

gallons, and the average butter fat contents 136 lbs. This equals an increase of \$2.06 per cent. of milk production, and an increase of 28 per cent. in average butter fat contents. Breeders and dairy farmers readily admit that the existing Act has had a beneficial result on the industry. To further encourage the owners of pure bred bulls, it is intended by this amendment to provide for a life registration for such bulls, the certificate following the bull from owner to owner. Owners of grade bulls, however, will still be required to register such bulls annually. The basis of the system of grading is—

- Grade A, pure bred ex tested dams.
- Grade B, pure bred and in stud book.
- Grade C, reported pure bred or showing strong evidence of breed type.
- Grade D, undesirable, and farmer is given 12 months to effect a change.
- Grade E, undesirable, to be slaughtered or de-sexed.

The Act has been and still will be tactfully administered, so as to cause the least possible hardship to farmers, but for the benefit both of the farmers and the State it is advisable to prevent the breeding of low grade and undesirable stock. 1 move—

That the Bill be now read a second time.

On motion by Hon. W. J. Mann, debate adjourned.

#### ADJOURNMENT, SPECIAL—ROYAL SHOW.

**THE CHIEF SECRETARY** (Hon. C. E. Baxter—East) [8.3]: 1 move—

That the House at its rising adjourn till Thursday, 6th inst.

Question put and passed.

*House adjourned 8.3 p.m.*

## Legislative Assembly,

*Tuesday, 11th October, 1932.*

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

#### BILL—COLLIE RECREATION AND PARK LANDS ACT AMENDMENT.

Introduced by the Minister for Lands and read a first time.

#### BILL—REDUCTION OF RENTS ACT CONTINUANCE.

*Third Reading.*

Read a third time and transmitted to the Council.

#### BILL—STATE TRADING CONCERNS ACT AMENDMENT (No. 2).

*Second Reading.*

**THE MINISTER FOR RAILWAYS** (Hon. J. Scaddan—Maylands) [4.35] in moving the second reading said: This is a very simple measure providing merely that the State ferries, which have been operated under the State Trading Concerns Act, shall be removed from that Act and placed under the administration of the Commissioner of Railways as part of our State transport system. The Commissioner at present controls the railways, the tramways, and, probably for the last two years, has controlled also the ferries, so it is not suitable that they should be administered under the State Trading Concerns Act. The conditions in future will be the same as those under which the tramways are operated. As a matter of fact, the ferries are to all intents and purposes part of the tramway system, and it

is only because of the break between the north and south sides of the river that it is necessary to provide ferries. But for that, the tramways would be operated right through, and so it is considered advisable to have the ferries working strictly in conjunction with the other transport branches.

Hon. W. D. Johnson: Will it make any difference in the organisation?

The MINISTER FOR RAILWAYS: The organisation has been slightly altered, for there has been a reduction in the administrative costs as a result of the operation of the ferries by the staff of the Railways and Tramways Department, instead of by a separate staff, which was necessary under the State Trading Concerns Act. I move—

That the Bill be now read a second time.

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

## BILL—BULK HANDLING.

### *Second Reading.*

Order of the Day read for the resumption from the 21st September of the debate on the second reading.

### *Point of Order.*

Mr. Sleeman: Before the second reading debate is resumed, I should like your ruling, Mr. Speaker, as to whether the Bill is constitutional. Personally I do not think it is, but the Government may be able to furnish some information in the light of which the Bill would be deemed to be constitutional. I claim that the Bill is unconstitutional in that it is contrary to the provisions of Clause 4 of the Schedule of the Financial Agreement, 1928. Clause 4 reads as follows:—

(a) Except in cases where the Loan Council has decided under Subclause (b) of this clause that moneys shall be borrowed by a State, the Commonwealth, while Part II. or Part III. of this agreement is in force, shall, subject to the decisions of the Loan Council, and subject also to Clauses 5 and 6 of this part of the agreement, arrange for all borrowings for or on behalf of the Commonwealth or any State, and for all conversions, renewals, redemptions, and consolidations of the public debts of the Commonwealth and of the States.

(b) If at any time the Loan Council by unanimous decision so decide, a State may, in

accordance with the terms of the decision, borrow moneys outside Australia in the name of the State, and issue securities for the money so borrowed. The Commonwealth shall guarantee that the State will perform all its obligations to bondholders in respect of the moneys so borrowed. For all the purposes of this agreement, including the making of sinking fund contributions, the moneys so borrowed shall be deemed to be moneys borrowed by the Commonwealth for and on behalf of that State.

Now, if we turn to the Federal Constitution Alteration (State Debts) of 1928, we find that paragraph (5) of Section 2 reads as follows:—

Every such agreement and any such variation thereof shall be binding upon the Commonwealth and the States parties thereto, notwithstanding anything contained in this Constitution or the Constitution of the several States or in any law of the Parliament of the Commonwealth or of any State.

I claim that the Bill is not constitutional by reason of those provisions in the Financial Agreement. Those provisions limit the constitutional powers, as shown by the amendment to the Commonwealth Constitution, 1928, which gave effect to the Financial Agreement. Then we find that Mr. Justice Rich and Mr. Justice Dixon, of the High Court, gave important rulings in the case of the New South Wales Government against the Commonwealth. The rulings are fully reported in the "Australian Law Journal," of 5th May, 1932. The rulings are very convincing, and they back up the contention that under the Financial Agreement, this Bill is not valid. It is an elementary rule of law that one cannot do through another that which he cannot do in his own right, and so in this instance the State cannot authorise someone else to borrow on its account. The Bill provides that the trust to be appointed shall be able to borrow, but that the security of the State shall be attached. The Minister, when moving the second reading of the Bill, gave no indication as to whether the terms had been unanimously accepted by the Loan Council. Nothing in the Bill shows that the unanimous consent of the Loan Council has been secured to the borrowing of this money. So I contend that the Bill is unconstitutional, unless the Government can show that they have the unanimous consent of the Loan Council for the borrowing of the money. Although the Government may say the trust are going to be the borrowers, there is in

my opinion, no doubt whatever that it will be not the trust, but the State, borrowing the money, as is shown by the provision for attaching the security of the State. If the Government can show that they have the unanimous consent of the Loan Council to the necessary borrowing, probably the Bill is in order, but unless that can be done I contend the Bill is unconstitutional. I remember that in one of the statements which the Premier sent over here from the Eastern States he said the matter had been mentioned before the Loan Council and no objection had been raised. But that is quite different from having the unanimous consent of the Loan Council. So I ask you, Sir, for a ruling as to the constitutionality of the Bill, because if it has not received the unanimous consent of the Loan Council, there is a possibility that the High Court may be asked to give a ruling upon it.

The Minister for Lands: On what did they give a ruling before?

Mr. Sleeman: On the Financial Agreement Act.

The Minister for Lands: But what was the subject matter?

Mr. Sleeman: The power of the Commonwealth to collect the State's money. But do not forget that the whole of the Act was under consideration at that time; the borrowing by the Commonwealth for the State, or by the State for the Commonwealth was all before the court, although the actual point was not raised. As I say, unless the Government have the unanimous consent of the Loan Council to borrow this money, it may become a matter for the High Court. We have never been informed that the unanimous consent of the Loan Council has been obtained.

Mr. Speaker: The hon. member has raised a legal point, and without consulting the Crown Law Department I am not going to attempt to enter into a discussion on the point in the Chamber. However, I promise the hon. member that when I get a transcript of his statement from "Hansard" I will call on the Crown Law authorities and discuss the matter with them, subsequently letting the hon. member know my decision, but not to-night. In the meantime the debate on the second reading may continue.

