to the financial control exercised by the Commonwealth. I frankly am prepared to omit provision of a systematic review from time to time of the scale of payments if that would suit the wishes of the Premier.

The Premier: I do not agree with the Tasmanian resolution.

Mr. WATTS: In framing the motion I quoted the principle of the resolution, namely, that no financial relations between the Commonwealth and the States can be satisfactory that do not frankly take into account the different economic positions of the several States. If the Premier will review the resolution of the Tasmanian Parliament, he will discover that it went a little further in its phraseology than that.

The Premier: That is so.

Mr. WATTS: I have made a selection from the resolution because I have somewhat different views from those of the persons who put up the motion in that State.

I chose the part that seemed to be desirable in the light of the determinations of the Grants Commission over the last few years. It has not taken into account to a sufficient extent the difference in the economic positions of the several States. Of course, it has taken the social services into account. It has made some additional allowance because of our scanty population, and in consequence has not deducted such a substantial sum as it otherwise would have done from the contribution, owing to its belief that, our social services being so much higher in cost and I believe in efficiency than the average of other States, we were not entitled to receive the amount that otherwise would have been granted. I should like the Premier to agree that his amendment should not go so far as it does, because the only alternative I will have—and I do not desire to resort to it—will be to seek to amend the amendment, which will be a rather difficult matter.

The Premier: Strike out the words from the word "agreement" in line 5 of paragraph (1) to the word "effect" in line 8 and insert the word "opinion" in lieu.

Mr. WATTS: I am agreeable to that. The paragraph would then read:—

That there is urgent need of consideration of radical reform at the termination of the present war in the financial relations between the Commonwealth and the States, and expresses its opinion that no financial relations between the Commonwealth and the States can be satisfactory that do not frankly take into account the different economic positions of the several States.

The trouble is that the Premier has moved to delete all the words of the paragraph after the word "States" in line 4.

The Premier: I am prepared to withdraw my amendment.

Mr. WATTS: I will be content.

THE PREMIER: I ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

The PREMIER: I wish to move an amendment.

Mr. SPEAKER: The Premier is not entitled to speak again. The motion is now before the House.

Mr. Watts: Shall I be in order in moving the amendment the Premier has indicated?

Mr. SPEAKER: No, the hon. member has spoken. The motion is before the House. Some other member may move it.

MR. DONEY (Williams-Narrogin): I move an amendment—

That in paragraph (1) the following words be struck out:—"agreement with the principle of the joint resolution of both Houses of the Tasmanian Parliament to the effect."

Later I shall move to insert the word "opinion" in lieu of the words struck out.

HON. W. D. JOHNSON (Guildford-Midland—on amendment): If the amendment is passed, I take it I shall still have an opportunity to speak against the motion.

Mr. SPEAKER: Yes, the hon. member may speak against the amendment and again on the motion.

Hon. W. D. JOHNSON: I trust that the amendment will not be accepted, and I do not want to see the motion carried. Some members might take the view that the fact of our amending the motion indicates our approval with the motion as amended; in other words, that the amendment really makes the motion acceptable. I submit that if we carried a motion conveying that the Commonwealth must discriminate between the States, it would make the House appear rather foolish. I do not care whether the amendment is passed or rejected. I am opposed to the motion as being out of step—

Mr. SPEAKER: Order! The hon. member may speak to the amendment only at this stage.

Amendment put and passed.

MR. DONEY (Williams-Narrogin): I move an amendment—

That the word "opinion" be inserted in lieu of the words struck out.

Amendment put and passed.

THE PREMIER: I wish to move an amendment to paragraph (2).

Mr. SPEAKER: The Premier having already spoken, cannot do that.

The PREMIER: But I wish to move an amendment.

Mr. SPEAKER: The question before the House is that the motion, as amended, be agreed to.

The PREMIER: I want to move an amendment to the motion as amended.

Mr. SPEAKER: The Premier cannot speak to the motion again. The question is the adoption of the motion as amended.

MR. McDONALD (West Perth): Do I understand it is proposed to move another amendment?

The Premier: Yes.

Mr. McDONALD: The motion contains an expression of our agreement with a resolution passed three times by the Parliament of Tasmania. Whether we like it or not, the fact remains that there are three States which are in a much weaker position than the other States and, while that position exists, we not only have to recognise it, but it is also our duty to do what we can to rectify it. To ignore it would be merely to sacrifice ourselves completely. As this position exists, it is our responsibility to acknowledge the fact and use all proper methods, Parliamentary and otherwise, to secure something more nearly approaching parity with the stronger States of the Commonwealth. Any other policy would be one of complete defeatism. There are reasons why we should show our association with the views expressed by the Parliament of Tasmania.

The Premier: That reference has been deleted from the motion.

Mr. McDONALD: The motion now states that we have an opinion similar to that expressed by the Parliament of Tasmania. The booklet issued by the Government of Tasmania shows that this resolution of the Tasmanian Parliament has something of a history and is based on very substantial reasons. For one thing, it is based on a resolution of the Constitutional Conference held in Melbourne in 1934. On that occasion the following resolution, accepted by five States, was placed before the Commonwealth Government:—

We agree that, unless unification is to be adopted as the ultimate goal, amendment of the Commonwealth Constitution is necessary to put the State Governments in a permanently stable position. We are of the opinion that such amendment should take the form of securing to the States financial resources adequate for the proper discharge of their constitutional functions.

The matter has further authority because the Federal Labour platform, as explained in the booklet, now reads—

In lieu of special Commonwealth grants to the States, the financial relations between the States and the Commonwealth shall be re-

formed, taking into account the differing economic conditions of the several States, with particular reference to the incidentally unequal effects of Commonwealth legislation and finance, and providing for reviews every five years of the scale of such payments.

The booklet issued by the Tasmanian Government goes on to show that in Canada something like a systematic basis has been arrived at in dealing with the relationship between the central Government and the Provincial Governments.

I desire to add a word or two on the general position with regard to this motion. At the present time, as a wartime measure, we have the Uniform Tax Act; and for the duration of the war and a short period afterwards the Commonwealth has the sole right to the income tax field, as well as other direct and indirect taxation fields. By what in effect is compulsion the States are not able to enter into those taxation fields while the Commonwealth income tax measure continues in force. But assuming that it expires at the time now specified in the Act, namely, after the war is ended, then the position still will be one of some difficulty because the Commonwealth has tasted blood in the way of high income taxation. It will be essential that there should be some demarcation of the fields of government in the post-war period, because when the Uniform Taxation Act expires it will be possible for the Commonwealth Government to tax incomes according to the scale it wants for its activities and responsibilities. The States will tax the same taxpayers for what they want to pay for their activities and responsibilities.

There is a limit to the 20s. in the pound for the taxpayer and if both governmental authorities are competing for his 20s. in the pound, without some understanding between them as to when they are going to stop, then the limited resources of the taxpayer may be exhausted. Therefore I think the motion is very timely. It touches what is fundamental to the existence of the States and to the whole continuance of the Federal system, with its divided responsibilities and fields of government. As the resolution of the Constitutional Conference of 1934 says, unless we are to have unification pure and simple or pure and complex—as one pleases—and only one Parliament, then we must face the necessity for arriving at some understanding as between the Commonwealth and the States as to what their relative responsibilities are going to

be and the relative basis on which they are going to charge the taxpayer for the money required for their activities.

I welcome this motion of the Leader of the Opposition. I do not think it is a moment too soon. Although we still have war conditions—and grave war conditions—the sooner ideas are exchanged on this subject in order that there may be no confusion and friction in the post-war period, the better. I would like to see the representatives of the Commonwealth and the State Governments meet in order to hold a preliminary discussion on this vital matter—so very vital to the effective and smooth working of post-war arrangements. I would like to see such a meeting take place as soon as it can be arranged.

THE MINISTER FOR JUSTICE: I move an amendment—

That in line 5 of paragraph (3) after the word "date" the words "after the war" be inserted.

MR. WATTS (Katanning—on amendment): I am of opinion that the amendment should not be accepted by the House.

The Premier: Do you want a conference now?

Mr. WATTS: No. I say in my motion "at a reasonably early date." That is a matter which could be arranged between the Commonwealth and the State Governments after taking into consideration the progress of the war. I do not favour the amendment for this reason: A matter of this kind takes a considerable amount of negotiation and, if we wait until after the war before a discussion takes place, it will be a good while after the war before we shall be able to proceed to hold a discussion. Under existing conditions, uniform taxation will end 12 months after the war. I venture to suggest that if negotiations do not take place until we know the war is ended and we cannot have a conference until then, the effect will be that there will be a great deal of delay. I believe the terms of the motion to be reasonable. I did not suggest any date—

Mr. SPEAKER: The Leader of the Opposition can only discuss the amendment.

Mr. WATTS: I am doing so, Sir. I crave your indulgence for a moment to say that I inserted the words I did in the belief that while the discussion should not take place at once, it should be held at a time that the

Governments responsible think proper. The motion does not require amendment, because there is no compulsion to have a conference immediately. I do not think it wise to wait until after the war. Apparently the Premier does not desire to be compelled to arrange a conference at once. I wholeheartedly agree with him that that is not wanted, and that is the reason I worded the motion as I did.

MR. McDONALD (West Perth—on amendment): I hope this amendment will not be accepted by the House. When the war ends we shall have our hands full of responsibilities.

The Premier: We have them full while the war is proceeding.

Mr. McDONALD: Yes, but there are some things we can do side by side. As the Minister for Industrial Development said the other day, he is not sitting in his office with his pen behind his ear waiting for the war to end in order to provide for schemes of employment for the post-war period.

Member: We thought he was.

Mr. McDONALD: He said he was not.

The Minister for Industrial Development: And proved it conclusively!

Mr. SPEAKER: Order!

Mr. McDONALD: At all events, that is his attitude, and I think his objectives are entirely warranted. So also, when it comes to the foundation on which the Minister's activities are going to be raised, he will be stranded on the beach for finance to implement his fine plans if money is not forthcoming.

Mr. SPEAKER: Order! The hon. member is getting away from the amendment. He is discussing the Minister for Industrial Development and finance.

Mr. McDONALD: I just desired to finish my good metaphor. Now is the time to arrange that the money should be forthcoming through relationships between the Commonwealth and the States that will work smoothly and effectively. I think that to leave the matter until the war is over would be unwise.

Amendment put and negatived.

HON. W. D. JOHNSON (Guildford-Midland): I hope the House will not pass this motion, which is an obvious attempt to anticipate the Commonwealth Government's

appeal to the people of Australia for a re-adjustment of the relationships between the Commonwealth and the State Governments for the purpose of post-war reconstruction. In my opinion it is wrong for this Parliament to attempt at this stage to direct or dictate to or interfere in any way with the responsibilities of the Commonwealth Government in preparing a policy for submission to the people. It is not a question upon which we might express an opinion to the Commonwealth Parliament. We would really be expressing an opinion in anticipation of a referendum to the people. By supporting the motion we may restrict or seriously affect our attitude on the questions that will be submitted to the people by the Commonwealth Parliament, in respect of which we shall have to play our part as representatives and as electors of the State. We do not want to be placed in that position. True, we were invited to express an opinion and a convention was held for the purpose of arriving at the means by which the States could be consulted.

But when the matter came before the various State Parliaments, some Parliaments did honour the understanding arrived at by the Convention, while others objected to the interpretation placed upon that understanding. That was so in this Chamber, because the Leader of the Opposition, who himself had attended the Convention, disputed the opinions held by the Commonwealth Attorney General, Dr. Evatt, in regard to what was understood at the Convention. Therefore, the Commonwealth Government has exhausted its efforts to arrive at an understanding between the States. There were so many differences between the States that there is no other way of doing this but going direct to the people and asking them, irrespective of State boundaries, to express an opinion. I am, of course, aware that there are limitations to a referendum; it has to be carried in a specific way and there must be a majority of the people as well as a majority of the States. The States come into the picture in that respect; but when the appeal is made it is made to the Australian people—the electors of Australia.

The Commonwealth Government has no alternative but to appeal to the people for that which it considers to be essential to do justice to the returned soldiers and to

the reorganisation of industry, which has been seriously shattered during the war period. Why therefore should this House now pass a motion of this kind? We had our opportunity on the Commonwealth Powers Bill and certain decisions were arrived at. I feel sad that such a decision should have emanated from Western Australia. Then I derived a little consolation from the fact that those decisions were dictated by a property Chamber. We are going to have no more property dictation in the new world that will come as a result of this war of destruction. The House of Lords and the Legislative Councils are no longer going to dictate to humanity. Property and vested interests have had their day. It is unfair that that power should have been used as it has to bring suffering upon the people over the generations, through the callousnesses that were displayed towards them and because the rights of humanity were put aside in favour of the rights of property.

What we have to do is with confidence to leave this question to humanity in Australia, to those of mature age who have the authority to declare as to the kind of government and the kind of policy they will have. The only way to do that is to get ourselves free from those Chambers which are constituted on the privilege basis, and to give the people the right to declare that they will not have a repetition of those circumstances. We had the opportunity when the Commonwealth Powers Bill was submitted to us, on which occasion another place exercised rights it had no right to exercise and should have hesitated to exercise. We now arrive at the position that the present Commonwealth Government has been to the country and has been returned to power. We all know that there must be some alteration in the relationship between the Commonwealth and State Governments. It is impossible for us to approach the post-war period with a division such as we would have if no understanding was arrived at between those Governments.

I want members to appreciate the experience we had after the last war when the division amongst the States was so serious to the humanity of this country. In those days humanity suffered seriously, women and children were not fed properly, and people had to live in tents at

the roadside because of the poverty of the State and its inability to stand up to its responsibilities which involved the looking after of its electors and the people generally. We can recall the neglect to give to our people decent food, and decent wages with which to buy decent food and thus provide them with something better than a tent to live in. Surely we are not going to revert to that state of affairs! Every member must desire that the people should have something better than that, but circumstances in those days were such that because of the State's financial position it could not live up to its responsibilities. That was the result of war and the disorganisation consequent upon war.

Hon. N. Keenan: That had nothing to do with the war.

Hon. W. D. JOHNSON: It had everything to do with it, and was the natural outcome of war. True, after the war period and for a certain time there will be affluence and decent conditions for the people, but the reaction has always been the same. History discloses that after wars there have been poverty, disaster, malnutrition and death in all directions. So it was on the occasion of the last war, and because of that we do not want it to happen again this time. We must realise that every human being has equal rights with us, that we should not, as representatives of the people, allow any single section to suffer, but that we should use our position to see that everybody gets protection against any system that is inimical to him and against which he cannot protect himself. We must see to it that we frame our policy along right lines and give the necessary authority to the Central Government that controls banking and controls the purse. We gave the Commonwealth Parliament control over the purse against my desire. In 1928 I warned the people that we would arrive at this stage, but a majority of members of this Parliament adopted the 1928 Agreement which enabled the Federal authorities to take the first step to impoverish the States and centre the control of finance in Canberra.

Mr. McDonald: Did you not agree with that?

Hon. W. D. JOHNSON: I did not.

Mr. McDonald: Why?

Hon. W. D. JOHNSON: If the hon. member will read my speech on that

occasion he will see that I opposed the Financial Agreement. I objected to our approaching the subject in that way, to having the control of the purse gradually taken out of our hands. At the time I said that 12 or 15 years later we would be in such a position that the financial position of the State would have become hopeless. My speech was a fairly good prophecy of what has occurred as a result of the 1928 Financial Agreement. Immediately the agreement was ratified I knew in my own mind that slowly but surely we, as a State, would be strangled, and I immediately became a unificationist. I said that if the Federal authorities were to control the revenue they must accept the resultant responsibility. I declared that it was wrong for them to control our revenue by means of the Loan Council under the authority of the Financial Agreement, and for that body to leave us to carry the burden of expenditure. I knew that that could not be done, and we are not carrying the burden.

Our financial position today is a reflection upon Parliament and our capacity to handle the affairs of the State. All kinds of acts are committed in order to obtain money, willy nilly, in any form in which money is available. Take the S.P. question! Instead of men engaged in starting-price betting being put into gaol they are allowed to flout the authority of Parliament. Because revenue was required and the fines imposed upon those men were of more advantage to the State in the financial struggle in which it was engaged those things that ought to have been done were not done. We therefore had to improvise, and we are still improvising. I could give numerous illustrations of the unjust impositions placed upon the people of this State today, because Western Australia has no other means of putting itself right than to resort to improvisation of its finances.

I take my hat off to the Under Treasurer for his ability in seeking our little places where he can gather in a few thousand pounds. He is a genius at that sort of thing. That is not finance, and it is not scientifically done. It is improvisation and carrying on in the hope of something turning up. What I want to be turned up is a complete appeal to the Central Authority to ensure that the State's responsibility shall be met as the outcome of a full

financial understanding as between the Commonwealth and State Governments, and also to ensure that the Commonwealth Government will accept responsibility for all those activities that are of a States-wide interest and which should be administered on a uniform basis.

Without going into details I will refer to education. There is no question that we are unable to carry out our system of education in this State. The present position in that respect is a reflection upon us. We are not doing the job, and we cannot do it because of our poverty. That state of affairs is due to the fact that we have given too much to the Central Authority. Since 1928 I have said that this cannot go on and that there must be an end to it. We reached that point a few years ago. We are not carrying on as a State should be carried on. The war saved us. The increased wealth we received as a result of war expenditure has staved off the evil day. The fact remains that we are no longer going forward, because of the State's incapacity to carry on the development of this huge area with its enormous distances and small population. It cannot be done. The Commonwealth Government has taken our revenue; let it take a share of our liabilities too. It is impossible for our people to carry on under present conditions.

I want an appeal made to the people and do not want that appeal limited by any motion such as this. Our scope in this matter should not be circumscribed. I want a free expression of opinion. I do not want people to say to me when the referendum campaign starts, "You agreed to this in the State Parliament; you carried this motion." There must be nothing to hamper the free expression of opinion when the time comes. The time is not now for an expression of that kind. It is for us to appreciate that we have done all we can, whether those things which we have done have been good or bad, and it is for the Central Authority to accept the responsibility of preparing for the post-war period so as to avoid all those privations that were found during the previous post-war period. It will be for the Commonwealth authorities so to provide for reconstruction that there will be no more deprivation or unemployment, no more poverty, but that every person will have a job to do. I agree that those who neglect to do their job, provided

it is there for them to do, should be penalised. Every man should have the right to work, and it should be the responsibility of every man to work when that is offered to him. I have no desire to go into details but appeal to members not to hamper in any way the scope of this question by a pre-discussion of it.

Let us wait until the Federal authorities appeal to the people. Do not let it be said that we have anticipated anything by this motion. We do not yet know what will be submitted to us by the Commonwealth Government. That Government must take into consideration the position of the several States. It can do that in a general way, but cannot discriminate between the States. It will take into account the different economic positions of the various States, and there will be a declaration to cover all the States but not any individual State. Suppose either Western Australia or Tasmania meets with special difficulties, and this motion has been carried! Suppose too the Commonwealth Government refuses to give that assistance because the State has not been able to get results from the new order that will be decided after the referendum is taken, owing to the fact that its economic conditions are different from those of the other States! The whole thing lacks commonsense. We know that it cannot be done in that way. Why express a view of that kind in connection with this motion? I say it is inopportune and is not the time for us to make a declaration.

We should wait patiently until the Commonwealth Government has declared its policy, its scheme of reconstruction based on the needs of the whole of Australia. When it does that let us have an open mind and declare ourselves for or against it. To anticipate the future by carrying this motion will only limit our scope when the time for discussion comes, and lay ourselves open to misunderstanding at the hands of the people as to our views on this important question.

MR. WATTS (Katanning—in reply): I did not intend to say anything in reply to the debate, and would not have done so but for the observations of the member for Guildford-Midland. I submit that his outlook on this subject is most extraordinary. We know there is an element of truth in his

observations in relation to the Financial Agreement which is now incorporated in Section 105A of the Constitution. I have sought to find the speeches the hon. member said he made in this House and which he said voiced his views on this subject, but in the short time at my disposal I have been unable to do so and will have to abandon the idea for the present. I am prepared to accept the hon. member's statement that he was opposed to the insertion in the Constitution of Section 105A as it stands today. I remind him that that section was not inserted in the Act by Parliament or by the Government of Western Australia or of any State; it was inserted by the people to whom he now wishes to refer all these other questions. In consequence and in support of his own argument he can have no cause for complaint about its insertion in the Constitution of Australia. He states that the Financial Agreement has been greatly extended by a number of schemes which have been brought into operation of recent years, some of which were and I believe still are of doubtful constitutional validity.

Those questions, however, were decided before the High Court of Australia, and in certain instances the Acts in question have only been declared valid by a majority judgment. There have been different legal opinions in regard to some of these Acts on the part of the hon. gentlemen who have sat upon the High Court bench. What the motion suggests is that there should be put a period to the method of whittling away the financial arrangements which we understood were to exist for us after Section 105A had been put into the Constitution. It states that it is high time consideration should be given to a radical reform as to the relationship between the Commonwealth and the States. That covers an alteration to Section 105A if it is decided that that has acted improperly against the interests of any section of the people. The policy of the member for Guildford-Midland is one of despair. He says we have got into trouble by our submission to Section 105A and are getting into still more trouble by reason of the whittling away of the financial arrangements to which I have just referred. He said that having got into that trouble we should remain there and make no demand to get ourselves out of it. That is certainly a policy of despair.

Mr. Marshall: The hon. member suggests that we take no action for the time being.

Mr. WATTS: The hon. member says we should continue as we are, and should bow to the present state of affairs, bad as it is. The view of that hon. member is that we should take no action.

Mr. F. C. L. Smith: Let us have a motion that you think will be effective.

Mr. WATTS: In the earlier part of his remarks he referred to this motion having been brought down with a desire to have some effect upon the Federal elections.

Hon. W. D. Johnson: No, the referendum!

Mr. WATTS: At the time it was brought down there was no suggestion, so far as I was concerned, that a referendum was likely to be held. My only object in bringing it forward was to co-operate to some extent with the Government of Tasmania, one of the other two claimant States, as they are called by the Grants Commission. Another reason was to ventilate for the information of the people of the State the position in which we found ourselves in regard to uniform taxation. I am sure there is no desire on the part of the people of this State to be subject to two different sets of taxation laws. We have a distinct understanding with the Commonwealth Government that, despite certain utterances by persons who may be more or less responsible, according as one chooses to regard them, the uniform system will be persisted in for not more than 12 months after the war ends. I am not prepared to say that the Commonwealth Government will go behind its own undertaking and insist that after 12 months subsequent to the termination of hostilities it will demand what this State fears may continue but which the Commonwealth has said it would not seek to continue. I would need proof much stronger than the mere expression of opinion by the member for Guildford-Midland before I would consider for one moment that the Commonwealth Government would attempt such an attitude.

Mr. J. Hegney: How do you propose to impose two income taxes without two different taxing Acts—State and Commonwealth?

Mr. WATTS: That will be comparatively easy if we pass one assessment Act and in that direction I do not believe it would involve much ingenuity to bring the new sys-

tem into being. I understand the Premier is of the same opinion regarding the assessment Act. I am prepared to believe that members of the Commonwealth Government are men of their word, and until I am convinced to the contrary I shall continue to hold that belief. Nevertheless, it is high time that we endeavoured to find ways and means of putting the taxation position on a satisfactory basis so that we shall know where we stand in the future. The member for Guildford-Midland assumes that whatever the referendum may be that is put to the people, it will be carried by the States. He holds that view, whereas all the experience we have had in the past is directly contradictory of that expectation.

Mr. Marshall: How can we say what will be in the referendum?

Mr. WATTS: None of us can say what form it will take. We have the knowledge that, with the one solitary exception regarding the Financial Agreement, to which the hon. member himself has taken such strong exception, every major proposal put before the people of Australia by way of referendum has been turned down. In those circumstances, what right have I or any other member to assume that any such proposal of any character at all that may be put forward by the Commonwealth Government will be accepted by a majority of the electors in a majority of the States, which is required by the Constitution? The member for Guildford-Midland has no ground for suggesting such a possibility, and I refuse to look at the motion in that light. I regard it in the light of the present situation, and I am entitled to do so. That situation points to the fact that the financial relationship between the Commonwealth and the States has been allowed to drift into a very unsatisfactory position.

Generally speaking, when there is a reasonable amount of concern indicated and grounds for conflict on a matter of national importance, the best way to cure the trouble is to hold a round-table conference, attended by people who know what those they represent require—so far as they are able to find that out—and to place the position accordingly before those at the conference table. At this stage we have the benefit of those who represent this Parliament having full information on the subject in the form they desire it to be. Therefore I shall accept no part of the policy of despair enunciated by

the member for Guildford-Midland and assume that there is to be a radical change in the attitude of the electors with regard to any projected referendum. I assume, on the contrary, that if any referendum, as submitted by the Commonwealth Government, is shown to be unreasonable, it will suffer the same fate as have past referenda. I ask the House to agree to the motion.

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

Ayes	..	..	..	29
Noes	..	..	..	5
Majority for	..	..	..	<u>24</u>

AYES.

Mr. Berry	Mr. Needham
Mrs. Cardell-Oliver	Mr. Nulsen
Mr. Collier	Mr. Patrick
Mr. Coverley	Mr. Perkins
Mr. Cross	Mr. Rodoreda
Mr. Doney	Mr. Seward
Mr. Hawke	Mr. J. H. Smith
Mr. Hill	Mr. Styants
Mr. Keenan	Mr. Tonkin
Mr. Kelly	Mr. Watts
Mr. Mann	Mr. Willecock
Mr. Marshall	Mr. Wise
Mr. McDonald	Mr. Withers
Mr. McLarty	Mr. Sampson
Mr. Millington	

(Teller.)

NOES.

Mr. Graham	Mr. F. C. L. Smith
Mr. W. Hegney	Mr. Pantou
Mr. Johnson	

(Teller.)

Question thus passed: the motion, as amended, agreed to.

Sitting suspended from 6.15 to 7.30 p.m.

RESOLUTION—MEAT.

As to Supplies and Rationing of Mutton.

Message from the Council requesting concurrence in the following resolution now considered:—

That, in the opinion of this House, the rationing of mutton in Western Australia is unnecessary for the following reasons:—

- (a) There is a surplus of mutton in this State;
- (b) Owing to the deplorable mismanagement of manpower the treatment of mutton for export to the United Kingdom is impossible.
- (c) Rationing has lowered the price obtained by the producer.

This Parliament urges the Commonwealth Government to exempt Western Australia from the provisions of the regulations until satisfactory arrangements have been made to handle the surplus supply. This resolution to be forwarded to the Legislative Assembly for its concurrence.

MR. MANN (Beverley) [7.30]: I move—

That the resolution be agreed to.

At the outset let me say that there is no shortage of mutton in Western Australia. Today, as usual on every day at this season

of the year, large numbers of sheep are coming in from the various farms and have to be shorn and disposed of. On top of that, the southern part of the State has enjoyed a very fine season, with the result that excellent lambs are coming in. They are the best lambs I have ever seen in my long experience of stock. Speaking on this subject in another place, the Chief Secretary is said to have stated:—

He strongly opposed the motion and Mr. Wood would find it hard to obtain support in the other House. It was freely admitted that a surplus of mutton existed here but it was unfair to state that a condition of deplorable mismanagement of manpower existed. The manpower authorities had provided labour on the basis of last year but as increased numbers of sheep had come to the markets some trouble had been experienced in that regard. The department could not be blamed for that. Last week it made arrangements for 100 more men.

"I make this definite statement," he continued, "there has not been any rationing of mutton in this State. On the contrary supplies to local butchers have shown an increase."

Men are not available, or so the military authorities say, for the work of killing and freezing. Hundreds of young fellows have been brought in from the farms by the Army and are used in the slaughtering of sheep at the present time. At Midland Junction last week there was abundance of mutton, and mutton was down. It grieves me to see the high prices city people are paying for it, especially for lamb chops, while the people in the country are receiving very low returns. From the very inception of the war there has been no definite organisation of the business, and that has been our great trouble. I consider I have a right to criticise the position as I do on this motion. Mr. Stitfold speaks of stripping hay. I never heard such a remark in my life. One cuts hay; one does not strip it.

The Premier: Is not hay mown?

Mr. MANN: Yes, but never stripped.

When Mr. Stitfold is criticised he enters into bitter discussions. One of our main troubles today is lack of manpower. Most of our troops here are living on tinned meat three times a week. It is surprising to find that wounded men in the hospitals here, men who fought for us in Egypt, live on tinned meat three days a week. What an extraordinary position, with the immense quantities of mutton and lamb available here! Something is very wrong. The trouble lies with the manpower authorities. Unless we can solve the manpower question, the position will become hopeless. Hay will not be cut this year; at any rate the farmers will not cut very much. I do not blame them for that, either. The average man in this Chamber could not stand half an hour of pitching sheaves. The tossing into stacks is an art in itself. The man who knows the job uses little exertion; the other man would be hopeless.

The military authorities will not release men capable of this work; it is useless approaching them about it. Unless there is control of the whole thing, the position will not be good. The rationing of meat has caused the chaos existing among butchers today. Some butchers who bought 1,000 lbs. of meat the week before last are now reduced to 850 lbs. One cannot even ascertain the quantity of meat in storage. There is an appeal to secrecy. Everyone is silent about the whole business. Surely the matter could be thrashed out! I would like a Select Committee of this House to ascertain what is really the position. The contract with the United Kingdom would have a very severe effect on this State, as the following table will show:—

50 PER CENT. CUT LOSS ON EXPORT TO FARMERS.

Comparison of present Commonwealth Meat Prices with Average Local Prices, 1941-42.