*Debate Resumed.*

**HON. M. F. TROY** (Mt. Magnet) [4.45]: In opposing the second reading of the Bill, I wish it to be understood that I am not influenced by any party motive or as a result of any semblance of discord with the Minister or the Government; neither am I opposed to the wheat pool. I have been a supporter of the wheat pool for many years, even though at times that support has not been in my own interests, and has at times been contrary to my better judgment. I am not influenced either by the effect that this legislation may have upon the humpers, nor by any contention that a large amount of labour may be replaced by the introduction of bulk handling. No progressive person could be opposed to the introduction of new methods, because new methods have brought us to our present form of civilisation. Progress has produced that standard of comfort which obtains in the community to-day. To oppose the measure because it will displace labour would not be reasonable in the light of historical events. No doubt if a scheme of this character conferred great benefit upon the people of Western Australia, particularly the producers, and was the means of savings being effected, such savings would be expended within the community. Although some labour would be displaced by such a system as is proposed under the Bill, I am sure that the persons concerned would find employment in other capacities. I desire, therefore, to approach the subject from the standpoint of the effect of the scheme upon the State, the wheat farmers, and the community as a whole. In moving the second reading of the Bill, the Minister traversed very fully the operations of bulk handling in various countries. He quoted numerous figures in support of his contention concerning the ultimate benefit likely to accrue to growers from the adoption of bulk handling in this State. Strangely enough, he made very little reference to the contents of the Bill or to the scheme it is proposed to launch under it. In support of his argument that bulk handling is desirable in Western Australia, the Minister informed the House that the Pacific coast of America, Canada, South Africa, New South Wales and the Argentine had introduced the principle. Whilst appreciating his geographical and historical review, I hold that the statements are of very little value, because he gave no information regarding the effect upon the problems confronting the farmers there, on

the saving in production costs, or as to the profit or loss resulting from the scheme in those countries. In the absence of such information, I suggest that his remarks on these points are of no value to the House. The only instance in which he gave figures was in respect to New South Wales and South Africa. It is generally acknowledged that there can be no hope of the New South Wales system paying its way until about £2,000,000 in capital has been written off the indebtedness. With respect to South Africa, the scheme is one for the handling of maize in bulk, and can have no application to the proposed bulk handling scheme for Western Australia, and no application to the transport and shipment of wheat. To my personal knowledge the conditions of harvesting maize are dissimilar. From the Minister's figures it seems that the South African scheme has nothing to commend it, as the accumulated losses on the operations since 1924 amounted to £284,000. His reference to South Africa, therefore, as a means of advancing claims on behalf of the bulk handling of wheat is of no value for the purposes of comparison. We are dealing with the handling, marketing and shipping of wheat, and South Africa deals with the handling, marketing and shipping of maize, an entirely different proposition. I know something about the handling of maize, because in my early days I was associated with the sugar and maize growing industries of New South Wales. The Minister also stated that the New South Wales scheme could be installed at a lower cost to-day than at the time when it was installed. With that I am prepared to agree. I should like to know, however, what that has to do with the principle embodied in the Bill. The Minister quoted at length from a publication issued by the United States Department of Agriculture dealing with bulk wheat operations on the Pacific coast. He read the following extract—

In the keen competition on the world's wheat markets, the great factor for success must be lowered production costs. Producers on the Pacific coast are in a position to reduce their production costs by handling their grain in bulk from the threshing machine to the terminal markets. Many of the efficient farm managers have been among the first to recognize the possibility of handling their grain more easily, rapidly, and cheaply by the use of the bulk system.

I do not propose to dispute that statement, but I still insist that, apart from the point of view of an expression of opinion in sup-

port of bulk handling, it does not assist us in any way to estimate the probable cost of the scheme proposed here or regarding its efficiency. It is merely a statement in support of bulk handling, but does not assist us in the slightest degree in arriving at the value of the scheme submitted by the Minister. Even the facts stressed by the Minister that Russia is employing engineers and economists to assist in the development of its land and in the handling of grain in bulk, are of no value because that country is experimenting in many other directions as well as with regard to the bulk handling of wheat. In this connection I would point out that the experiments that have been made in this country have been very costly, and many of them are responsible for our heavy indebtedness to-day.

Hon. P. Collier: This is the first time Russia has been quoted in support of any measure.

Hon. M. F. TROY: It is usually referred to as a country to avoid. I suggest that these alleged arguments have no more to do with the provisions of the Bill than the flowers that bloom in the spring. The Minister gave still one more reason for the introduction of the measure when he stated that bulk handling would be more successful in Western Australia than in any other State of the Commonwealth. I am quoting from "Hunsard".

The Minister for Railways: You cannot do that.

Hon. M. F. TROY: He said that this State produced a greater quantity of wheat per head of the population than any other State in the Commonwealth, that our seasons are more regular; that we have not had a drought since 1914; that only once since 1921 had our wheat production decreased; that the production per head of the population in New South Wales in 1931-32 was so many bushels, and in the other States so many bushels; and that we had exported more wheat per head of the population than any other State of the Commonwealth. What has the fact that we produced more wheat, or exported more than any other State in the Commonwealth, to do with this measure? Whether we produced more or exported more does not affect in the slightest degree the principles contained in the Bill. I asked myself, after the Minister had made his speech, why he had stressed these irrelevant

matters when he could have said so much that was relevant to the measure. I do not propose to follow his generalities further than to express surprise that, in traversing so much ground, he did not attempt to justify the Bill. It occurred to me, when I reviewed the bulk handling negotiations and transactions in this State during the last 12 months, that the Minister was unhappy in respect to the Bill and that his heart was not in the business. I think before I sit down I shall be able to prove to the satisfaction of the House that this is so. I am not opposed to any bulk handling scheme that commends itself to me; I am in favour of an efficient and economical scheme. If the Minister had gone on with the scheme he submitted to Cabinet, it might have received my support. It is vastly different from the one proposed in this Bill. I am not, Mr. Speaker, prepared to argue on the merits of wheat in bulk or wheat in bags. I am prepared to accept the statement that wheat in bulk is as readily saleable as wheat in bags. From information I have received, however, I am doubtful whether wheat in bulk is at present as acceptable in Japan and China as it is in bags. The Minister quoted a letter from some person in Japan and some other person in Shanghai, expressing the opinion that bulk wheat was either preferable to or equally acceptable as bagged wheat. I have in my possession a letter addressed to an agent in Geraldton, a Mr. Bogle, from an agent in Japan, stating that there are some bulk handling facilities in Japan, but that quite a number of mills there have not the means to handle wheat in bulk. The writer stated that Mr. Braine had also been making inquiries. We must inquire further into this matter. It would be unwise to embark upon a bulk handling scheme if it was likely to jeopardise our interests in the Eastern markets, to which we send considerable quantities of our wheat. In 1929 the total quantity of wheat exported was 26,000,000 bushels, India, Japan and China taking 14,000,000 bushels, or more than half the quantity exported. In 1930 we exported less, but last year, out of a total export of 42,000,000 bushels, we sent 14,000,000 bushels to China, Japan and Egypt, although the last-named place imports flour mostly. These figures are an

indication of the demand for Australian wheat in the markets I have quoted.

Hon. P. Collier: It is a growing demand.

Hon. M. F. TROY: Those markets are our hope. In this age of great production, when so much wheat is being produced in the world, the Eastern markets are of the greatest importance to us. It would be most unwise to introduce any methods by which marketing in the East would not be payable to our wheat growers. I am not prepared, however, to dispute the statements made by the Minister with regard to these facts; but what I am prepared to dispute is that the scheme proposed in the Bill will ensure to the producer either that reduction in costs which he seeks, the advantages claimed, or that liberty of action which is so necessary to the development of the farmer. Further, I doubt whether the scheme would not, in fact, handicap the farmer's operations, upset his farming economy, and do damage to the State generally. By dealing in generalities the Minister evaded the real business in the introduction of the Bill; that is to say, the explanation of the principles and the provisions of the Bill. I now propose to deal with the Bill as briefly as I can, but at the same time as adequately as I can. Part II. of the Bill contains the following:—

3. (1) With a view to the securing of economies by the handling in bulk of wheat grown in Western Australia, and the provision of grain bins and other plant, machinery, and equipment necessary to that end, and with a view to ensuring that the finance required for the purposes aforesaid shall be raised by loans on the most favourable terms, the Minister is hereby empowered to declare by notice in the "Gazette"—(a) That the Trustees of the Wheat Pool of Western Australia shall, if or when incorporated by statute, be the Bulk Handling Trust for the purposes of this Act. (b) That the Trust shall have the exclusive right throughout the State to receive wheat at railway stations or sidings where bulk handling facilities have been or may thereafter be provided to the satisfaction of the Minister . . . . .

And so on. In the first place the Bill gives an absolute monopoly of wheat handling to the Bulk Handling Trust, which is to be the Trustees of the Wheat Pool under a new name: and the Bill provides a maximum penalty of £100 to be enforceable against any wheat grower who has the opportunity to deliver wheat to any but the Trust's

agents. Had such a provision been included in a Bill sponsored by this side of the House, it would have been said that by such a coercive Act we were commandeering the farmers' wheat, as was said in the early days of the war, when wheat was taken over by the State and Commonwealth Governments. It would have been said that we were imperilling the very structure of society by socialistic legislation.

Hon. P. Collier: During the war the farmers armed themselves to defend their wheat against the Governments.

Hon. M. F. TROY: Yes. It would be said that we were dealing a death blow to private enterprise, and insidiously stifling that competition which hon. members opposite declare to be the life of trade. It is an amazing thing that a Government of the opinions held by hon. members opposite should introduce a policy which provides against freedom of trade, and which seeks to place upon the statute book a measure violating their ideas.

The Minister for Lands: It does not interfere with freedom of trade; it deals only with handling.

Hon. M. F. TROY: It does interfere with freedom of trade. The Trust will have an exclusive right throughout the State to receive wheat at railway stations or sidings where bulk handling facilities have been, or may thereafter be, provided. Although the Trust is not required to provide bulk handling facilities at all sidings, no farmer, anywhere, may deliver one bag of wheat unless it is to an agent of the Trust. It is an absolutely monstrous proposition. Under the Bill the Trust has no responsibility, but has absolute power. It is an absolutely incredible proposition. Further, the measure provides that the Trust can establish receiving depots at stations or sidings, and provide bulk handling facilities; but even where such facilities are not provided, but only may be provided, even though the Trust has not provided any facilities whatever, no farmer can sell a bag of wheat unless he hands it in to the Trust. That, in my opinion, is a monstrous proposition. Further, the Bill provides penalties for farmers who violate the provisions of the measure. If a farmer does this or that, or does not do this or that, a penalty is provided for him. But no penalty at all is

provided for the Trust. The Trust has no obligations, but is an absolute monarchy, under the Bill. The Trust can take the farmers' wheat, or it need not take the farmers' wheat. There is no provision to say that the Trust must provide bulk handling facilities for the farmer. There is no provision to say that the Trust shall move the wheat in case of necessity. I suppose the Trust will do all that sort of thing; but if it fails, the farmer has no redress. But, for the farmer, if he fails to do what is required of him by this Bill, there is a maximum penalty of £100. There is no compulsion on the Trust to provide facilities, nor is there compulsion on the Trust to accept wheat within a certain time. There is no time limit, either, within which the Trust must start its operations. Clause 4 of Part II. provides—

The rights and powers hereby and by such declaration conferred upon the Trust shall endure and continue for a term expiring on the date on which the Trust shall have completely repaid all sums of money borrowed by it under the authority of this Act, together with all interest and other moneys which shall have accrued due thereon or become payable in respect thereof: provided that such rights and powers shall in any case cease and determine on the thirtieth day of November, 1943 . . .

But even then, although this monopoly is given until the 30th November, 1943, the Minister may from time to time extend the duration of the monopoly. Surely that is no power which should be given into the hands of a Minister, particularly a Minister who may be subjected to the pressure which we know is being used outside this House to-day. The provision is very unwise, and I hope if the Bill reaches the Committee that in Committee it will be rectified and Parliament made the responsible authority. In Part III. the Bill gives the Trust power to borrow £500,000 in English sterling, and such further sums as the Minister and the trustees for the security holders may from time to time approve. In other words, this Parliament is asked to give the Minister and the trustees referred to a blank cheque for any amount they may see fit to raise and expend—I will not say squander, because that is not the proper word to use, although something to that effect has been said.

Hon. P. Collier: By the Bill the Government are to give a guarantee for an unknown amount.

Hon. M. F. TROY: Yes, an unknown amount; that is the vital point.

Hon. J. C. Willecock: And whether the money is expended wisely or otherwise.

Hon. M. F. TROY: To my knowledge no such legislation has been passed by this or any other Parliament. Certainly, the Bill provides merely that the trustees may borrow up to £500,000; but they can also borrow such further sums as the Minister and the trustees for the security-holders may approve. Thus the total amount may be anything, and this Parliament is asked to give that privilege. We are actually being asked to give the Minister and the Trust unlimited power to borrow against the guarantee of the State. The State, in the final analysis, carries the whole responsibility. I have here a booklet issued by Mr. Thomson, the general manager of the Westralian Farmers Limited, in which it is stated that the trustees carry the responsibility. They carry the responsibility just as you, Mr. Speaker, would carry the responsibility if you got another man to back a bill of yours. If you, Sir, were able to raise £10,000 on a bill backed by someone else, you, or, I will say, the drawer of the bill, could sleep quietly at night. The person who backed the bill would accept the final responsibility. The responsibility here is that of the Government of Western Australia, because if the Trust fails in any of its obligations, that obligation or those obligations must be met by the Government of Western Australia for the time being. So the responsibility is not the Trust's: the responsibility is undoubtedly that of the Government of Western Australia. We are not foolish enough to think otherwise. If the Trust fails in any of its obligations, the Government must assume the responsibility. The member for Fremantle (Mr. Sleeman) raised the point as to what the Loan Council would have to say about this proposal, and whether there would be any possible objection by the Loan Council. I do not know, but the point is one on which it is proposed to get information; and I am sure that you, Mr. Speaker, will obtain the best information possible. Part IV. contains a number of provisions of vital interest to growers. There is to be a toll of  $\frac{1}{2}$ d. per bushel to defray the cost

of installation; but the other charges are at the sweet will of the Minister, and there is nothing to prevent the Minister and the Trust from raising the cost to a dangerous point.

Hon. J. C. Willecock: Is it not  $\frac{1}{2}$ d. or more?

Hon. M. F. TROY: No; it says a half-penny. Although the Minister has uttered many promises as to what the Bill will accomplish for the farmer, and although the Trust's position will be assured, inasmuch as that body will have a monopoly, the farmer does not know at all where he will stand. No figure is mentioned; there is no provision as to the charges which the farmer will have to pay. Although he is promised a reduced cost of production, there is no guarantee whatever of that being achieved. So it will be useless for any member of the House to say that the farmer will save a halfpenny, or a penny, or twopence per bushel, because that is all in the air. The Bill, so far as I see, makes no provision by which the farmer will save a single penny. Part V. sets up a board to which the powers of the Trust shall be delegated, and this provision I find particularly interesting. Instead of setting up the board outright, the Government create the Trust as an overlord, apparently for the purpose of making the existing Wheat Pool the supreme body. What in fairness and equity and justice induced the Government to provide a board of that character in this legislation? There surely must be a reason for it. It is to be hoped that the Minister for Works, or some other Minister, will state the reason. The board is to consist of the Trustees of the Wheat Pool, four of them, very estimable gentlemen to whom I have no objection personally. Of representatives of the growers there are to be two; and a member appointed by the Governor. That is a total of seven members. As the Trustees of the Wheat Pool number four, they are in a position to out-vote on every occasion not only the wheatgrowers' two representatives but also the Government's representative.

Hon. P. Collier: The position here is reversed as compared with that under the milk Bill.

Hon. M. F. TROY: Seeing that this money is being raised under a Government guarantee—

The Minister for Lands: The trustees are wheatgrowers, of course.

Members: Not all of them.

The Minister for Lands: Yes; every one of them.