Class.	Average Weight.	Commonwealth Price.	Deduct Killing.	Net Producers, Commonwealth.	W.A. Price, 1941-42.	Deduction per lb.	Loss.
	lb.	d.	d.	d.	d.	d.	%
Wether ...	38	3.26	.62	2.64	4.25	1.61	38
	52	2.97	.62	2.35	3.75	1.41	37
Ewe ...	38	3.12	.62	2.50	3.25	.75	23

Lamb will be fixed at 6d. per lb.; beef from 7d. to 3½d. per lb.

No-one minds a reduction in consumption so long as the balance of the meat is forwarded oversea.

The Minister for Agriculture: Have you any idea as to what shipments have been made oversea lately?

Mr. MANN: No. Probably the Minister knows, but I have no knowledge whatever of it. Wherever we go, there is a demand for secrecy. The position is ridiculous. Regarding other foods, we know the position today. Those are the points I am concerned about. It is entirely wrong to ration meat here. Tons of mutton and lamb are coming to market. I am informed that in many places tinned meat has been buried. The Australian meat industry is a big organisation, involving millions of pounds. I was hoping that the Commonwealth Government would some day bring in a scheme whereby meat would be sold on the books. Today the yarding at Midland Junction may be 10,000 and tomorrow 18,000. I hope the House will carry the motion, because meat rationing is not essential here. Farmers have been affected by the manpower restrictions and rising costs over the last few years. If meat continues to be rationed, it will be the last straw!

Mr. Watts: Even the consumer will not benefit.

Mr. MANN: No one will benefit. I hope the resolution will be agreed to, because it is honest and sincere. If the Commonwealth Government is prepared to accept our advice in the matter of daylight saving we are entitled to expect it to accept our advice in this matter, which is just as essential to the primary producers and to the public as a whole as is the question of daylight saving.

MRS. CARDELL-OLIVER (Subiaco): I would like to apologise to the House for the condition of my voice. This is not a party question; it is entirely a human question, one in regard to which the civilian has as much right as anyone else. Just now when it was suggested that we must have slaughtcrers, the Minister interjected that they were killing elsewhere.

The Minister for Agriculture: Which Minister?

Mrs. CARDELL-OLIVER: Those men have to be fed just as civilians have to be fed. Then we have in our

State many men and women working in munition factories. They have hard physical work to do, and they need a sufficient supply of meat. They have been used to it. We are not like people in other countries. Australians have been great meat eaters, whereas in other countries meat is not eaten to the same extent. Meat eating has become a habit and that habit cannot be stopped abruptly without the health of the people being affected. If the people have been used to a good supply of meat they must continue to receive it if it is available, and there is no doubt that we have the meat in Western Australia. If this product were going oversea or being used by our soldiers, I think we would do anything possible to deprive ourselves for the sake of others, but the meat is not going in those directions. I know that sheep have come to Midland Junction in trucks and have been turned away, having been sent back to the farms.

I know also that though there is supposed to be a cut of only 15 per cent. in the supply to butchers, it is at least 30 per cent., if not, in some instances, more than that, and that cut does not apply to pork. The reason I have stayed behind tonight to speak on this matter is that I was asked by the butchers of Subiaco to participate in the debate. They showed me their books and told me they were willing for those books to be perused by members. Any butcher in Subiaco is willing to have his books investigated, and if members examined them they would discover the disastrous effect rationing is having on the trade and must also have on the people as a whole. One butcher had an allowance of 10,030 lbs. a month or an average of 2,507½ lbs. a week. That has been reduced to 1,734 lbs. a week, which means that he is losing 773 lbs. weekly.

The Minister for Agriculture: Would that be the allowance made by the wholesale butchers?

Mrs. CARDELL-OLIVER: I would not like to say. If the Minister wishes, I can bring him a detailed report.

The Minister for Agriculture: I was wondering who was responsible for the cut—whether it was the wholesale supplier or some other authority.

Mrs. CARDELL-OLIVER: I daresay that is the allowance from the wholesaler to the butcher. That means that the public is

able to buy so much less meat. That figure does not include pork, for which there is a tremendous sale in the metropolitan area. The 773 lbs. to which I have referred includes mutton and beef. However, I will pass this information over to the Minister to investigate later on. This state of affairs prevails in every butcher's shop in my electorate, and I daresay it prevails throughout the whole of the metropolitan area. I cannot speak about country districts but only for my own electorate. When I came out of hospital on Monday and wanted a chop, I could not get one anywhere. I sent my housekeeper for one, but she could not obtain it because chops were not to be had. The butchers closed their shops because they could not sell any more meat. I am healthy enough to go without, but there are many people who cannot do without meat. Unfortunately we already have in this country a great number of under-nourished people. When it is proposed to take away from the people an article of diet to which they have been daily accustomed and when such a procedure is totally unnecessary in view of the fact that we have a surplus of that commodity in the State—indeed the producers are producing so much that they do not know what to do with the meat—I do not call it rationing but pure muddling! It has been suggested that we have not got the slaughterers and that the soldiers could be used. Perhaps the authorities will call upon women!

Mr. Mann: They could do the work, too.

Mrs. CARDELL-OLIVER: I hope they will never be asked to do it. I hope the Minister concerned will have enough men released from the Army to do this work. There are enough men in Australia willing to do it; it is not as if all men were fighting overseas. Out of a population of 7,000,000 people an attempt is being made to get 1,000,000 in the Army. We have from Australia 700,000 or 800,000 in uniform, which is out of proportion to our population. But they are not overseas; many are in the State, and many of them could be doing this work. Before I became ill I met a boy in khaki. He was one who in his youth had been what is commonly known as a nit-wit. He did not do well at school and was not able to read or write at the age of 14. I asked him what he was doing, and he told me he was in the Army. I said, "Good! In what branch of the Army?"

and he replied, "I am in the Intelligence Section." That is perfectly true. When we are so muddled that men can be so badly placed, I think there is something horribly wrong.

Mr. Needham: Which is more important, the Army or —?

Mrs. CARDELL-OLIVER: The Army is important, but there would be no Army if there were no meat or food. We must have something with which to feed the Army.

Mr. Needham interjected.

Mr. SPEAKER: Order! I would like the member for Subiaco to proceed and take no notice of interjections.

Mrs. CARDELL-OLIVER: It would be a good thing if there could be a conference of all who are concerned in this matter in order that every point of view might be obtained—not only that of the primary producers, but also that of the wholesalers, retailers and the consumers. If these various people could get together they could ascertain what was wanted before some authority arbitrarily dictated a cut. As I have pointed out, the 15 per cent. reduction has really amounted to 30 per cent. so far as butchers in the Subiaco area are concerned. I trust the motion will be passed. I know that the Minister for Agriculture knows his job, and I trust he will look into the matter and see that something is done to rectify the existing position.

As to Adjournment of Debate.

THE MINISTER FOR AGRICULTURE:
I move—

That the debate be adjourned.

Motion put.

Mr. Mann: Divide!

The Minister for Agriculture: Surely the hon. member wants me to give an effective reply?

Mr. Watts: The division was called for because this is the last night for private members' business.

The Premier: I can give the hon. member an assurance that the motion will be considered on Friday if he wishes.

Division resulted as follows:—

Ayes	21
Noes	12

Majority for	9
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AYES.

Mr. Collier
Mr. Coverley
Mr. Cross
Mr. Graham
Mr. Hawke
Mr. J. Hegney
Mr. W. Hegney
Mr. Johnson
Mr. Marshall
Mr. Needham
Mr. Nulsen

Mr. Panton
Mr. Rodoreda
Mr. F. C. L. Smith
Mr. Styants
Mr. Tonkin
Mr. Triat
Mr. Wilcock
Mr. Wise
Mr. Withers
Mr. Wilson

(Teller.)

NOES.

Mr. Berry
Mr. Boyle
Mrs. Cardell-Oliver
Mr. Hill
Mr. Mann
Mr. McLarty

Mr. Perkins
Mr. Sampson
Mr. Seward
Mr. Shearn
Mr. Watts
Mr. Doney

(Teller.)

PAIRS.

AYES.

Mr. Holman
Mr. Fox
Mr. Raphael
Mr. J. Hegney

NOES.

Mr. Abbott
Mr. J. H. Smith
Mr. Stubbs
Mr. Thorn

Motion (adjournment) thus passed.

BILL—LOTTERIES (CONTROL) ACT AMENDMENT.

Second Reading.

THE MINISTER FOR THE NORTH-WEST [8.2] in moving the second reading said: This is the continuance Bill which alters the date in the Act from 1943 to 1944. The measure is not a very big one; it boils down to a matter of principle as to whether this House agrees to the continuation of the Lotteries (Control) Act for a further 12 months. One cannot say much in support of the Bill, or to assist members to make up their minds as to how they will vote. The report of each lottery conducted is placed upon the Table of the House, and full information as to the amount of money received, the sums distributed in prize money and the total commissions paid are given in those reports, so that members have at their disposal all the necessary information to come to a conclusion as to how they intend to treat the Bill. The measure has been introduced, debated and passed in another place. The Lotteries Commission has only made alterations in two ways in comparison with previous years. In the first place it has conducted more lotteries by reducing the prize money. That principle has appealed to the general public. Judging by results it has received full support; on every occasion the lotteries have been filled.

This House now has the opportunity to endorse public opinion by agreeing that the Lotteries Commission has done the right thing in reducing the prize money and con-

ducting a greater number of lotteries. In the second place the Commission has made an alteration in regard to the financing of hospitals. As members know it is practically impossible to get materials, artisans, etc., to carry out building operations in country districts. In order that country hospitals shall not suffer the Commission has formed a trust account into which it pays a proportion of the money available for distribution. That account will be used for the building and renovation of country hospitals when materials and labour are available to do the work. I have a lot of information in regard to the distributions to various institutions including country hospitals. The full list is very long and I do not propose to read it. If members care to search through the reports they can get all that information. If, however, there is anything that they particularly desire to know I will be only too pleased to read the list or give the information wanted. There are no further arguments I can put forward in support of the measure. I move—

That the Bill be now read a second time.

MR. SHEARN (Maylands): As the Minister has pointed out, the purpose of this Bill is to prolong the life of the principal Act. Every member will agree that the Commission has done admirable work. Whatever may be our opinions as to the desirability or otherwise of charitable institutions being supported by these means, this is not the occasion to discuss that feature. From the various associations with which I am connected I know of the beneficial results brought about by the distribution of the funds of this Commission. I have much pleasure in supporting the Bill and feel sure that it will receive the same support from members as it was accorded in another place.

MR. McLARTY (Murray-Wellington): I want to say a few words on this Bill. The time has arrived when the Lotteries Commission should be given a permanent life.

Members: Hear, hear!

Mr. McLARTY: I cannot see any virtue in this extension from year to year. I know the Commission has made some preparation for post-war aid to country hospitals. If it is able to do that, and if we allow it, it is a clear indication that we, the members of this Parliament, fully appreci-

ate the fact that that could not be done if the Commission had a life of only 12 months. Many country hospitals, or committees, are making preparation to improve the hospital accommodation in their districts. The Minister for Health knows all about that. They are looking to the Lotteries Commission for assistance. Under present circumstances, and those likely to apply in the immediate post-war period, it is unlikely that they would be able to carry on with the work without such help. All the circumstances, therefore, point to the fact that the life of the Commission should be given permanency. I would like to see the chairman and members of the Lotteries Commission given security of tenure. It is not possible for the Commission to give of its best under the present circumstances.

The Minister for Mines: Under an annual Bill we can only appoint the members yearly.

Mr. McLARTY: That is so. It is also advisable that the members be appointed for the same period. They should not be political appointments. I am not casting reflections on any side when I make that statement. I think the present chairman is a very honourable man, and has done good work. The first attributes of the chairman of a Commission such as this are that his honour and integrity should be unchallenged, and we can say that of the present chairman. I would not like to suggest anything to him that was not fair and above-board.

Mr. Doney: Have you tried him on that score?

Mr. McLARTY: No, but I know that he is a man whose honour comes before anything. He is doing a good job, but we should be very careful in the selection of the personnel of this Commission. I have nothing against its present members, but I would suggest that one member should possess intimate knowledge of health matters. A tremendous amount of the lotteries' income goes towards hospital upkeep. For that reason the Minister for Health should have the right to appoint someone representing his department. The members of the Commission should have expert knowledge in various directions. I wish to mention another matter. A district can raise a certain amount of money, and it then receives help from the department controlled by the Minister

for Health, and also from the Lotteries Commission. That is not the best way to assist hospitals. They should be assisted according to the relative urgency of their needs. The Minister for Health should indicate in which districts that urgency lies. We would then get better hospital facilities and more effective hospital treatment. I am sure the Minister for Health will agree with that.

Certain districts are more favoured than other districts when it comes to raising large amounts of money. Yet their hospital needs are not nearly so pressing. That being so, consideration should be given to this particular phase and money should be provided according to the degree of urgency, and not necessarily on a pound-for-pound basis. If an urgent request from some country district is made and the Minister agrees that it is urgent, then he should not say to that district, "You must raise pound-for-pound before the Lotteries Commission will assist." I put these points before the House in the hope that members will agree with me.

MR. BOYLE (Avon): I support the second reading. The lotteries have reached a stage when, on legislation being introduced annually for their renewal, there seems to be a sort of vendetta against the appointment of the Commission for more than 12 months. It is very difficult for a Commission of this sort, handling as it does hundreds of thousands a year—the profit last year was £92,000—to arrange a far-sighted policy under those conditions. The members of the Commission are required under the Act to provide certain help for hospitals, and yet they are not permitted by the legislation under which they work to look more than 12 months ahead. Most of us regret that such things as lotteries have become part and parcel of our economic system.

Hon. W. D. Johnson: Hear, hear!

Mr. BOYLE: Still, they are with us and, while we have them, it is necessary to deal with them in a sensible manner. Speaking as the representative of a country district, I can say that the commissioners, and especially the chairman, hold the scales very fairly as between country and city. In outlying areas several ambulance vans have been provided and their provision has been possible only through the consideration extended by the Commission. I quote my dis-

trict as an example of the fair and square treatment meted out generally by the Commission.

The members of that body have been subject to much criticism, 90 per cent, of which has been entirely undeserved. On many occasions I have had to approach the chairman, Mr. Kenneally, and he has never been afraid to say "no" if "no" was the necessary answer. Under the Act, we pay him the sum of £500 a year to handle a concern showing a net profit of £92,000 a year. We probably give him as much as or a little more than is paid to a chief clerk in an insurance office. We give him as much as many foremen are earning—men without monetary responsibility, men who are not required to set up schemes for raising money or for spending it. There is not a bank manager in Western Australia today who has anything approaching the responsibility that rests on the shoulders of the Commission; yet we pay the chairman £500 a year. I think it a standing disgrace to the Legislature that he is not paid a salary commensurate with the job.

I hope that the vendetta to which I have referred will cease. If we must have this form of gambling, which I say is to be deplored, we have still to remember that it is now not only engrafted on the body politic of Western Australia, but also exists in Queensland and New South Wales. If we consider the gambling aspect, I dare say the lotteries are not half as bad as is stockbroking or dealing in shares. If we are to continue the lotteries, let us give the commissioners an opportunity to evolve a long-range policy. A few years ago when the lotteries in this State fell to a fairly low ebb and it was necessary to attract subscribers in the Malay States and so forth, the chairman even then could not evolve a policy for more than 12 months ahead.

MR. DONEY (Williams-Narrogin): The member for Avon insists that a vendetta exists, aimed at the Commission, I presume. That would imply a feeling of distrust or hatred or something of the sort against the chairman and those associated with him in the control of the lotteries. Of course there is no such vendetta; nor would there be any justification for it. I have told the House on several occasions that I am not enamoured of taxation in the form of money raised by lotteries. The principle is

very unsound. Despite that and strangely enough, there is justification for continuing the work of the Commission. If the lotteries should go out of existence by any decision of ours, a considerable amount of loose money would leave the State and be sent to Queensland or Tasmania. We certainly do not want that to happen. If loose money is available for the purpose, although the method of collecting it may not, in my opinion, be wholly sound, it is better that we should have it here than acquiesce in its being sent to another State.

One very pleasing feature of lotteries control in this State has been touched upon by the member for Avon and the member for Murray-Wellington, and that is what I conceive to be the entire suitability of Mr. Kenneally for the quite onerous task he discharges as chairman of the Commission. In any encomiums of this sort that I offer Mr. Kenneally, it is to be understood that they should be shared by those associated with him in the control of the lotteries. I cordially endorse the nice things said about Mr. Kenneally by the preceding speakers.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Bill read a third time and *passed*.

BILL—INCREASE OF RENT (WAR RESTRICTIONS) ACT AMENDMENT.

Second Reading.

Debate resumed from the 23rd September.

MR. SEWARD (Pingelly) [8.25]: This is a small Bill, with the principles of which, generally speaking, we can agree, although I should like to see certain amendments made in Committee. Unfortunately, I have not had time to place the amendments on the notice paper, but I have supplied the Minister with a copy of them. I had no idea we would reach this Order tonight. One of the objectives mentioned by the Minister is to cope with a situation that I understand has arisen in the city whereby, in order to obtain a higher rent than the standard rent fixed for a house, a practice has sprung up of charging a rent for the house and then an additional rent for the furniture, thereby making people pay a

greater rent than is fair. With such a practice I have no sympathy whatever, although I very much doubt whether the amendment proposed by the Minister will accomplish the desired end. I do not think it is possible by legislation to beat anybody who really sets himself out to defeat the law. Proof of that is found in the fact that this is the second amendment we have been called upon to make since the Act was passed in 1939. However, if the Minister is convinced that the amendment will be sufficient it is not my intention to question it. Another object of the Bill is to prevent a lessor refusing to lease his house to anyone with children. This provision will immediately appeal to everybody in the State. I suppose the greatest problem confronting this country is the declining birth-rate and, so far from putting any obstacle in the way of people with children desiring a house, they should receive first choice. I will not raise any objection to a provision that will ensure to such people their right to get accommodation for themselves and their children. But there is a provision in the Bill to which I cannot subscribe. It states that if a lessor inquires of a prospective lessee whether he has any children, he immediately becomes liable to a fine of £20. That is an extraordinary provision, and in Committee I shall certainly move for its deletion. There are many reasons why a lessor might wish to know whether a lessee has any children. There may be an underground tank on the premises and, if there are any children, it might have to be made secure. In the house there might be some particular article of furniture, an antique or something valuable and, if the lessor thought that children were coming into the house, he might feel that it would be unwise to leave it there.

I think members will agree that the lessor should have an opportunity to remove any articles of that kind, but of course he should not have the right to denude the place of furniture. If he asks whether there are any children, however, he becomes liable to a fine of £20. That is going beyond what is necessary to attain the objective that there shall be no bar to the letting of houses to people with children. To the other provisions of the Bill I offer no objection, but discussion of them may more fittingly take place in the Committee stage. Consequently, as this does not affect the objective of the

Bill, which I support in general, I will reserve what I have to say on the other matters until later. I refer to the obtaining of a declaration of a standard rent and the obligation thrown upon a lessor to obtain such a statutory declaration if the tenant requires it. We can accomplish that end a little more effectively, and certainly with much less inconvenience and expense to the lessor by inserting an amendment which I will move in due course. I support the second reading.

MR. WATTS (Katanning): I also support the second reading, substantially on the grounds mentioned by my colleague, the member for Pingelly. I agree with him that it is reasonable and right to make provision that a landlord, particularly of premises that are not adequately furnished, shall not be allowed to refuse to give a family with children a roof over its head. That aspect of the matter brings to my mind the difficulties now being experienced by persons in the metropolitan area—and indeed in other parts of the State—in obtaining a roof over their heads during recent times. That applies more particularly to the metropolis and for a variety of reasons. First, there has never been a large surplus of housing accommodation at any time in the metropolitan area; secondly, there has been a discontinuance of building operations on account of war restrictions. In any event, the position is more difficult now than it has been. Superimposed on that, however, has been a perfectly natural influx of people from the country districts for reasons which I will deal with in a moment, as well as an influx of people from the East Indies and other countries to the north of Australia who were compelled to come here when those countries were occupied by the Japanese. I think the influx of the latter came first and it accentuated to some degree the difficulty I mentioned.

The influx of the others has, I think, come about more as a result of the large numbers of men who have been called up for war service but who have not been required to give that service in the Forces overseas. These have in many instances come from country places to which transport facilities are few and far between, and they are now stationed within a reasonable distance of the metropolitan area. In consequence, their wives

and children—in many cases only young women with perhaps one or two children—have come to the metropolitan area in order to have some prospect of being near their husbands when they get their short periods of infrequent leave. Such is the shortage of housing accommodation in the metropolitan area that many of these people are living in small flats or furnished rooms and premises of that character, for which to my mind there is undoubtedly a tendency to charge excessive rents. There is also a tendency to refuse to let such premises to people with two or three children. I have here a petition which has been forwarded to me today by no fewer than 21 young women of the type I have mentioned. They have come from country districts for the reasons I gave. The petition reads—

We, the undersigned petitioners hereby bring to your notice the conditions under which we are living and are forced to rear our children. We petition that conditions be improved.

On making inquiries from one or two of these people, I ascertained that they were unable to secure suitable quarters and in one or two instances were refused accommodation because they had their children with them. We have in Australia—and particularly in Western Australia—obvious need for an increase in our population. If we believe, as I think we do, that while other types of immigration may be desirable to an extent if properly controlled, the best immigrant we can have is the child of our own race, then it is high time we decided to try to solve this problem. I am not saying that this Bill will by any means solve even a substantial portion of the problem, but it will be an indication that this Legislature is prepared to make a beginning by recognising the rights of these children. If, as was suggested by the member for Pingelly, restrictions are being imposed upon parents because of their children, steps should be taken to remove such restrictions.

I do not want to impose on any landlord who lets a furnished house—the furniture being of considerable value—the possibility of great damage being done to the contents by unruly youngsters. When I say unruly youngsters, I do not refer only to unruly youngsters who are living in premises let at a low rental. I know some instances of children of comparatively wealthy parents

who are absolutely incorrigible; the remark applies, as far as I am concerned, in various instances to all sections of the community. Subject to that exception, it is necessary that we should make a start to look after the interests of these youngsters. Because I believe that, I heartily support the second reading.

Question put and passed.

Bill read a second time.

As to Committee Stage.

THE MINISTER FOR LABOUR: In order to give members an opportunity to study amendments which will be placed on the notice paper tomorrow in the name of the member for Pingelly, I move—

That the Committee stage of the Bill be taken at the next sitting.

Question put and passed.

ANNUAL ESTIMATES, 1943-44.

In Committee of Supply.

Debate resumed from the previous day on the Treasurer's Financial Statement and on the Annual Estimates, Mr. Marshall in the Chair.

Vote—Legislative Council, £2,012:

MR. TONKIN (North-East Fremantle—continued) [8.38]: The member for Claremont evinced some curiosity this afternoon concerning an accountancy lecture recently delivered in Melbourne by an authority on that subject. One of his questions indicated that he was desirous of finding out whether there was to be any proposed alteration in the system of public accounts. I propose to deal very shortly with certain provisions of the State Trading Concerns Act and to make some quotations from the report of the Auditor General for 1937, for I think these are matters which should be brought prominently before those in charge of some of the State Trading Concerns in Western Australia. Section 13 of the Act reads—

The balance standing to the credit of the banking account of a trading concern at the end of every financial year shall be applied as the Governor may direct, and, in the absence of any direction, shall be carried forward to the next year's account.

There seems to be an opinion abroad that State Trading Concerns are not permitted to reduce their capital even though they may succeed in making profits, but that their

surplus revenue over expenditure must be paid into Consolidated Revenue, leaving the capital indebtedness as it stood initially, or as it stood initially plus any additional amounts made available either from Loan or from Consolidated Revenue. This section of the Act was brought under my notice, and the opinion was expressed to me that under it the Minister would be permitted to effect a reduction in capital by utilising the surplus of revenue over expenditure, or, in other words, unexpended profit. That is a practice that has never been adopted in this State. Ministers have not taken advantage of the provision, with the result that certain surplus profits have gone into Consolidated Revenue, without making any difference whatever to the capital indebtedness of the concern. I deal with this matter in order to draw attention to that fact and to show that provision is made for the reduction of the capital debt by utilising surplus profits which may accrue from time to time. I think it is preferable to use such surpluses in that way to taking them into Consolidated Revenue, no credit being given to the undertaking responsible for the surplus.

The other point with which I desire to deal is set out in Section 15 of the State Trading Concerns Act, which reads—

The Colonial Treasurer shall determine the amount of the depreciation of the assets of any State Trading Concern.

There is a belief—I held it myself until quite recently—that money provided for depreciation will go into Consolidated Revenue; that is, that when there is an appropriation of profit or a charge against profit, either for setting up a reserve fund or for writing off depreciation, the amount so provided will be paid to the Treasurer. In 1937 the Auditor General submitted a question on this point to the Crown Solicitor. That question is to be found in Appendix 5, page 953, of the Annual Report. No. 6 of Appendix 5, dealing with Section 15 of the Act, reads—

Where depreciation has been provided, and the amount is available in the "Banking Account," would the Minister, under the general power of control vested in him by the Act, have authority to expend such amount upon capital assets—not necessarily on the replacement of those depreciated?

The Crown Solicitor replied to that question as follows:—

. . . . I think it follows from what I have

said, that where a reserve has been created for a depreciation or where amounts are written off from year to year for depreciation, the Minister has power to purchase capital assets out of any amount available in the fund appropriated by Parliament, or any accretions thereof arising in the course of trading, for the purchase of other capital assets which need not necessarily be any replacement of those depreciated. The assets need only be assets bona fide necessary for the purpose of carrying on the business of the concern.

That, again, is an opinion to which attention should be drawn in order that advantage can be taken of it. I know the belief is fairly widespread—and I admit that at one time I held that belief myself—that provision made for depreciation would go into Consolidated Revenue without credit being given to the particular account concerned. According to the question put to the Solicitor General and his reply thereto, the Minister is at liberty to utilise the amount so set aside for depreciation for the purpose of purchasing additional assets for the concern, but not necessarily for the purpose of replacing the asset that has depreciated. That is an important point.

Generally speaking, a depreciation reserve is set up to provide a fund out of which the replacement of certain assets can be effected. That is a wise provision, more especially if the depreciation is on the liberal side, because it ensures that the business will not be short of funds at a time when it becomes necessary to replace assets that are worn out, or which may be of no further use to it because of obsolescence. When such provision is made that money, instead of being left in the business, is usually invested in safe securities so that it will be available when required and will not be left idle in the meantime but will make some return to the business. Under the State Trading Concerns Act what usually happens is that the money so provided for depreciation is taken advantage of by the Treasurer, and the business concern derives no immediate benefit therefrom. According to the question and answer I have referred to, it is open to the Minister to utilise such funds for the purchase of additional capital assets and not necessarily ones for which the depreciation was provided.

Mr. F. C. L. Smith: The Tramways could buy some new trams.

Mr. TONKIN: That is so. I draw attention to the matter because I feel that little

is known of this provision. At least I feel that if it is known, scant consideration has been given to it. It seems to me that this provides us with an opportunity to carry on State undertakings in a far better manner than has been the practice. There could be little said in favour of a procedure that permits the original capital debt to remain unaltered and surplus profits to be taken by someone without some credit being given to the business making the profits. It would be sounder accounting to provide that where a business is making a profit, and especially regular profits, some portion of the money should be used to write down capital indebtedness so that the interest burden might be progressively reduced.

Unfortunately we seem to have an idea that we should keep the capital amount at the original figure, continuing to pay interest thereon and allowing the profits to go to the credit of Consolidated Revenue. No private business could continue to flourish under such financial provisions, and we should not expect State undertakings to do so. I hope that those in charge of various State enterprises will take advantage of what the legislation makes possible for them to undertake, and that in their accounting methods they will use this device which will reduce their expenditure considerably, and will make it easier for them to render service to the public with profit to themselves and the general community, and thus give greater satisfaction all round.

MR. BOYLE (Avon): I note that the surplus budgeted for by the Premier for 1943-44 is £1,505. That seems a very small surplus to budget for, especially when we remember the stimulus of war expenditure. We know that in Queensland the Government has enjoyed an exceptional measure of war expenditure, and the surplus of that State ran into millions. Why a State like Queensland should be able to show such a tremendous surplus last year is perhaps easy to understand, whereas Western Australia was able to show a surplus of only £40,000 odd, and for the current financial year anticipates the very small surplus of £1,505. Of course, I agree with the Premier that these are unsettled times, and we do not know the shifting incidence that will affect transport arrangements. Nevertheless, railway revenue may swell to a very appreciable extent the Premier's rather small estimate.

The Premier: There are rising costs to be taken into consideration.

Mr. BOYLE: I agree.

The Premier: You find that in private life.