Hon. M. F. TROY: Seeing that the money is being raised under Government guarantee, and apparently cannot be raised without that guarantee, surely the Government representation proposed by the Bill is entirely inadequate. The Government are the authority to stand behind the whole proposition, and yet the Government have only one representative. Again, to the growers, who have to pay the toll, who are required to pay ultimately for the whole equipment, the Bill gives two representatives only. In all good sense and equity and justice, how did the Minister arrive at that representation? I think there must be some secret history behind the Bill, otherwise neither this nor any other Government would have introduced a measure of such a character. Speaking from the standpoint of equity and justice I ask, since many wheatgrowers sell outright to merchants and since the Bill proposes to compel such merchants to hand over their wheat to the agents of the Trust, does it not appear fair to give representation to the merchants also? Last year the wheatgrowers of Western Australia pooled approximately 45 per cent. of their wheat, and other interests purchased the remaining 55 per cent. Those interests which put wheat into the trust's hands have no representation whatever on the trust. I do not particularly desire to speak for the merchants, but someone must speak on their behalf in all fairness and justice. While I have always supported the wheat pool, I regard the merchant as a very necessary factor in the wheat marketing business. While I support the pool, I do not do so in the sense of the pool only, and no one but the pool. The more competition we have in connection with wheat purchasing, the better it will be for the producers. It would be disastrous for the wheat growers of Western Australians if they had at their disposal one marketing system only, through which their business had to be done to the exclusion of any other avenue. The private firms employ experienced men who know the markets of the world and are in contact with them. Their knowledge is of value to the

producer and to the State. I support the pool on the principle that I regard that institution as the policeman in the wheat-selling business. The pool represents a check upon the others in the market. I have no desire for those other interests to go out of the business because I know from experience their value to the farmers.

The Minister for Lands: There is no such thing as a ring in the business.

Hon. M. F. TROY: Last year many farmers who sold their wheat to merchants secured prices which the pool will not realise. If I may mention my personal experience, I sold a quantity of my wheat to Dalgety's at 3s. 4d. a bushel at the siding. I could have sold all my wheat to Dalgety's, and I knew I should have done so, if I had consulted only my own interests. On the other hand, I had given my word to the pool that I would dispose of half of my wheat to them, and I kept my word. Dalgety's paid 3s. 4d. a bushel to the farmers at my siding who sold their wheat to that firm, but I do not think the pool will pay anything like that amount. I do not think we can look to any such result this year.

The Minister for Works: They bought at 2s. 8d.

Mr. Wilson: No, 2s. 6d.

Hon. M. F. TROY: I did part of my business with the pool last year, and I will do so again. I realise the value of the merchant in the wheat-growing industry, because he can provide a market for the farmers' wheat, whereas without his expert knowledge, that market would not be available. Then again I do not want the merchant to be handicapped in his operations through being hampered by a trust of the description outlined in the Bill. I do not insist that the trust will hamper the merchant, but the Minister has already pointed out that in New South Wales the trust controlling the bulk system there did hamper the wheat merchants in that State. Later on, I shall quote to the House, in support of my contention, particulars regarding the position in New South Wales. Then again, if it were not for the credit provided by the merchants, a large proportion of the acreage this year would not be under crop. The merchants advanced money to promote the growing of wheat, and to finance other phases of the industry. The pool will not be able to advance a solitary penny under



such headings. No power is provided for the pool to do so. The money to be handled will not belong to them, but must be distributed among the growers who put their wheat into the pool. Because of the advances made by the merchants, the acreage under crop was much larger last year, as well as this year, than would otherwise have been our experience. I am justified in saying to members opposite, particularly to Country Party members, that if by their actions they inflict injury on the wheat merchants, their attitude may prove detrimental to the credit of their constituents later on. I do not say that that will be the experience, but it is a possibility, if the merchants are not treated justly. I hope the Bill will not be agreed to, but if it is to be passed, I trust that in Committee we shall be able to rectify the injustices in the representation on the trust. Part VI. of the Act provides that the proceeds of the toll, which is  $\frac{1}{2}$ d. per bushel, shall be credited to each grower in respect of every lot or parcel of wheat grown by him during the currency of the trust's existence, and that at the end of ten years, the assets of the scheme shall be valued and the credits increased or reduced to a total volume proportionate to the remaining assets. At the end of ten years I do not think there will be any assets. The bulk handling scheme outlined under the Bill is the scheme condemned by the Minister and by the expert committee he appointed, as entirely unsuitable for Western Australia. By the courtesy of the Westralian Farmers Ltd. I was able to inspect the bulk handling scheme installed at Wyalkatchem, Benjaberring, Trayning and other centres last year. The Westralian Farmers are to be commended for their action in initiating such an experiment. The operations were very interesting, and so far as they went, were suitable for the then existing circumstances. But I cannot imagine a scheme of that character being of much value to the producers of the State at the end of ten years. Bearing in mind the construction methods to be employed and the maintenance that will be required, the installation will not be of much use ten years hence. Although the farmers will have paid the toll to pay back the money advanced for the provision of the bulk handling scheme, I do not think any assets will remain at the end of the 10-year period. That represents one of my objections to the Bill. I realise

the value of the experiment, but I regard the work simply as an experiment. Because of the experience gained, I cannot agree that such a bulk handling scheme is suitable for the producers of this State.

The Minister for Lands: Does your objection arise on account of the plant being erected of wood and iron?

Hon. M. F. TROY: Not entirely: there are other objections.

The Minister for Lands: In Canada the buildings are almost entirely of wood.

Hon. M. F. TROY: I cannot say: I have not been there. I am not prepared to accept any statement for or against. For my part, I was interested in what I saw at the centres I have referred to, and the Minister and his expert committee were impressed by it. The committee went to the Eastern districts and viewed the scheme in operation there. They returned, reported to the Minister, who in turn reported to the Government that the scheme suggested by the Westralian Farmers was entirely unsuitable for this State.

Hon. A. McCallum: The methods of construction were entirely different.

Hon. W. D. Johnson: Different timber was used.

The Minister for Lands: Yes, oregon as against hard wood here.

Hon. M. F. TROY: My objection to the Bill is the very objections of the Minister himself. Because of that knowledge I assert that the Minister has not his heart in this measure, and, therefore, did not attempt to explain its provisions. Because of that, the Minister dealt in generalities and traversed the whole world in the course of his speech, but he did not attempt to argue in favour of the provisions of the Bill itself. I do not blame the Minister; I give him credit for common sense and some strength of character. In this instance, he is in a humiliating position. The Bill is not in accordance with his wishes at all. While penalties are provided respecting the farmer, for anything he may do in contravention of the Act, similar provision is not made regarding the trust, if its obligations are not fulfilled to the farmer. The trust may, or may not, provide for facilities. No penalty is stipulated if the trust does not provide them within a certain period. The trust may make the necessary provision just when it pleases that body. The trust will have unlimited powers and reign as an absolute monopoly. Whereas the farmer, so far as I can gather,

will have no redress for any injustice done to him. Should the trust not make proper provision for the housing of the wheat, and the grain be damaged as a result of a storm, the farmers will have no redress. No penalties are provided for neglect by those who are to enjoy special privileges, nor will the trust pay any taxation. It is the most extraordinary Bill ever introduced in the House. It is not framed in favour of the farmer or of the State, but of the trust in almost every particular. Despite the attempt to reduce costs, no figures indicating the probable savings have been furnished to members. Although I realise that it is practically impossible to place fixed figures before us as to savings to the farmer under the operations of such a measure, still, if the State is to stand behind the scheme and confer great powers upon the trust, some provision should be made regarding the costs the farmer will have to pay. The scheme, under this Bill, now known as the pool scheme, is similar almost in every respect to that propounded by the Westralian Farmers, Ltd., last year. The latter scheme was investigated by the Minister and by the expert committee appointed by him. It was condemned by them. The Westralian Farmers Ltd. failed to secure the necessary finance and, in view of the condemnation of the scheme, both by the Minister and by his experts, it is surprising that the Government now propose to guarantee the expenditure on a scheme similar in almost every detail. Certainly it provides for facilities at fewer localities, but, to all intents and purposes, it is the same scheme. In view of the earlier condemnation, is it not surprising that the Minister and the Government now propose to guarantee such a proposal? Members may well ask whether they are justified in agreeing to the Government standing behind such expenditure. We have had much experience, and surely the time has arrived when we should be guided by our experience. We have had some disastrous experiences of guaranteeing similar business interests. Take the Fremantle Freezing Works. The Government provided a guarantee and that enterprise has been established for 10 to 15 years. It has proved of little value to the State. It could not have paid  $\frac{1}{2}$  per cent. in interest were it not for the fact that the Government of which I was a member took the works over as an abattoirs for the Fremantle district, without which operations

would not be in progress there to-day. We have lost a lot of money on that concern. If the State's losses under all such headings were calculated, a substantial figure would be arrived at. Then there are the Carnarvon Meat Works. The Government ranged themselves behind that enterprise, which was, in many respects, like the one under discussion. Its object was to help the growers of beef and mutton in that part of the State. The Carnarvon Meat Works had cost the State £100,000 years ago, and are still costing the State thousands of pounds a year.