Mr. BOYLE: Naturally, costs are abnormal. One of our greatest revenue-producing departments—the Railways—has been working largely under overtime conditions, and certain social responsibilities have been thrust upon the Government which, I appreciate, have had to be met. In reading through the report of the Commonwealth Bank, which was issued recently, I notice, that when dealing with the State revenue surpluses, the Bank Board wrote—

The extraordinary surpluses shown by State Treasuries have received appropriate attention. Largely as the result of the war the cash resources of the States have increased to the very substantial figure of approximately £34 million on June 30, and this provides a suitable opportunity for redeeming part of the Treasury bills which were taken up by the Commonwealth Bank to finance State deficits in the years prior to 1934. Over £50 million of these bills are still outstanding, and the board has made representation that arrangements should now be made for permanent redemption of a substantial proportion of them.

So Western Australia apparently is not going to share very largely in that redemption. I take it that the States that have had large surpluses will, as a result of this decision, considerably reduce their Treasury bill indebtedness, which has been available to them. It seems to me that here again Western Australia is to suffer.

The Premier: You know that Treasury bills represent easy finance because of the very cheap interest.

Mr. BOYLE: So it should be.

The Premier: Yes, but if the State has to work on ordinary loan borrowings, it has to pay double the interest.

Mr. BOYLE: I agree, but one of the arguments advanced by the Disabilities Commission against Western Australia had relation to our per capita indebtedness, our accumulated deficits that had been funded, and so on. Now the Commonwealth Bank wants its bills redeemed.

The Premier: That is so.

Mr. BOYLE: And the question that arises concerns mostly the States that have large surpluses. We have not a large surplus. In contradistinction, I notice that the report regarding the Savings Bank shows that

in Western Australia the people have an accumulated surplus of £5,000,000 on their operations for the year. That is to say, the credits in the Savings Bank have risen from £14,000,000 to £19,000,000.

The Premier: That is because the people cannot buy goods owing to rationing.

Mr. BOYLE: The Government, too, is largely in a position of not being able to buy its requirements.

The Premier: Everyone is working, and that is a good thing.

Mr. BOYLE: Quite so. The Premier's remark that the people cannot spend their money because they cannot buy goods shows that we are producing in our citizens a spirit of thrift. They are making provision for the rainy day that must come. I agree that that is a step in the right direction. Turning to the Estimates, the small Vote for Agriculture is, I think, very much to be regretted. In my opinion this is the time when a great deal more could be done by the Agricultural Department. That is not only my opinion but it is the opinion of those who represent rural areas. I wish to pay a warm tribute of appreciation to the officers of our Agricultural Department. I have contacted officers of Agricultural Departments in practically every State, and I say that our officers compare very favourably with the best of the others. A committee of the Country Party has just completed a survey of the agricultural portions of Western Australia practically throughout the South-West Land Division. Everywhere we saw evidence of the good work carried out by the Agricultural Department's officers, particularly in the South-West. Their accommodation in places, particularly at Busselton, is wretched and they seem to be eternally short of research materials and so forth. I have expressed the opinion before, and reiterate it now, that for many years Western Australia must be developed on an agricultural basis.

Every member is eager to assist the Government in any possible direction to establish secondary industries, but we are starting a long way behind scratch in that respect. We must continue the agricultural development which was arrested through considerations over which we had little, if any, control. Members should realise that the agricultural development of Western Australia actually did not commence until

about 23 years ago. History shows that it was in the twenties and down to the depression year of 1930 that Western Australia had its major period of agricultural development. The depression halted that development and then came the war which, however, has given us the opportunity for the time being of applying scientific development to our agricultural activities. The Premier has stated in this House, and I do not think any member would disagree with him, that we should be careful not to have all our eggs in one basket—that of agriculture. At the same time it must be remembered that the rural industries must provide the raw material for the development of every other form of activity.

Today science and agriculture are more allied than ever before. The war has pushed scientific agricultural development years ahead, and I certainly consider that the small amount provided on the Estimates for agriculture is meagre to a degree. We have to face the problem of providing foodstuffs for the world. In the London "Contemporary Review" of the 10th June last, I read a summing up of the position that I think sets it out in a condensed and exceedingly logical form such as one would expect from that very well known and responsible journal. Its comments were—

Famine and starvation were responsible from 1917 to 1925, for the death of millions, and may be considered as one of the main contributory causes of the present war struggle. The suffering endured fostered a spirit of bitterness and hatred which was bound to provoke either a revolutionary upheaval inside the nations affected or a wave of nationalist fanaticism leading to international conflict. If we take this fact into consideration we realise that the preservation of peace in the future depends more on the success or failure of the United Nations in coping with the problems of food relief than on any other effort that they may make in order to prevent a third war and the final destruction of European civilisation. Neither the occupation of Germany nor the adoption of the wisest system of economic and military co-ordination between nations will have any lasting effect if famine is once more allowed to devastate Europe or to disintegrate its physical and moral resistance.

In this State we have a country that is capable of producing a primary article of food, wheat, on a basis of five bushels per human being for bread, and thus it is able to feed ten millions of the European population. Western Australia can be made one of the finest food producing States in the world.

but it is only through the agricultural development to which I referred that this can be brought about. In that regard we are very far behind in many ways. The matter of marketing our primary products has entered a new order, and I hope that members will assist in every way towards establishment of that order. The object—and I say this with a full sense of responsibility—is to prevent the marketing of foodstuffs produced in Australia from becoming a means of enrichment for the men who handle them between the producer and the consumer. From the wheat point of view I remember over a period of years making trips East twice a year in the interests of an organisation to which I belong, in order to secure—call it what you like—marketing socialism if you will. But we never succeeded in getting past the private control of the selling of our primary products.

In September, 1939, the war altered the position overnight. We had established what is known as the Australian Wheat Board, and I hope the Australian Wheat Board has come to stay. That, of course, means that there must be international apparatus for the handling of products from the primary producing countries to the point of distribution. To show that that feeling is not only evinced by men like myself, I need merely to mention that it has now permeated the Conservative Party of Great Britain, a party which of course we know was virtually pledged to the handling by private enterprise of these particular products. The British Official Wireless of two or three weeks ago stated that the Agricultural Committee of the Conservative Party, reporting on post-war problems, had declared—

There are two periods of food marketing. The first is when acute world scarcity prevails, when a scheme will be necessary for deflecting immediately surpluses to those countries where the shortage is most acute.

When this stage is passed, a system is called for under which the total food requirements of Britain will be parcelled out amongst suppliers.

Now we have reached the stage wherein the Agricultural Committee of the Conservative Party of Great Britain declares that governmental purchase rather than individual trading must be the order of the coming day. We who advocated that system here during the last 20 years received little support locally. Now, however, we are but-

tressed by the fact that the present ruling Party of Great Britain adopts those views. We on our side must be prepared to work in with it. The House knows well my view on the Federal bond that retains us in the Commonwealth; but I say that while we are in the Commonwealth the marketing of our primary products throughout Australia should be in the hands of the Central Government of Australia. There is only one organisation that could control a movement which means revision of Section 92 of the Commonwealth Constitution. In 1937 I supported the Commonwealth Government's appeal to secure those powers for the Government of that day; but we were beaten by a majority of over 1,000,000 in Australia. I hope that people have in that regard learnt better.

We have heard a great deal recently from various quarters concerning the Commonwealth Mortgage Bank. I can never understand why people are so wrapped up in the idea of such an institution as an aid to the primary producer. It is one of the greatest confidence tricks that was ever perpetrated on the primary producers of Australia. The Royal Commission on wheat which reported in 1935 gave as its considered opinion the following, and I may add that no member of that Royal Commission was a farmer—

Overshadowing all is the debt structure of the wheat farmer, and until that is dealt with, nothing else matters much.

That Commission took evidence from farmers, and delivered a verdict in accordance with the evidence it took. That was the Commonwealth Royal Commission on Wheat, Flour and Bread—one of the finest Royal Commissions that ever sat in Australia. We were told on the 27th September that the Mortgage Bank would open its doors as part of the Commonwealth Bank for the purpose of dealing with the farmers' debt structure. We find—and I state this authoritatively—that 75 per cent. of indebted farmers in Western Australia will not be able to measure up to the standard set by the Mortgage Bank. And why not? Because they have not the equities in their properties that are demanded under the Act. The equity must be 30 per cent. of an indebtedness which will be set out by the valuers of the Mortgage Bank.

I will give one instance, a property at Kellerberrin! Over the years that property

has been developed, and well developed; and it has accumulated a debt of £20,000 on 4,000 acres in the Kellerberrin district. That indebtedness of £20,000 amounts to roughly £5 per acre. Of the institutions which lent the money, one bank and one insurance company, the latter valued the property at £3 per acre and the former at £2 15s. At £3 per acre the value is £12,000, and the property is carrying a debt of £20,000. Let us assume that that farmer went to the Mortgage Bank Department of the Commonwealth Bank to be taken over. If the Mortgage Bank accepted the £12,000 private valuation, the loan advance would not exceed £8,500. Where is the difference between the £12,000 valuation and the actual debt of £20,000 going to be cleaned up? The State Government has repeatedly refused to introduce legislation for the compulsory reduction of the secured debts of farmers. Mr. Scully, writing to the member for Pingelly on the 6th March, 1942, pointed out that that was the function of the State Parliament, to be carried out before the Rural Bank could act. The Mortgage Bank was no good without that. So we are between the devil and the deep sea as far as the utility of the Mortgage Bank to the average indebted farmer of Western Australia, or in Australia, is concerned.

The Premier: Had we been able to develop the country on 4 per cent. money, we would be a lot better off than we are. Actually we developed it on 7 per cent. money, and that has got us into trouble. We do not want to get into trouble any more.

Mr. BOYLE: The money of the Agricultural Bank in the nineteen-twenties was lent at 7 per cent. Now everybody agrees that the days of high interest rates are past. The hope for the future is doomed by the Mortgage Bank Department of the Commonwealth Bank when it wants on long-term loans 4 per cent., and 1 per cent. sinking fund at 2s. 6d. per cent. on the long-term loans. Thus the liability of the primary producer would be over 5 per cent., and no man can borrow himself out of debt. I had hopes that the Commonwealth Bank would fix the maximum rate at not more than 3 per cent., which is the rate that might reasonably be borne. But a new institution of this type, on which we built our

hopes, making demands like any ordinary financial institution, reveals itself as a confidence trick worked on the primary producers of Australia.

The Premier: That is better than 8 per cent. and no sinking fund!

Mr. BOYLE: The member for Pingelly reminds me that the Associated Banks' interest charged to primary producers is 5 per cent. and 5¼ per cent. I remember going into the office of a general manager in Western Australia of the Commonwealth Bank to try to effect a transfer for a friend of mine from one of the Associated Banks to the Commonwealth Bank. The Commonwealth Bank was charging 4¼ per cent. and this Associated Bank 5 per cent. Everything went swimmingly till I was asked whether my friend had already an overdraft or a mortgage on his property. I said, "Yes, of course he has, but he wants to save the 1¼ per cent." The banker replied, "We cannot do the business." I asked why, and he said, "Because we are not permitted to take custom from the associated private banks." This from a people's bank, the Commonwealth Bank of Australia! I said, "Have you an agreement? Is it in the Act?" He said, "No, it is a gentlemen's agreement." So it was a gentlemen's agreement that that relief of 1¼ per cent. could not be given to a man because he was a customer of an associated bank! We are continuing that; I can see it plainly.

Hon. W. D. Johnson: Would that apply to a second mortgage that an Associated Bank has? Most are on the overdraft basis.

Mr. BOYLE: The hon. member has raised another disability with which we are pestered. Under its charter, no Associated Bank in Australia is permitted to lend money on mortgage but advances it on overdraft, at an unknown rate of interest which is fixed at the sweet will of the bank, and the overdraft may be called up at any time that the bank is displeased. An inspector once told me that it is not done. I do not suppose it is; it would not pay the banks. But it may be done in isolated cases; that is the tragedy of the whole thing. As Mr. Playford, the Premier of South Australia, pointed out, the overdraft system of financing farmers engaged in primary production is one of the greatest blots on our financial system. I

quite agree with him. The institution by the Government of Western Australia of Section 51 of the Agricultural Bank Act immediately drew from the Associated Banks what they call stock and station mortgages. I think Sections 9 and 51 are about full cousins—the proceeds all go the same way.

I have noticed with great pleasure that there is a movement to recognise education at its proper worth in Australia generally. In 1938 the appointment of a Select Committee on education was approved by this House, and the committee made recommendations which were not accepted by the Government of the day.

The Premier: We have at last seen the light!

Mr. BOYLE: That is a real, penitent confession from the Premier, and I am very glad to know that the Government is approaching the matter in a proper spirit.

The Premier: At last we are getting the money to do things; that make a difference, too.

Mr. BOYLE: I quite agree. I wish to be fair to the Government. It is true that, if the Governments of claimant States spend more than a certain amount, it is debited against the Disabilities Grant.

The Premier: For social services.

Mr. BOYLE: Yes, that is one of the greatest tragedies.

The Premier: Tonight we carried a motion to alter that.

Mr. Watts: It causes unificationists to reflect.

Mr. BOYLE: A unificationist never reflects!

Mr. Seward: He would not be a unificationist if he did reflect.

Mr. BOYLE: That is so. I wish to point out to the Committee, and to the Premier in particular, that if the Government had adopted the report of the Select Committee in 1938, a report which his Government rejected with contumely and scorn—

The Premier: Oh no!

Mr. BOYLE: I say that advisedly, because the Premier of this State refused to find the £70 or £80 necessary to print the evidence which was given by 22 witnesses, 12 of whom were experts. I think the report cost £14 to print and 350 copies were

made. It was the best-seller of the year. To get a copy today is not possible. It is good to find that after five years the value of this hard-worked committee is recognised. It received practically no assistance from the Government nominees on the committee. I do not wish to dilate on that. One member has passed on and the other is not here tonight. Mr. Cross insisted on signing his name to a dissent from the report and its recommendations.

The CHAIRMAN: Order! The hon. member must not refer to any other member by name.

Mr. BOYLE: I beg your pardon, Mr. Chairman. I refer to the member for Canning who immortalised himself by having recorded in the report that—

Mr. Cross dissents from this report and the recommendations.

Mr. Doney: He did not know why.

Mr. BOYLE: I think he did. One of the recommendations was—

That shortages in essential school equipment be provided without delay.

The second recommendation was—

That immediate attention be given to the question of providing fly-proof doors, fly-proof windows, and sun-blinds at schools where these facilities are lacking.

The only place where I found these facilities was at the native school at North Kellerberrin. They are non-existent, so far as I know, in any other part of Western Australia, yet they are essential. I take it there is no provision on the Estimates for them, but anyone acquainted with outback conditions knows that children cannot be expected to absorb even a primary education if they are tormented by flies and vermin of that sort. The committee also recommended—

That inquiries be made as to the feasibility of enlarging school accommodation in selected country areas with a view to the consolidation of small schools.

Technical education was dealt with, as was the abolition of fees charged in the so-called self-supporting classes of the Technical School. Recommendation 9 was—

That the school-leaving age be raised to fifteen (15) years, and that the last year be devoted to vocational training, and that existing buildings be utilised in the evenings for the furtherance of continuation classes for such training.

I am glad the Government has seen the light in regard to this matter.

The Premier: You were a bit ahead of the times.

Mr. BOYLE: Those recommendations were made five years ago. I will give the Government full marks for emerging from the darkness which enveloped it into the light. I do not intend to recite all the recommendations, but wish to state that the members of this side who were on the committee went exhaustively into the matter and prepared the report. The evidence I have in my possession covers 350 pages and is still in its typewritten form, because the Government would not spend £80 to have it printed. I doubt whether the Select Committee cost the Government more than £25. Anyhow, it was a labour of love, and that is about all the reward we could expect.

The Premier: It is the recommendations that count and not the evidence.

Mr. BOYLE: I would not agree with that. We had evidence from high educational authorities in this State, including that remarkable man, the late Professor Whitfeld, of the University of Western Australia, a man of outstanding capabilities and merit. His evidence alone was worth publication.

Mr. Doney: So was that of Mr. Lynch.

Mr. BOYLE: Yes, but I am regarding the grand old professor as the star witness, and next to him was Miss Bell, of the Princess May School, Fremantle, who severely castigated me and then found I was not the person she intended to reprimand! Her evidence was very valuable indeed. I hope that the Government, having seen the light, will persevere. The member for Brown Hill-Ivanhoe gave us a most interesting address on the extension of Federal powers, but I am afraid it fell on stony ground on this side of the Chamber. What we would get from any extension of Federal powers would be bureaucratic control of the smaller States. Anyone who has had the experience, as we have in the last few years, of the ritual of visiting some of the glass-eyed individuals who control Federal departments in Perth, will realise the position. God save us from Commonwealth bureaucratic control, under any circumstances! Bureaucratic control would be certain if we were governed by a central authority 2,500 miles away.

Hon. W. D. Johnson: Hall's Creek is that distance from here.

Mr. BOYLE: In a statement published in "The West Australian" today, Dr. Gaha, M.H.R., gives some of my ideas on the subject. As a matter of fact I had already committed to writing practically the same ideas as he has in regard to the smaller States. The good doctor realises that Tasmania and other small States will never get a fair deal from a central Government and he suggests decentralised control within the States themselves. That is what we want here.

The Minister for Mines: Dr. Earle Page suggested something similar years ago.

Mr. BOYLE: No. He referred to small States, which is somewhat different. Dr. Gaha believes, as I believe, that more authority should be given by means of decentralisation to places away from established centres, thus getting away from the old system of centralising control on the seaboard of the different States.

Hon. W. D. Johnson: He favours municipalisation.

Mr. BOYLE: Yes, he really had regional councils in mind. He put plainly what he desired and I find myself greatly in agreement with him.

Hon. W. D. Johnson: I, too, agree with a good deal of what he said.

Mr. BOYLE: The Prime Minister of Australia recently referred to the impossibility of carrying on with six Parliaments in the different States, each having sovereign powers.

The Minister for Mines: We have 13 Houses of Parliament.

Mr. BOYLE: I am regarding the two Houses in each State as one Legislature. Since 1776 when 13 of the American States revolted against the British Government the number of States in the U.S.A. has grown to 48. There are 48 dual Legislatures and 48 Governments in America and I would like to see the President of the United States suggest that there should be one Government, and one only, at Washington! I have spoken to many Americans. I said to one, "You are an American?" He replied, "No, I am a Texan." These people are on guard straight away. They have State pride. Their States are called commonwealths, within the States.

Mr. W. Hegney: How long is it since they were called commonwealths?

Mr. BOYLE: Well, there is the Commonwealth of Massachusetts for a start. They regard themselves as separate States, which they are. Why should we, in our undeveloped State, agree to the dissolution of our Parliament and the surrender of our sovereign rights? In 1937 our Premier referred to the overlordship of the Commonwealth Government. I agreed with his remarks and I agree with them today. We do not want any overlordship from Canberra. Canada has 11 Provinces. The member for Brown Hill-Ivanhoe is entitled to his opinion but I am satisfied that it will not find much of an echo in Western Australia. I intend to speak on certain points of the Estimates as they arise, and I will not now trouble the Committee further.

MR. W. HEGNEY (Pilbara): I propose to make a few observations in connection with the Estimates. I wish first of all to offer my appreciation to the Government because it has once more seen fit to subsidise the flying doctor service which is of such importance to the people of the North-West portion of the State. We have been fortunate to retain the services of a young doctor who is a qualified pilot. He flies his own plane over the various portions of the Pilbara and Roebourne districts. He is stationed at Marble Bar and travels by plane to Port Hedland, Roebourne, Nullagine and any outlying stations as the necessity arises. I can assure the Government that the subsidy authorised on the Estimates will be money well spent. Shortly after I was elected to represent the Pilbara district, I made reference in this House to the necessity for having an all-weather road from Meekatharra to Marble Bar. Representations were made to the State Government and, in turn, to the Minister for Defence as I believed that the road in question was of tremendous defence value and should be constructed as a defence measure.

For some time little headway was made, but I am pleased to say that a little while ago the proposals suggested by the State authorities and the members representing North-West districts, were agreed to by the Commonwealth Department and a very good job has since been carried out. The State Government was able to use its organisation—the Main Roads Department—to do the work, and not only did it do a first-class job, but it also assisted financially in the con-

struction of the work. That project has been of tremendous value already and I hope the day is not far distant when the road—being a main highway—will be bituminised at least from Meekatharra to Marble Bar.

Mr. Sampson: Is it constructed?

Mr. W. HEGNEY: It is in the course of construction. Much work has already been done in it. Another matter that is of interest to the people of my electorate is the alleviation of the financial difficulties of some of those engaged in the pastoral industry. The Government has seen fit to include an amount of £11,000 to be devoted to the lightening of the interest burden on pastoralists who have fallen on bad days—this is under the voluntary debt adjustment scheme—owing to a succession of droughts and later floods, and still later the blowfly pest. Some pastoralists have become financially embarrassed through these causes. It will, of course, take some time for them to improve their position, but it is pleasing to note that last year and this year were two of the best seasons that the industry has experienced for some 40 years. I am happy to say that mining in the Pilbara district is not on the wane. I believe, from inquiries I have made, that the Pilbara mineral field is the richest in Australia. At present antimony is being won, as is also tantalite and beryl which are important metals in connection with the prosecution of the war. I am given to understand that the industries connected with these minerals will be carried on in the days of peace. The adjacent mineral field of Roebourne contains immense supplies of blue and white asbestos. Red ochre is being mined in the Nullagine district and, of course, the goldmining industry is at a fairly high ebb.

I believe that in the days to follow the cessation of hostilities a large number of men will be engaged in the goldmining industry in that area. With the indulgence of the Committee I wish to touch on a contentious matter contained in the first item of the Estimates. I refer to the Legislative Council itself. I understand that in 1831 an Executive or Legislative Council was formed. It consisted of officials nominated by the Governor and their powers were more or less limited. Later on a small number of settlers were nominated by the Governor, but it was not until 1870 that a partly elected Chamber was formed. The qualification, of course, was on a restricted basis. In 1890

responsible Government was conferred upon Western Australia, but right down the years the Constitution of the Legislative Council has contained a restricted franchise. One must own property to the value of £50, or pay rent to the extent of 8s. a week, or face up to certain obligations in connection with the holding of a lease to have the right to vote. I say in all sincerity that the time is over-ripe for an alteration in that franchise.

The adult franchise should be put into effect for the Legislative Council. The member for Avon referred to over-lordships. If there is any effective over-lordship and any body that can frustrate the opinions and desires of the majority of the people of this State, it is the Legislative Council! As I have said, it is not elected on an adult franchise basis. But the Commonwealth Parliament—both the House of Representatives and the Senate—is composed of men and women elected by the people of Australia. The adult franchise is the only qualification necessary. A Prime Minister of Australia may not be qualified to sit in the Legislative Council of this State! I can see the member of Pingelly sneer and snigger, but this is a fact. The Prime Minister of Australia can be a citizen of this country and hold the highest office in Australia, and yet be considered not fit to be a member of the Legislative Council.

In proof of that statement, one cannot nominate and hold a seat in the Council unless he or she is 30 years of age. But one can be Prime Minister of Australia at 21 or 22 years of age. Furthermore the position is that if a person holds property in ten different provinces in Western Australia, that person can exercise 10 votes. That is plural voting, pure and simple. We are often told that democratic Government operates in Australia. That, to a large extent, is a misrepresentation of the true position. In my brief experience as a member of this House I have seen Bills passed by this Chamber and sent to another place, and then returned here, emasculated. One would not recognise them for the same pieces of legislation! The position, from the viewpoint of representation, can be further demonstrated by the following figures, and I quote from a Government document dealing with the numbers of electors for the Legislative Assembly. At the election of the 18th March, 1939, the total

enrolments for the Legislative Assembly were 265,987 and the total enrolments for the Legislative Council were 86,343. About 32 per cent., therefore, of electors enrolled for the Legislative Assembly were enrolled as electors for the Legislative Council. There were 205,000 odd who voted at the Assembly elections and 32,917 on the occasion of the Legislative Council elections. In other words, 16 per cent. of the people who voted for the Assembly voted for the Council.

That means to say in plain terms that the wishes of the majority of the people of this State can be thwarted at any stage by the efforts of the Legislative Council. The time has arrived for the people of this State to realise the position insofar as their political desires are concerned. I hope that the people of Western Australia generally will take a deep interest in the future elections for the Legislative Council, and that as much publicity as possible will be given to the unfair position that has existed for so many years. I also hope that in the future the adult franchise basis will form the sole qualification to vote at an election of members for the Upper House. Before I leave the matter of the Legislative Council I may say that recently—only last year—a Bill was drafted as a result of the efforts of Commonwealth representatives in conjunction with State Premiers and State Leaders of the Oppositions. That measure was passed by the members of the Legislative Assembly and sent to the Council. The Bill was so emasculated when it returned that I believe it should have been thrown out altogether. It was, however, eventually agreed to, but I have no doubt that the Commonwealth Government will not accept the Bill as it was amended by the Legislative Council. I refer to the Commonwealth Powers Bill.

Reference has been made during the debate to the question of the extension of Commonwealth powers. The indications are that some members of this Chamber and quite a number of people outside would leave the solving of post-war problems to post-war days. We would be recreant to our trust, and the Commonwealth Government would not be observing the wishes of the vast majority of the people, if we deferred till peace is restored our efforts to grapple with the problems that will confront the Commonwealth and State Gov-

ernments then. In 1930, during the days of the depression, had anyone suggested that £1,000,000 per day be spent on the placing of men in employment for the purpose of carrying out public works and other essential undertakings, he would have been considered a fit and proper person for a mental rest home. In those days as many as 470,000 men were out of work. They were ready and willing to take their place in the building up of the country, but were not permitted to do so. They were put on to part-time work; many of them were unemployed for years.

Eventually the war broke out. If the war continues for 20 years—though we all hope it will finish soon—there will be no shortage of money to carry on hostilities. It will not be lack of money that will defeat Australia or any other country; it will be a shortage of the materials necessary for the prosecution of the war. The point I wish to make is that if unlimited money can be found for the purposes of war—the Commonwealth Budget this year will approximate £609,000,000—surely it is logical to suggest that ways and means could be found for providing employment for all the people of this country in the days of peace.

In 1931 the then Federal Treasurer, Mr. Theodore, acting on behalf of the Commonwealth Government, introduced a Bill to make provision for the granting of £18,000,000 of credit to pay a bounty of 6d. a bushel to the wheatgrowers of Australia, to advance £2,500,000 to distressed wheatgrowers, and to advance £1,000,000 a month for six months to re-absorb into employment on public works men who were out of employment. The proposals, however, were defeated in the Senate, opponents of the proposition contending that to issue £18,000,000 of credit would be destructive of the financial structure of the Commonwealth. But what is the position today? A sum of £500,000,000 or £600,000,000 can be raised. How is it raised? A certain amount is collected by taxation; a great amount is obtained by loans; and the rest is obtained by a form of credit through the Commonwealth Bank. No one can say that, if the procedure of today had been followed in 1931, much of the misery and starvation that then prevailed would not have been obviated. There is no doubt that the under-nourishment and starvation in the days

of depression have been reflected in many of the men, who have had to be built up in the Commonwealth Forces before they could undertake active service.

The question of production and consumption is bound up closely with the subject I just mentioned, namely, that of credit. I do not propose to deliver a long dissertation on monetary problems or monetary reform but, as the question of credit looms so largely in the public life today, it would be as well to consider what the position really is. In "The West Australian" under date the 21st June, 1943, I read a report of a statement by the chairman of the Associated Banks of Victoria, Mr. L. J. McConnan, made in the course of an address to the Constitutional Club, as follows:—

Bank nationalisation involved destruction of a system whose absolute honesty was beyond question, he said. The trading banks were a veritable storehouse of 100 years' experience of the vicissitudes of Australian economy and the benefits of that experience would be lost. The destruction of a vast organisation, of a trained staff, of one equipped to continue discharge of vital national service would follow nationalisation. . . . "One great talking point for nationalisation," said Mr. McConnan, "is that the trading banks create credit to their own advantage and that creation of credit should be in the hands of the Government. I agree that control of the amount of credit should be in the hands of the Government and the Commonwealth Bank, as it is, but I disagree with those who claim that the trading banks create their own credit and use it to their own ends."

In a report by a former Commonwealth Statistician, Mr. Wickens, based on his research as a statistician and economist, issued on the 20th January, 1931, he said—

Here it may be well to draw attention to another popular misconception. It is believed by many that the source of the deposits of the ordinary cheque-paying banks is the lodging therewith of currency or its equivalent by depositors, and that the funds available for purposes of advances by the banks are these same deposits. There is no doubt an element of truth in this. Depositors do lodge currency with their bankers and the banks do utilise these deposits in connection with advances. But it is far from the whole truth. Very much of the amount which appears as deposits in a bank's returns was actually brought into existence as such by means of an advance by that or some other bank. That is to say, the current accounts of the banks are in part due to the lodging of currency by clients and in part to the creation of credit by the banks themselves; and where banking business is brisk, much the larger part is due to the latter cause.

I have looked up other authorities and propose to quote briefly what some of them think in regard to the issue of credit by the Associated Banks. Reginald McKenna, chairman of the Midland Bank, London, said—

I am afraid that the ordinary citizen will not like to be told that the banks can and do create credit. And they who control the credit of the nation direct the policy of Governments and hold in the hollow of their hands the destiny of the people.

Philip Benson, President of the American Bankers' Association, on the 8th June, 1939, stated—

There is no more direct way to capture control of a nation than through its credit system.