Hon. A. McCallum: Now a camping place for unemployed, are they not?

Hon. M. F. TROY: Then there are the fish canning works and the butter factory at Geraldton. The butter factory cost £14,000 and was sold for £2,000 or £3,000. At Ravensthorpe, Albany and Northam the State has guaranteed enterprises. On every occasion on which the Government have guaranteed an enterprise, it has been attended with loss, and the Government have had to shoulder the burden in the end. Although wheat growing is an established business and the Bill proposes to grant a monopoly, Parliament would not be justified, without very good reasons, in agreeing to guarantee the proposals contained in the measure. The bulk handling scheme under the Bill contemplates facilities at 280 sidings, with terminals at the ports of Fremantle, Bunbury, Albany, and Geraldton. The entire cost of the installation, we are told, is not to exceed £625,000 in Australian currency. Members would do well to contrast that figure with the estimated cost of the scheme proposed by the Minister and his departmental committee. For about half the amount of equipment and with three fewer terminals, the cost of the Minister's scheme was estimated at £1,500,000? That scheme provided for one terminal for the Fremantle zone. After the closest investigation by the Minister and his experts, the estimate arrived at was £1,500,000. Yet the scheme of the pool trustees, which is to provide for the whole of the State outside of Ravensthorpe and Esperance, is estimated to cost only £625,000. I suggest that the scheme cannot be provided for the money. If the Minister's proposal for the Fremantle zone alone, catering for only half the State, would cost £1,500,000, how can the trust provide for the whole of the State, with the

exception of Esperance and Ravensthorpe, at a cost of £625,000? It cannot be done.

The Minister for Works: It is a very different scheme.

Hon. M. F. TROY: I ask members to imagine what the assets would be like at the expiration of ten years of a scheme built for £625,000, providing facilities for the greater portion of the State, in comparison with the assets of a scheme costing £1,500,000 providing for the Fremantle zone alone. It may be that the figure of £625,000 has been inserted only as an inducement to get the Bill approved both here and in the country.

Hon. A. McCallum: The cost may exceed that figure.

Hon. M. F. TROY: Yes, because provision is made in the Bill for the Minister to approve of further borrowings, and it is certain that further borrowings will have to be made. I have already stressed the point that the Bill empowers the trust to borrow £500,000 in English sterling, and such further sums as the trustees and security-holders may approve, and once a monopoly is granted, the State is to be responsible for the payment of interest and principal. Members should study the estimates of similar proposals submitted to this House before coming to a determination on this Bill. The Minister, in his speech, stated that the cost of erecting bulk handling facilities in all other countries had been excessive, and that droughts and unforeseen difficulties had caused those systems to operate at a loss. But we are asked to authorise the trust to instal a scheme that provides for no unforeseen difficulties. In other countries there have been unforeseen difficulties, but here no provision is to be made for them. In all the years I have occupied a seat in this House, estimates have never made provision for unforeseen difficulties, and estimates have always far exceeded the actual cost. I do not know of one instance to which that statement does not apply. In bulk handling, however, there are to be no unforeseen difficulties! It is to be a perfect cake-walk; there are to be no troubles. But the State is asked to guarantee a loan without limit to the trust with the trust's estimates of construction only as a basis. So far as I can judge, the facilities proposed to be installed will not vary greatly from the provision made in the Wyalcatchem area by Westralian Farmers Ltd.

last season. I think the Minister suggested that they were experimental and tentative—a valiant attempt to meet the situation. It is now proposed to dot the wheat areas of the State with similar installations, and I am quite sure that in them the State, or the wheatgrower, will have no asset after the expiration of ten years. On the other hand, if the Minister's scheme were adopted, there would be an asset, and that scheme would constitute a lasting asset to the State. It has been claimed that the proposals under this Bill will effect a saving to farmers of at least 3d. per bushel. That statement has been repeated so long and so loudly that the farmers now believe that this figure cannot be challenged. They have been told so at public meetings and by the Press, and mostly interested parties have told them so. If a thorough investigation were made of the proposals, I do not believe that any such saving could be effected. I propose to give my reasons for that opinion. First of all, I intend to treat the subject from the point of view of the farmer. Here, curiously enough, a book published by Mr. Thomson, general manager of Westralian Farmers Limited, comes to my assistance. It bears out the contentions I propose to submit. In the book, Mr. Thomson seeks to prove that the figures about the displacement of labour consequent on the installation of bulk handling are not justified, and that unemployment will not result. He states that in order to obtain the greatest benefit from bulk handling, carting must proceed simultaneously with harvesting, and that this will mean employment for truck-owners and carters. The farmers will be free to continue their farming operations when harvesting is over instead of having to cart. It apparently did not occur to Mr. Thomson that the farmer who is obliged to employ truck owners and carters must meet the additional cost. How can the farmer employ additional labour in the harvesting season without incurring additional cost? That being so, how is the farmer going to save so much when he will have to meet the cost of additional labour? Even so, Mr. Thomson has not touched a most important phase of the problem. I am one of many farmers who believe in the use of horses, and while prices and costs remain as they are, I will stick to horses. In fact, when wheat was 5s. a bushel I did not see any justification for

abandoning the use of horses. When I was Minister for Lands, 99 per cent. of the hopeless cases that came under my notice were those of men who had gone in for tractors and trucks. The expenditure on tractors and trucks and motor cars, but particularly on tractors and trucks has, to a great extent, placed the farmers in their present difficulties. The Government are encouraging the use of horses. They have insisted upon the farmers putting their tractors in the sheds, and the banks have been advancing large sums of money to enable farmers to buy horses with which to replace tractors and trucks. The Government have also encouraged the use of horses by granting a bounty for the purchase of stallions. The Premier, in speaking at country shows, insists that the farmers must get back to horses, and expresses his pleasure at seeing so many horses at the parades. Yet we are told by the general manager of Westralian Farmers, Limited, that in spite of all the money spent on horses and on encouraging the breeding of horses, farmers will require trucks to carry their wheat to the sidings. One aspect cannot be ignored. The capitalisation of the purchased truck has to be considered, and the effective life of a truck on a farm is about two years. The life of a truck in the hands of a careful man is greater, but once a truck goes on to a farm it is used, as is a motor car, for everything. When a farmer purchases a truck, he proposes to use it for the carting of super and wheat only, but soon he finds that the truck gets over the ground quickly, and so he uses it for everything. It is just the same with a man who has a motor car and who speeds up, in order to reach the town an hour earlier, and then wastes three or four hours in the town. I know human nature fairly well. So I calculate the life of a truck on a farm at about two years. Then there is petrol. What does that cost? In my district, the price is 2s. 8d. per gallon. Consider the quantity of petrol consumed. Horse feed costs nothing; their fodder is grown on the farm. But petrol has to be bought, and that is an added cost to farming. Amongst members here are farmers who know just as much about farming as does the gentleman referred to. They know that costs have to be watched and have to be kept down. In order to keep down the cost of my farming opera-

tions—bulk handling may not affect my siding because it is too small, and I say, "Thank God for that"—I use horses, because I know what farm economy means to me. I use horses for harvesting, and I use them as long as I can for carting to the siding. I have hired motor trucks to do my carting when the price of wheat was good, but by using horses I can grow wheat for half the cost that tractors and trucks would entail. There is this also to be considered: In Western Australia harvesting is done easily because we have good climatic conditions. But there are occasions when, during the harvesting season, storms occur and then we are able to cart to the siding. If we are to employ trucks, it will mean that when harvesting is held up the trucks will be held up. How, then, can the costs to the farmer be reduced? The costs will not be reduced. I know that my costs will be increased. Mr. Thomson points out that the farmer will do other work when harvesting is finished. We know, however, that the farmer does not do other work then. He has no other urgent work to do; it is the time when it is possible for him to get away for a spell from the farm. Proper farming economy provides that we must use horses. I am not going to encourage the use of motor power in Western Australia, and this House should not support anything to bring about that state of affairs.