Mr. R. G. Hawtrey, Assistant-Secretary to the British Treasury, said—

The banker creates means of payment out of nothing.

Mr. H. D. McLeod, in his book, "The Theory and Practice of Banking," remarked—

The essential and distinctive feature of a bank and a banker is to create and issue credit payable on demand, and this credit is intended to be put into circulation and serve all the purposes of money. A bank, therefore, is not an office for the borrowing and lending of money but a manufactory of credit.

The Bank of England prospectus of 1694, stated—

The Bank shall have benefit of interest on all moneys which it shall create out of nothing.

Finally, I quote the Encyclopaedia Britannica, as follows:—

Banks create credit. It is a mistake to suppose that bank credit is created to any important extent by the payment of money into the banks. A loan made by a bank is a clear addition to the amount of money in the community.

I have given these quotations to show that the spokesmen for private banks, naturally, I suppose, take a prejudiced view of the real position and hesitate to allow the community through its Government to trespass upon their preserves. I hope the day is not far distant when the Commonwealth Government will so amend the Commonwealth Bank Act as to place the institution on its original status, as in 1911 when it was founded, that the Commonwealth Bank Board will be abolished, and that control of the bank will be placed in the hands of a Governor who will in no way be subjugated by, prejudiced in favour of, or hold any

financial interest in any of the Associated Banks of Australia. For some 20 odd years the power of the Commonwealth Bank has been considerably reduced and, as indicated by interjection this evening, the Commonwealth Bank is not functioning as the first Commonwealth Labour Government intended it to do. I have no doubt that the Commonwealth Government, realising the vast importance of the nation's controlling the instrument of credit, will so amend the law that the bank will function in the interests of the people of Australia.

I said that problems of consumption had been overcome. It is the problem of distribution that this country must face in future. Science and invention have long since assured the productive capacity of the nation. There was a time when it was thought that the population would become so dense that many people would die of starvation. There are people starving in the world today. This is not due to any shortage of supply; it is purely and simply that the means of distribution are not what they might be. We are passing from an era of economic scarcity to an era of economic abundance, and the machinery of economic warfare can be changed in the days of peace to economic welfare. I have no doubt that the Commonwealth Government will face up to requirements, will take time by the forelock and ensure that when our men and women are demobilised their return to peace-time employment will be facilitated, and that there will be brought about that new world which we all aspire to see.

There will be a lot of talk about the new order, the new world and social justice, but it will depend upon the amount of money made available for the purpose of rehabilitating men and women in industry what form the changed conditions take. Human nature being what it is, those who have been able to gain profits, reasonable or excessive, though they may have been, will by every means in their power, when peace is declared, endeavour to secure a return to the old order of things. It is up to the Parliament and the people generally to see that there is no more unemployment in the midst of plenty—realising the productive capacity of the Commonwealth—and that the question of distribution is properly tackled.

Man, after all is said and done, is a wonderful piece of mechanism. He can circle

the earth without touching the ground. He can practically cross the Indian Ocean in a submarine without coming to the surface. He can kill another man he has never seen 20 miles away. He can even make hens lay 365 eggs a year and 366 in leap year. He can teach seals to waltz. But place six loaves owned by men who do not need them but want money for them before six hungry men who need the loaves and have not the money, and then ask man to solve that problem! That is the time he calls his committees together. He wants elections. He calls Parliament together. He scratches his head and returns to his hut defeated, leaving in the shimmering twilight the six unapproachable loaves and the six hungry men. That is our problem in the future—the problem of distribution.

I also hope that the prejudiced outlook, to my way of thinking, of some members opposite on Commonwealth powers will not be maintained. It is absolutely necessary for the supreme Government of Australia to have the powers it requires in days of peace just as it now has the powers it requires in wartime. I personally believe the time is not far distant when a representative convention might be held at which not only Opposition Leaders, but Premiers of the States and Commonwealth representatives, together with representatives of various organisations and people of different shades of opinion will endeavour to arrive at a suitable alteration of the Commonwealth Constitution that will make it more appropriate for Australia, having regard to our small population and vast area.

There was an interjection a while ago to the effect that Hall's Creek was further from Perth than was Canberra. That is true. It may be necessary in future years to consider representation in the Commonwealth Parliament from a geographical point of view. Western Australia's area is one-third of the continent and the Federal member for Kalgoorlie represents about half of Western Australia. To do that adequately is more or less a physical impossibility. Some amendment of the Constitution is required to enable distant States with small populations to be represented in the Commonwealth Parliament on a geographical as well as a population basis. For any Western Australian, whether born in this State or domiciled here,

to look upon the Commonwealth Government as a foreign Government—as some do—and see no virtue in it is bad. We are all Australians and are endeavouring to do what we think is right. With tolerance, mutual co-operation, co-ordination and trust, instead of hostility and prejudice, then not only will our Parliaments get on better but the interests of the people will be better served.

MR. McLARTY (Murray - Wellington): There are a few matters to which I would like to refer on the Budget. First I would like to say how glad I am that daylight saving is not to be applied to Western Australia. Some time ago I asked the Premier a question about the shortage of living accommodation in Perth and the great difficulty country visitors experienced in obtaining it. After making inquiries the Premier answered my question, but the position is not improved. I know of people who have been forced to come to the city, having no choice in the matter. Some have come for medical attention; others for business reasons. They have been unable to secure a bed anywhere in the city. Recently I travelled to Bunbury with a returned soldier or sailor whose relatives had come to Perth to meet him. They had to spend part of the night in an air-raid shelter.

There are instances of country people who, after coming to Perth, have had to catch the next train back because it was not possible for them to obtain accommodation. I know the Premier has caused inquiries to be made and I am aware of the difficulties we are up against with regard to manpower, etc., but nevertheless something should be done about the matter. I heard some remarks during the past few days—whether they are true or not I cannot say—to the effect that further accommodation in this State is going to be taken over by the Defence authorities. It is my opinion that those authorities, if they require accommodation, simply take it and do not show any consideration for the civil population. In view of the urgency of this matter I suggest to the Premier that he again make representations to the manpower authorities, and to the military authorities if necessary, with a view to securing an improvement of the present position.

Last night the member for North-East Fremantle delivered an extremely thoughtful speech. He referred to the housing problem.

All members fully realise the trouble and inconvenience caused by shortage of houses in most parts of the State. Some little time ago I told the Premier what the New Zealand Government intended to do immediately to overcome this difficulty. That Government expects to erect 3,600 houses before the middle of next year.

Mr. Needham: Expects?

Mr. McLARTY: Yes.

Mr. F. C. L. Smith: That Government has erected 10,000 homes.

Mr. McLARTY: But it hopes to erect the 3,600 houses I mentioned before the middle of next year—1,200 in Auckland, 1,200 in Wellington and the remainder throughout the country. If it is possible for the New Zealand Government to find the necessary labour and material, surely we can do so. New Zealand is up against the same difficulties as we are in every way. I suggest to the Premier that he make representations to the Commonwealth Government with a view to having something done now.

Mr. F. C. L. Smith: Houses are being built in the Eastern States at present.

Mr. McLARTY: That is an additional reason why we should build a few here. We have a number of retired carpenters who would be able to help us by contributing their skilled labour.

Mr. F. C. L. Smith: Carpenters are very scarce. They are almost out of circulation!

Mr. McLARTY: I know that is so. I have often been told, when applying to have some improvements carried out, that the improvements are on the urgent list.

Mr. Seward: You are lucky.

Mr. McLARTY: I may tell the hon. member that if he requires some particular work carried out and it is placed on the urgent list, he need not be too optimistic about it. In my opinion, there should be a priority list and an urgent list as well. The urgent list should be made available to all members.

The Premier: Are you referring to schools?

Mr. McLARTY: Schools, hospitals and Government buildings! I realise that such buildings must be erected in order of their urgency, although I am afraid that that is not done. If we had an urgent list, we would know what prospect we had of certain work being carried out; but under present conditions, I am afraid that those

who make the most noise very often secure preference. I believe that this Government, as well as other Governments, has carried out some work in priority to more essential work.

The other night the member for Pingelly spoke about the injustice which farmers suffered as a result of having had their properties burnt out by fires caused by railway engines. I have spoken such a lot on this subject that I almost feel I should be repeating myself. Nevertheless, the people who have been burnt out do not let up on the subject. A settler never gets accustomed to having his property burnt out and losing the greater part of his year's labour, and very often more, with no prospect of receiving compensation. If the damage was caused by any body or person other than the Government, that body or person would have to pay for the damage, but the Railway Department can burn a man out, lock, stock and barrel, and he has no prospect of getting even 6d. compensation. I realise and agree that the farmer or landowner should take every precaution to protect his property and that, unless he is able to show he has done so, he should have no right to expect to be compensated. But many farmers do take the necessary precaution and yet receive not the slightest consideration from the Railway Department. If I am returned to the next Parliament I shall probably move for the appointment of a Select Committee to inquire into this matter with a view to ascertaining whether something cannot be done to assist such farmers. It may be possible to create a fund. I do not think the present injustice should be allowed to continue indefinitely.

Now that the Minister for Health is back in his seat I may mention something that will interest him as well as other members. Extreme difficulty has been experienced throughout Western Australia in obtaining the services of nurses. I know the Minister is concerned and have no doubt that he has as far as possible tried to remedy the position. A doctor told me today he had several patients for whom he was unable to secure hospital accommodation. He was also unable to secure nursing attention for them. Some of the patients were very old and yet it was impossible to secure the services of a nurse for them. I put this to the Minister: Are the military authorities making

full use of the nurses they have at their disposal?

The Minister for Mines: You refer to trained nurses?

Mr. McLARTY: Yes. I suggest to the Minister that he confer with the military authorities with a view to securing the partial, or temporary, release of some trained nurses in order that the needs of the civil population may receive better attention. I realise that there are difficulties in the way, but the Minister I know would do everything possible to overcome them.

The Minister for Mines: The nurses are manpowered.

Mr. McLARTY: I know that, but still an effort could be made. The work of the Parliamentary Post-War Reconstruction Committee has been excellent and interesting, and the Minister for Industrial Development has given some most valuable information and has encouraged the members of his committee to make every effort to submit suggestions that will be of benefit to the State. We must all agree that in Western Australia decentralisation and increased population constitute our two most urgent requirements. We shall never achieve the desired results unless we can provide water supplies, cheap power, transport and, of course, housing.

Mr. J. Hegney: What about those centres where, despite the enjoyment of all those amenities, the population is declining?

Mr. McLARTY: I referred to decentralisation. I know that the Government is making investigations regarding the provision of light and power but I feel quite certain that, unless cheap power is available, all the talk of decentralisation must go for nothing. It is but natural that people will gather wherever there are the amenities of life. Unless we can provide cheap power I cannot see the slightest hope of achieving decentralisation in Western Australia. We shall not secure secondary industries in the country districts, and I cannot see the population going out to those country districts. As for transport, there is no question but that this will play a most important part in the post-war period. I commend the member for Albany for the study he has given to the problems of transport. He has made some valuable suggestions in this House.

Some little time ago I read one of his speeches on transport matters and I consider he submitted valuable suggestions, which I commend to the Government as being worthy of consideration. I believe that improved methods of transport will play an important part not only in the post-war period but in the immediate future. I was glad to hear the Premier say he was prepared, with regard to the establishment of secondary industries, to render assistance to private enterprise wherever it was considered such help was justified. I believe that if we can have cheap power distributed throughout the country and the provision of an abundant water supply, private enterprise will play a big part in the post-war years in providing labour and work generally. Touching now upon the proposals of the Commonwealth Government to take greater powers, I had hoped we had finished with that particular question for a long time.

Mr. F. C. L. Smith: The case for unification always grows.

Mr. McLARTY: Before we deal with another Budget we shall have had a general election, and I do not think there is any doubt but that a referendum will have been held with regard to the question of increased powers for the Commonwealth Government. The member for Pilbara said he rather thought there were some members of this House, and quite a few people outside, who were prepared to allow post-war problems to stand over until peace had been attained. I do not know of any members who are prepared to do that. I do not think there are any who would be so foolish.

Mr. F. C. L. Smith: Perhaps he meant members of the Legislative Council.

Mr. McLARTY: No, the member for Pilbara referred to members of this House.

Mr. Needham: He mentioned members of "this Parliament."

Mr. McLARTY: We are all concerned regarding the post-war period. Why should it be necessary to hand over additional powers to the Commonwealth Government? Why cannot the necessary money be made available to the States? Surely those on the spot, particularly when the distance between here and Canberra is so great, know the requirements of their State better than do those who reside

in the Federal capital. If we were to agree to the further extension of the powers of the Commonwealth then, if work had to be done in Western Australia for which money was provided, we would have Commonwealth officials coming here to see how the money was being spent and how the work was carried out. I am certain that in those circumstances the work could not be as advantageously undertaken and the money spent as wisely as they would be if the State Government were responsible.

Mr. F. C. L. Smith: It would be Commonwealth money and naturally they would want to know how it was being spent.

Mr. McLARTY: It is our money just as much as theirs. I hope the additional powers will not be granted to the Commonwealth, and anything I can do to prevent any such extension will be gladly undertaken.

Vote put and passed.

This concluded the general debate.

Votes and items discussed as follows:—

Votes—Legislative Assembly, £3,187; Joint House Committee, £1,960; Joint Printing Committee, £6,045; Joint Library Committee, £265; Premier's Office, £10,120; Treasury, £32,004; Governor's Establishment, £2,488; Executive Council, £5; London Agency, £9,540; Public Service Commissioner, £1,612; Government Motor Car Service, £1,991; Audit, £18,050; Compassionate Allowances, etc., £3,111; Government Stores, £18,303; Taxation, £12,000; Workers' Homes Board, £5; Superannuation Board, £3,250; Printing, £70,900; Tourist Bureau, £467; Literary and Scientific Grants, etc., £11,550—agreed to.

Vote—Miscellaneous Services, £1,229,755:

Item, Expenditure as may be necessary owing to war conditions, £148,500:

Mr. GRAHAM: I am informed that this item covers expenditure in connection with civil defence work. I cannot allow the item to pass without some reference being made to the state of affairs generally with regard to civil defence personnel. I have a feeling that the staff of the Civil Defence Department, on account of the improvement in the war situation, is to be reduced. The feeling is that the staff has had more or less to justify its existence and, accordingly, the members of that staff have gone out of their way in order to give every indication of being busily occupied, so that they may be regarded as more or less warranting con-

tinuance in their positions. I refer to this matter particularly as one who has been associated directly with wardens' work. Quite a number of calls have been made unnecessarily on the time and services of wardens. We have had exercises as try-outs, marches are organised, and at present it is proposed to have an A.R.P. or Civil Defence quiz. Prior to that there were wardens' competitions. It may be said that to some extent these activities have been necessary in order to keep wardens and others primed in their duties and to maintain a general state of preparedness.