The Minister for Works: I am selling all my horses.

Hon. M. F. TROY: But the Minister is not far from a siding. I could go further in criticising bulk handling by asking, what is going to happen to the farmer who is 15 or 20 miles from a railway. Hon. members know what it is to have to cart from 10 to 15 miles. How will farmers keep their harvesters busy and cart at the same time with limited teams? How will they get their wheat away in bulk. It will be utterly impossible. The position requires much more investigation before we rush into bulk handling in Western Australia. The only saving held out to the farmer under a bulk handling system is in the cost of sacks, and that has been emphasised. As far as I know, the Minister himself is the only farmer in this country who has had designed a special truck to cart his wheat in bulk to the receiving depot. It was the only one I saw. I

am not going to venture an opinion as to whether that is an economically sound proposition or not. It occurred to me to ask what would happen to that truck when it was required for other purposes on the farm. It is quite possible it could be utilised. Anyway, it was the only truck I saw designed for the purpose. But even under any scheme it is quite clear that a number of farmers must use a number of bags. The Minister stated that they could use their superphosphate bags for three seasons.

The Minister for Works: I was talking about cornsacks.

Hon. M. F. TROY: Even cornsacks will not last for three seasons, though, with exceptional care, they might last for two seasons. A farmer will use his phosphate sacks if he gets his phosphate late. If he buys it in January, the bags will not be of much use in May if they have been emptied, because the acid in the meantime will have done its deadly work. For the farmer who buys his super in March it is all right. I know that the bags that came to me in January were of no value in May, but the bags that I purchased in March or April I was able to make use of, but only for one season. The bags containing seed wheat would not hold wheat till sowing time, though they would hold oats. The bags will not stand the wear and tear of filling and carting to the siding. Of course there may be extraordinarily strong sacks, but it has not been my pleasant experience to come across any of them. The Minister spoke of the necessity for obviating the importation of cornsacks, which, he said, during the last 10 years had cost the State, landed here, £4,752,000. Those figures are misleading because the bags were utilised not solely for the bagging of wheat. No fewer than 200,000 dozen bags are required in this country for superphosphate, and that number is included in the Minister's figures of expenditure. Therefore it is not fair to give those figures to the House because they do not represent the facts. It must not be presumed that bulk handling will eliminate entirely the use of cornsacks. Even Mr. Thomson, in his summary of costs published in the "West Australian" of the 1st July, declares that the farmer will require bags to the extent of 15 per cent. of his crop. Then we are told that a further 5 per cent.

will be wanted for stiffening bulk cargoes. So that we shall have to import 20 per cent., plus those needed for small sidings and at the Esperance and Ravensthorpe areas. In this State millers take  $4\frac{1}{2}$  million bushels of wheat for gristing and they will require sacks for flour. Thus we prove that the Minister puts forward figures which, on investigation, are found to be misleading. The Minister's figures do not represent the facts because we shall still have to import a considerable number of bags. Respecting railway expenditure on the installation of a bulk handling system, curiously enough, or significantly enough, although the Minister read a letter from the General Manager of the South African railways and quoted some opinions from America, he was strangely silent about the opinion of our own Commissioner of Railways. We have it in evidence, however, what bulk handling will mean to the railway expenditure in Western Australia. We must not imagine that if we get a few pence reduction in the cost of handling that the farmer will get a reduction in costs. The expenditure on the railways that will be involved by the introduction of this principle cannot be divorced from the consideration of a bulk handling scheme. I would not be surprised to discover that the Commissioner is in agreement with the views expressed by Mr. J. J. Poynton, manager of the Midland Railway Co., and published in the "West Australian" on the 25th September. The objections raised by Mr. Poynton apply with equal force to the Government Railways in Western Australia, and perhaps to a greater extent, because the expenditure on Government railways will be higher than any expenditure that might have to be incurred by the Midland Railway Co. Mr. Poynton, in his statement, said—

The effect on the railways of this State seems to have had little attention. Much expense would be involved in converting rolling stock which was never intended for the carriage of bulk wheat. It is probable that the number of wagons found to be suitable for alteration would then be considerably short of requirements of wheat transport, and if so, new wagons would be necessary.

Where are the Government going to get the money with which to build new wagons? The Government have not any money with which to repair the old ones. There are hundreds of them that cannot be repaired.

Hon. P. Collier: And they are all over the country.

Hon. M. F. TROY: There are many at the Naval Base that are not fit for use.

Mr. Kenneally: They have been carted away from there and used for firewood.

Hon. M. F. TROY: Mr. Poynton goes on to say—

A large proportion of the trucks which can now be used for bag wheat could not in the circumstances, be converted for bulk handling. The value of these trucks would be greatly depreciated. The restriction in the use of equipment which is now of a practical universal type would mean wagon idleness for months at a time, and would be a serious handicap to any railways.

It will be seen that the trucks could not be used for practical purposes.

Sidings would need expensive alterations . . . Transport efficiency would be affected by largely increased empty haulage and by the haulage of additional tare weight, represented by the converted wagons. Shunting costs would rise. There would be greater train mileage without a corresponding increase in paying business.

These disadvantages would apply to our railways also. Is it to be expected that the farmers are going to escape from the consequences of that sort of thing? The Minister did not make the slightest reference to that expenditure, when introducing the Bill.

The Minister for Works: What you have quoted is just the opposite of the statements put up by the other departments.

Hon. M. F. TROY: But what did the present Commissioner of Railways have to say?

The Minister for Works: He has not dealt with it.

Hon. M. F. TROY: The Railway Department of Western Australia has raised objections.

The Minister for Works: No.

Hon. M. F. TROY: If the Bill goes to a select committee and the Commissioner of Railways is called, he will be able to say that considerable expenditure will be involved. Mr. Evans, the Commissioner of Railways, was one of the Minister's committee. He went to the Eastern States, but did he make a report when he returned? If he did, where is it? We have not seen it. Mr. Evans' report has never seen the light of day. We know that the railways here have gone into the figures. Being in the delicate position in which our Railway

Commissioner unfortunately always finds himself when questions of this sort are raised by an enthusiastic Minister, Mr. Evans was unable publicly to state his objections. He did, however, present to the departmental committee on bulk handling, of which he was a member, an estimate of the cost to the railways of the introduction of the scheme. I am told that the original estimate was very much cut down before it saw the light, but even as it appeared in the ultimate report of the departmental committee, it was sufficiently frightening. The committee's estimate of expenditure on new rolling stock and truck conversion was £320,500 at the outset.

The Minister for Works: The Commissioner's estimate.

Hon. M. F. TROY: Well, the Commissioner of Railways. I do not know whether it was the Commissioner of Railways, but the committee reported that the expenditure on new railway stock and truck conversion would be £320,000, and the annual railway charges hereafter would be £48,000. In the Westralian Farmers scheme only £72,000 was allowed for truck conversion—which I am sure is an under-estimate, and therefore their figures cannot be relied on—whereas the Minister's own committee stated the expenditure would be £320,000 to begin with, and £48,000 per annum subsequently. The Minister knows that the first proposal of the Westralian Farmers was to provide £72,000 for alteration of trucks.