I approach the matter from a different angle. Most of the Civil Defence personnel volunteered their services because of the exigencies of the hour. It was felt that in the circumstances at one time existing, it was necessary to have a body trained and prepared to render particular services should the necessity for action along those lines ever arise. By no stretch of imagination could it be said that those individuals entertained any idea of embarking upon full-time jobs. Most of the people concerned are compelled to maintain their private interests and to look after their private affairs. They only undertook the Civil Defence duties because of a state of affairs that obtained at one stage. While I appreciate the fact that there is a lessening of the staff—and I hope the natural accompaniment will be a decrease in the enthusiasm for display and suchlike activity generally—and, while certain of these undertakings have been more or less of a voluntary character and not a compulsory call-up, nevertheless there is an implication that all members are expected to attend when stunts are being held.

In the interests of civil defence workers, I would like an assurance from the Minister that there will not be in future any what I consider unnecessary calls on the time and energy of the civil defence personnel. In quite a number of A.R.P. districts and divisions, meetings are held for senior wardens as frequently as weekly or fortnightly; meetings of particular sectors are held weekly; practical demonstrations are held on Sundays or other appropriate times during the week-ends, and generally A.R.P. work seems to have become a full-time occupation instead of an honorary and valuable service contributed in an hour of dire necessity by those who would not be called to the colours.

I hope the Minister will give an assurance that those who have given so freely of their service, and those who would be prepared in the event of emergency to do the job for which they have studied and been trained, will not be called out unnecessarily in the future as I maintain they have been in the past.

Mr. SEWARD: Could portion of the money be utilised for the removal of some of the air-raid shelters not being used for that purpose? If it is possible to improve the existing position, I hope this will be done.

The MINISTER FOR MINES: I have been asked for an assurance that certain things will not be done. I am not prepared to give the assurance. There has been no undue call on the personnel by the Civil Defence Council. The competitions were held by the wardens. Some of them wanted competitions and asked the council's permission. The council, through the Treasury, provided some prizes, and the competitions created much interest. The march was requested by the Commonwealth Department of Home Security to commemorate the first blitz on London. There was no compulsion about it. The fact that only about 3,600 out of 11,000 participated in the march shows that there was no compulsion. I understand a quiz is being conducted by one of the broadcasting stations, but that certainly has nothing to do with the council. The matter of air-raid shelters is under consideration. It is difficult for the Civil Defence Council to say offhand, "We are going to do away with certain or any of the shelters."

If we had an assurance from the military authorities that it was safe to remove shelters, we would be glad to have them removed. I do not know that anybody can give an assurance that they are not necessary. Until somebody gives that assurance, I will not take the responsibility of asking anyone to remove them. It goes without saying that the staff is being lessened. As the military position improves, of necessity less staff will be required. On the administrative side, less staff is being employed than before. When men are required for more essential work they are allowed to leave and, if their places are filled, girls are being taken on. Reverting to the competitions, the council is not asking for competitions of any sort to be held. They are being arranged by the

wardens themselves. If the wardens want to play, I am not the man to stop them.

Item, Pastoral industry, interest on debt suspended, £11,000.

Mr. WATTS: The amount provided for this year is £11,000, and the expenditure last year was £10,971: Will the Premier explain how the expenditure arose?

The PREMIER: Some two or three years ago a Royal Commission inquired into the debts of North-West pastoralists. We endeavoured to obtain money from the Commonwealth to assist in writing down the debts, but the Commonwealth would not agree and the State Government undertook, if there was a general writing down by the financial institutions, to meet interest at the rate of 2½ per cent. on the suspended debt for three years. That is being done. An arrangement was made between the Minister for Lands and the Associated Banks. It was an entirely voluntary agreement, but in the interests of all concerned and in view of the dire necessities of the industry at that stage, the Government felt it should make a contribution and should not ask the financial institutions to bear all the brunt. I will read a letter from the Minister for Lands to the Inspector of the Union Bank, Perth, which I do not think has been published previously. It states—

19th August, 1941.

Mr. R. D. Grey,
Inspector,
Union Bank of Australia,
Perth.

Dear Sir,—

Following our conference of this morning, I desire to advise that I have informed the Hon. Premier of my offer to you and others concerned of an interest rate of 2½ per cent. being contributed by the Government on the amount of pastoralists' debts suspended under the procedure we have mutually agreed to adopt.

2. The Hon. the Premier has approved of the arrangement.

3. To obviate any possibility of misunderstanding, I desire to convey what seemed to me to be the general principles.

4. To initiate proceedings, an Advisory Committee of three will be formed, consisting of Mr. Lefroy, Mr. Fyfe, and the representative of the financial institution or other secured creditor to whom the pastoralist is indebted; the committee firstly to ascertain what amount (if any) should be regarded as an over-burden of debt and be written off forthwith, and secondly to decide the extent of that part of the remaining debt which should be suspended.

5. The procedure will provide that the lessee in serious financial difficulties may apply to the Pastoralists' Association for a review of his case by the committee. The financial institution will then submit its views on the application and the committee will consider all facts, make a thorough examination, and their report will be prepared, stating whether they consider any variation of existing arrangements is necessary and equitable, and if so, indicate the amount of debt (if any) which should be written off and the amount which should be suspended free of interest to the pastoralist for a certain period.

6. If the committee's recommendation is adopted by both secured creditor and debtor, the Government will make a contribution of $2\frac{1}{2}$ per cent. per annum to assist in meeting interest on the amount of suspended debt at the beginning of each financial year for three years, the whole scheme to be reviewed at the end of that period.

7. If the secured creditor does not accept the committee's recommendation, the Government contribution to reduce the loss of interest on the suspended debt (if any) will not be paid.

8. Under this voluntary arrangement which has been developed along the lines of the Royal Commission's recommendations, the debtor will obtain an impartial review of his case. He will be directly represented on the committee by the president of his association and will have another impartial representative in the person of the Government's nominee. The Pastoralists' Association has stated that it will be pleased to act for non-members of its organisation.

9. I would be glad if you could, in acknowledging this letter, advise me that the principles as I have set them out are those with which you are in agreement.

10. I desire to make an early public statement to this effect but will refrain from doing so until I hear from you.

11. A similar letter has been addressed to the principals of other institutions and firms concerned.

Yours faithfully,

(Sgd.) F. J. S. WISE,
Minister for Lands and Agriculture.

All the financial institutions concerned in the arrangement agreed to it. The debtors had a considerable amount of their debts wiped off.

Mr. Rodoreda: Not in the case of the Union Bank.

The PREMIER: That is the most conservative financial institution we have in the State. The other institutions agreed, and they have done a wonderful service to the people of Western Australia, after a seven-years drought, the longest in the history of the State. However, the people of the areas

in question have been favoured with better seasons, and are gradually rehabilitating themselves and their stations, and will assist to build up the productive capacity of the State. The help given by the Government, £10,000 a year for three years, will prove of tremendous value to the pastoralists and of great advantage to the State in bringing back the productive capacity of the properties—besides giving new heart to people who have suffered year after year the awful consequences of the drought. Two or three times during that period they thought the season had broken, and they restocked so as to be able to take advantage of the good seasons. On a couple of occasions they lost all the stock they had bought to re-stock their places, and got into a position of debt which in some instances amounted to about £5 per sheep—the value of the sheep being about 30s. However, they faced the situation, although they were almost heart-broken.

Mr. DONEY: As regards the two items "Removal of Stock for a Distance" and "Shipping Service losses"—

The CHAIRMAN: There is no item on the Estimates for either of those. No money is provided for them, and therefore they are not the subject of discussion. We are dealing with items of expenditure for the year 1943-44. The items might appear in the Appropriation Bill.

Vote put and passed.

Vote—Forests, £104,857:

THE MINISTER FOR FORESTS [10.46]: It will be noted that the Government proposes to increase the expenditure on this department by a sum of £26,908. Whilst this amount may appear considerable, with the exception of £500 for wage increases and incidentals the whole of the extra sum will be devoted to the item "Direct Conversion of Forest Produce," under which approximately £75,000 will be spent. Of this amount some £60,000 is set aside for the production of firewood for the metropolitan area. Members are aware that there was a huge shortage of firewood throughout the metropolitan area as well as in the country districts last year, owing to lack of manpower and for other reasons. Thus it became the duty of the Forests Department to organise the firewood industry, especially in the metropolitan area. The work of the

Forests Department, like that of other departments, has grown, and grown considerably; hence the expenditure that is necessary to continue its activities during the current financial year. Timber exports, of course, have fallen. At the moment they consist of sleepers and wharf timbers.

Home consumption requirements are registering a steady demand, and it is estimated that revenue from this quarter will be approximately the same as last year's. That revenue is derived, of course, from royalties, lease rents and similar sources; it has not decreased greatly during the past 12 months. Our sandalwood industry has fallen away; only small quantities are being marketed for local oil distillation purposes. The other usual features of the Forests Department have operated during the past 12 months. Revenue and inspection fees and departmental reimbursements are estimated to return £7,500, which would be in accord with last year's figures. The greatest part of the increase will be allocated for the purposes of the firewood industry. The enlistments and the manpower regulations have brought the firewood industry to a low ebb, but it has been organised and has improved, and will continue to improve as it goes along.

This year the department has had to supply the necessary firewood for fuel at the pumping stations of the Coolgardie Water Scheme, as well as for pumping water for domestic purposes throughout the metropolitan area. The staff, consisting of forest rangers and others, had to be taken from their ordinary work because of the lack of manpower. Certainly, we have approximately 77 friendly aliens; but they were unused to this class of work and to the rough conditions under which it has to be done. All this made the difficulties of the department much greater. However, I think we got through the winter satisfactorily in the circumstances in which we found ourselves. In addition, the department had to continue its usual maintenance and forest work, besides making arrangements to transfer the friendly aliens from cutting firewood to digging potatoes and assisting in agricultural work generally.

During the year 1942-43, 30,000 tons of firewood was delivered to the metropolitan area and 15,000 tons to Nos. 1 and 2 pumping stations. It is expected that 60,000 tons

will be supplied to the metropolitan area and 15,000 tons to the pumping stations during the year 1943-44. It has also been necessary to use departmental employees in stripping mallet bark, burning charcoal, falling timber for mill supplies, potato-growing and raising vegetable seeds. Approximately 150 enemy aliens, it is expected, will be employed on wood-cutting throughout the year. If a production of 75,000 tons of firewood is reached, the revenue from firewood and conversion projects is estimated to amount to £77,500. There are similar items of increases that members will understand, such as automatic increases in salary. Owing to the shortage of imported softwoods we shall have to make all possible supplies of locally-grown timber available. To avoid waste, departmental employees will be engaged in the work of falling and trimming pines on departmental plantations. The Estimates for 1943-44 for direct conversion of forest produce, etc., i.e., production of firewood, are—

Expenditure, 1942-43	.. ..	£48,932
Estimated expenditure 1943-44		£75,000
Increase	.. ..	<u>£26,068</u>

The department is also called upon to supply tuart logs for the railway mills, to strip mallet bark, give assistance to sawmills for falling timber, and cut piles and poles for urgent defence works, as well as any other urgent work that may be required. I am pleased to say that we did not find it necessary to ration firewood in Western Australia; such action was necessary in three of the other States. We do not expect to have to ration firewood during the coming winter.

Mr. Seward: What revenue do you expect to get from the sale of firewood?

The MINISTER FOR FORESTS: We do not expect to show a profit. The department has been in communication with the Commonwealth Government with a view to obtaining financial assistance to pay the aliens we employ. A married alien with responsibilities has to receive £4 7s. a week. The department actually loses money on supplying firewood because, as I have explained, we have to transfer these aliens from firewood cutting to digging potatoes. The department shifts the camps by its own motor

trucks. Other State Forest Departments are also approaching the Commonwealth Government for a subsidy to make up the loss on firewood production. They are hopeful of obtaining some financial assistance from the Commonwealth. If there is any other information I can give to members on these Estimates, I shall be pleased to do so.

Vote put and passed.

Progress reported.

House adjourned at 10.59 p.m.

Legislative Council.

Thursday, 30th September, 1943.

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Motions: Vegetable growing, as to encouragement to householders	890
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Road Closure, 3R. passed	893
Municipal Corporations Act Amendment, 3R. passed	893
Road Districts Act Amendment, 3R. passed	893
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Coal Mine Workers (Pensions), 2R.	894
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Mine Workers' Relief Act Amendment, 2R.	905
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Mortgagees' Rights Restriction Act Continuance, 1R.	915

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

ASSENT TO BILLS.

Message from the Lieut.-Governor received and read notifying assent to the following Bills:—

- 1, Public Authorities (Retirement of Members) Act Amendment.
- 2, Public Authorities (Postponement of Elections) Act Amendment.
- 3, Financial Emergency Act Amendment.
- 4, Public Service Appeal Board Act Amendment.
- 5, Industries Assistance Act Continuance.
- 6, Farmers' Debts Adjustment Act Amendment.
- 7, Main Roads Act (Funds Appropriation).
- 8, Pensioners (Rates Exemption) Act Amendment.

LEAVE OF ABSENCE.

On motion by Hon. Sir Hal Colebatch, leave of absence for six consecutive sittings granted to Hon. L. B. Bolton (Metropolitan) on the ground of private business.

MOTION—VEGETABLE GROWING.

As to Encouragement to Householders.

HON. H. V. PIESSE (South-East)
[4.36]: I move—

That, in the opinion of this House, every encouragement should be given to householders to grow vegetables for their own use, thereby enabling professional vegetable growers to concentrate on supplying Defence Force requirements.

My reasons for submitting this motion are the position of vegetable growers in this State and the reference which appeared in "The West Australian" to a meeting held in Melbourne on the 26th September. Through the courtesy of the Honorary Minister certain hon. members had the pleasure of meeting some of the metropolitan growers last week and discussing with them their position as growers. At the gathering in Melbourne it was stated that a drive was to be made throughout Australia for the production of more vegetables. According to the report, attention was drawn to the fact that there was a shortage of 60,000 acres in the target for vegetable production, and that in expanding the output of vegetables it was recognised that if growers were to undertake considerably more increased commercial production, the Government would need to support the market at times to prevent price deterioration. A statement to that effect was made following a meeting of the Agricultural Standing Committee.

One of the main factors with which we have to contend is that the price of vegetables is sometimes by no means payable. I know people who last year planted large quantities of tomatoes and could not find a market for them. That was in the Albany district. We have also read of growers in the metropolitan area who have planted large quantities of cabbages and other vegetables which have been practically unsaleable. It is our duty to assist the Government in playing its part in this matter and it is necessary to ensure that the highest degree of production is secured without loss to the growers who have to do the work. It has been suggested that a minimum price should be fixed for