The Minister for Works: The committee did not agree with that statement. They said the Railway Department gave those figures, and that they did not investigate the point.

Hon. M. F. TROY: The committee did not agree with those figures. That is only natural, for the committee did not know.

Hon. P. Collier: But the Commissioner ought to know.

Hon. M. F. TROY: Naturally the committee would not say those were their figures. The people who ought to know are the railway people, and they have not submitted a final report.

Mr. Wansbrough: That was on the Minister's scheme only.

Hon. M. F. TROY: The Westralian Farmers allowed £72,000 for truck conversion which, in view of the committee's report, is grossly under estimated. Now I have finished with the Bill and those aspects of bulk handling, but I propose to make a few gen-

eral remarks, in which I will be quite fair both to the Minister and to the Government. Definitely I am not in favour of bulk handling, as outlined in this scheme. I have never seen another proposition which confers such privileges on a body and which neglects entirely the obligations of that body. The Trust is to be absolute. I do not think the Trust can supply, for the proposed expenditure, the farmers with the facilities which they say they can supply. The Minister has always been an ardent supporter of bulk handling. It has been alleged that he interested himself in the subject some years ago and that he has a complete knowledge of bulk handling. All that is claimed for the Minister, and he is not too humble to assert that he does know something about it and has given it considerable attention and study. So I start off assuming that the Minister knows all about the subject and that all the public approbation he has received on that score is fully justified. In August of last year the first proposal placed before the Government by the Westralian Farmers provided for a monopoly in bulk handling at a cost of £928,000, including £72,000 for railway expenditure. The Minister proclaimed himself an ardent supporter of that proposal, and went to the extent of announcing that, subject to the Loan Council's approval of the necessary finance, they would adopt the plan and go ahead with it. I think the Minister was acting wrongly. About the first thing he put forward was that he would not wait for the sanction of Parliament, that if they got the money he would go right on with the Government part of the scheme. It is now clear that had the Minister gone ahead it would have had for the State and the farmer disastrous consequences. The Loan Council refused to make the funds available, and so the scheme was withdrawn. Then the Minister proceeded to go into the question of a scheme of his own. He appointed a committee composed of the Commissioner of Railways, the Director of Public Works, the Director of Agriculture, the Under Secretary for Public Works and the Manager of the Fremantle Harbour Trust. This committee investigated the subject, and the Commissioner of Railways and two of his expert officials went to the Eastern States.

The Minister for Works: They did not go on my recommendation.

Hon. M. F. TROY: The Minister has never heard what they did there. Their report has never been made public. The Minister might well inquire what the Commissioner of Railways and his experts were doing over there for two months, whether they were holidaying at Kosciusko in the mountains, or whether they were really inquiring into bulk handling.

Hon. P. Collier: The Minister says he has never seen their report.

The Minister for Lands: They went over there to attend a transport conference.

Hon. M. F. TROY: What? For two months!

The Minister for Lands: It was not for two months.

Hon. M. F. TROY: I stand corrected. Later the Cabinet despatched the Minister, who was accompanied by Mr. Sutton and Mr. Shaw, both well known to members of this House. They were to complete their investigations and report as soon as possible. The Minister has told us, and the Premier has told us in the Press, that those gentlemen not only thoroughly investigated the Westralian Farmers' proposition, but also the whole principle of bulk handling in New South Wales, where the system was established, and also in Victoria, where the question was being considered. While Parliament was in recess we learned through the Press that the Minister and his experts had devoted the whole of their time to this investigation. Later we read that their report was received by Cabinet and approved, pending the approval of the Loan Council. The Minister did report, and on page 16 of his report he did suggest a scheme to the Government. This is what the Minister reported:—

From the information I have gathered from experienced elevator construction engineers in the Eastern States, and from the examination of a scheme recently prepared for Victoria, I am convinced that we can erect a scheme in Western Australia comprising country silos (some wood and some concrete) and concrete terminal at Fremantle at a cost not exceeding £1,500,000, to handle 30,000,000 bushels, and with a storage capacity of 20,000,000 bushels.

That was the Minister's proposal, a scheme for the Fremantle zone alone and to cost £1,500,000. Members will recall that the scheme put forward in the Bill provides for the whole State, outside of Esperance and Ravensthorpe, and all for the expenditure

of £625,000. Yet the scheme of the Minister, resulting from all the knowledge he possessed, was to cost £1,500,000 and operate in the Fremantle zone alone.

The Minister for Works: That was not a scheme. It was merely my report.

Hon. P. Collier: You did not go in for an unnecessarily costly scheme?

The Minister for Works: No, the scheme was declared off.

Hon. M. F. TROY: The Minister, after consulting his engineers and thoroughly inquiring into the position, stated that he could furnish a scheme for the Fremantle zone alone at a cost of £1,500,000. The Minister made that report because he felt he knew the facts: as the result of his long and wide experience he felt he was justified in making that report to Cabinet. And apparently the Premier and Cabinet were satisfied with the report of the work accomplished by the Minister and his experts, for the Premier publicly complimented Mr. Lindsay on his great work on behalf of the State, and on his outstanding ability. I have no reason to say the Minister did not accomplish great work; I am prepared to back the Minister's opinion even now, as against this Bill. However, the Government proposition was taken over to the Loan Council, but apparently nothing was done, for we have heard no more of it. I have not seen any announcement as to just what happened to the Government scheme. But whilst we know nothing of what happened in the Loan Council, we have been supplied with a report by the Minister and his committee, the finding of the committee of experts. The committee examined the Westralian Farmers' proposition, and on page 8 of their report give the result of their investigations. Inasmuch as the scheme proposed in this Bill is in all respects similar to the original scheme proposed by the Westralian Farmers, this report of the committee makes interesting reading. It reads as follows—

(a) The proposal submitted grants a monopoly to the Westralian Farmers, who are themselves wheat merchants. (b) At best the scheme is only an experimental one, involving an expenditure of approximately £1,000,000, and at the end of six years or so the plant would be more or less moribund, whereas a more orthodox scheme of bulk handling would still be of value at the expiration of 50 years.

This expert committee went to the railway sidings in the Wyaleatchem areas and examined the scheme in operation, which was similar to that proposed in the Bill, and they say that in six years the plant will be more or less moribund. The House does not need to take my opinion, because the House can take the words of the expert committee appointed by the Minister, men who are more capable of investigating and passing judgment upon such a scheme than am I or perhaps any other member of the House. That committee in its report continues—

In this conclusion we are supported by those most competent to speak on bulk handling in Australia, namely Mr. G. W. Walker, of Lindley, Walker & Co., New South Wales; Mr. Harris, Director of Bulk Handling in New South Wales, and Mr. F. W. Box of Victorian railways, who has made a lifelong study of the subject. All these gentlemen have investigated bulk handling in other parts of the world. Such a large expenditure on an experimental scheme is in our unanimous opinion, not justified.

What could be more conclusive than that? Yet in face of that report and of the Minister's own report, which Cabinet adopted—because the Premier took the proposal to the Loan Council—the Minister introduces this Bill, which embodies these main proposals which the Minister's own committee condemned.

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

Hon. M. F. TROY: Before the adjournment I was referring to the Minister's proposal which he submitted to the Government on the best advice from the Eastern States, and after making every possible investigation. He had the help of men who were familiar with bulk handling systems in all parts of the world, and whose names are well known to the House as being those of men of authority. He suggested a scheme to cost £1,500,000 to serve the Fremantle zone. By that scheme he said he could effect a saving against the Westralian Farmers' scheme of 1½d. bushel, which on a 30 million bushel crop would mean a saving of £187,000 and on a 40 million bushel crop a saving of £250,000 to the farmers of this State. That is the report of the Minister as laid before Cabinet. He will not question these figures, so we may accept them as justified in the circumstances. The Minis-



ter's scheme was apparently the better one. It would be an asset for 50 years, and save the farmers  $1\frac{1}{2}$ d. per bushel on their wheat handling costs. In the course of his report the Minister stated that he was not in favour of a monopoly by private interests. He stated that the wheatgrowers corporation of New South Wales controlled the New South Wales elevator scheme for two seasons, but from evidence supplied to him the arrangement was decidedly against the interests of bulk handling. He went on to say that as a result of inquiries he had made in the Eastern States he was not in favour of giving a monopoly of wheat handling to private interests. In the face of that report, which was accepted by Cabinet, the Minister now proposes the monopoly which he condemned only a few months ago. The committee appointed by him also condemned a monopoly, and said it had operated very badly in the Eastern States. Supported as he was by his committee, it was natural that the Minister should put forward his conviction to the Government. It is now not only surprising that the Minister should support a Bill providing for a monopoly, but that he should now be in opposition to his own convictions embraced in the proposals put before Cabinet. This change has occurred within the space of two short months. It is due to the House that the Minister explain why he was so definite until quite recently in his opposition to the pool and Westralian Farmers' scheme, and why to-day he is in the humiliating position of having to bring down this Bill. The inability to secure finance from the Federal Government for the Westralian Farmers' scheme was a blessing in disguise. The Westralian Farmers' scheme the Minister has since heartily condemned; that is the scheme which he proposed to facilitate by embarking upon the Government portion of the work, without consulting Parliament. What can we think of the judgment of the Minister? If we are to judge of him by his inconsistent attitudes how can we be expected to have any regard for his opinions on the subject? I am not being personal, but I have a very shrewd suspicion that the Minister is not in favour of the measure. He is not an unintelligent man and I am sure after his investigations he could not possibly be in favour of it. I can, however, sympathise with him in the position in which he is placed, and possibly

other members who are closely in touch with the political pressure outside can also understand it. Subsequent to the withdrawal of the Westralian Farmers' scheme, the Trustees of the pool submitted the scheme in this Bill, practically identical with the first one. Under the pool's scheme it is suggested that the farmers would pay about £100,000 a year less by way of handling charges than was provided under the original Westralian Farmers' scheme. I will explain what the schemes are. The Westralian Farmers' proposal submitted last year provided for facilities at 351 sidings at a cost of £928,000, which included £70,000 for truck conversion, and at 60 sidings not fitted with bulk facilities the Westralian Farmers were to supply cornsacks free. The pool proposal is a modified scheme, but contains the same principles. The pool scheme provides for facilities at 280 sidings as against 351 sidings. This scheme is similar to the other, as to construction and operation, in practically every detail. The later pool scheme is estimated to operate at a lesser cost to the farmers by about £105,000, or .65d. a bushel. Compared with the Minister's own scheme endorsed by Cabinet it falls short of benefit to the farmers by no less than £100,000 annually. Surely there is something wrong with the proposals and there appears to be something entirely wrong either with the Minister's judgment or his capacity. These inconsistencies certainly require to be cleared up. The Pool proposals were submitted to the Premier on the 9th April, 1932. The Minister's departmental committee reported upon them also. That report is before the House. The committee had already examined and investigated the bulk handling scheme in the Wyalkatchem area, and some of them travelled to the Eastern States with the Minister, and investigated the bulk handling scheme in New South Wales and the proposed scheme in Victoria. By this time, apart from their technical qualifications, members of the departmental committee were competent to express a well-informed opinion. They reported on the 16th April. This will be found on pages 39 and 40 of the document submitted to members by the Minister. They reported as follows:—

In our interview with the company's officers, we endeavoured to obtain further necessary information, but were informed that noth-

ing could be added to the contents of the letter (Mr. Braine's letter to the Premier) until Mr. Harper returned in about a week's time, or possibly not until Mr. Thomson returned from London. Mr. Braine further intimated that until the Government was prepared to give the company the legal right to control a bulk handling scheme they were reluctant to disclose the figures and go into the necessary details.

The Minister's own committee could not get the information that was sought. Mr. Braine said they were reluctant to give the figures or to go into the necessary details. The committee reported—

In all the circumstances it is impossible to give comprehensive advice on the latest proposal of the company. There are, however, some features that might at this juncture be commented upon. Your committee has in its previous report expressed the opinion that such a scheme as proposed should be controlled by a legally constituted board or trust, and not by any company interested in the business, and notwithstanding the modified proposal by the Westralian Farmers Ltd., we are still of that opinion. The estimates for construction are obviously for a scheme as per their original proposal, and such as was operated at the five sidings for this harvest.

The committee are satisfied that the scheme in this Bill is similar to the scheme which was proposed by the Westralian Farmers in the first instance, and which was condemned by the committee and condemned by the Minister.

We are still of the opinion that this proposal is one that should not be adopted.

Twice the Minister has been told that by his own committee.

We are of opinion that the storage accommodation is inadequate; provision for 20 per cent. temporary bulkheads for storage is open to serious objection. We consider that the adoption of a 32,000,000-bushel crop for the purpose of estimating is too low. The experience of the Railway Department during this harvest has demonstrated that the company's provision for trucks is insufficient. Drawings and specifications are not available for your committee, and we are inadequately informed of what is proposed for the four ports named. The figures quoted in the letter, however, would lead us to believe that such construction would be similar to that originally proposed.

The committee has definitely condemned the proposals in the Bill on two occasions. The Minister has condemned them. Is it not an extraordinary position that the House should be discussing, in this Bill, proposals which the Minister condemned, and which the Government also disapproved, because the Pre-

mier took the Minister's alternative scheme to the Loan Council in order to have the Minister's scheme approved? What is to be said of the Minister's inconsistency and lack of judgment as disclosed in the history of these transactions during the last 18 months? First there is his acceptance of the Westralian Farmers' scheme. He would not wait for Parliament to consider it, though Parliament was meeting within a fortnight or a month. When that scheme cannot be financed, he personally goes into proposals for bulk handling and appoints an expert committee. It is alleged by the Premier that the Minister for Works is the best-informed man in the House on bulk handling. He may be. The Premier has publicly commended him for his activity and industry in this connection. The Minister recommended a scheme which, so he said, would save the farmers 1½d. per bushel or £185,000 on a 30,000,000 bushel crop; and he condemned the Westralian Farmers' scheme as unsuitable and inadequate. And so, seeing how the Minister was obsessed last year with the Westralian Farmers' proposal, and three months later was utterly divorced from it, how can I place any reliance on his present advocacy of that scheme? And now we come to the last of the history of events. The Minister again changes, abandons now his own scheme and again takes up the scheme with which he was obsessed last year, and which later he condemned. He returns to his first love, and divorces his second wife.

Hon. J. C. Willcock: But he divorces the second wife first.

Hon. M. F. TROY: The scheme which the Minister's committee condemned, and which the Minister and the Cabinet also considered unsuitable, he now takes up in this House, introducing it in this Bill. I am disinclined to believe that the Minister believes a word of the proposals. The least intelligent man in the country, the stupidest man in the country, could not consistently adopt such an attitude. What occurs to me is that some outside influence has induced the Minister to put himself in such a position with regard to this measure. I can only assume one thing—that it was the threat made by a prominent man in this country that it was to be the pool scheme, or nothing. In the "West Australian" of the 6th July this very prominent gentleman, who is regarded as a political power, not in this House, but out-

side it—and I contend that people who want political power should come into this House

Hon. P. Collier: There are many proxies here.

Hon. M. F. TROY: In this House is the place to use influence, and not outside. That eminent gentleman declared that if Parliament refused to make the necessary concessions to the pool, he would advise the wheat growers to refuse to accept the departmental committee's scheme. He said that if his scheme was not accepted——

Member: Who said that?

Hon. M. F. TROY: I will not say. Hon. members may read the "West Australian" of the 6th July.

Hon. P. Collier: He is a life member of the P.P.A.

Hon. M. F. TROY: Many meetings have been held in the country, and farmers have been told that this is their scheme. You and I, Mr. Speaker, know that meetings held in the country in that way get results which are not fair. We know that farmers are induced to carry resolutions, though 90 per cent. of them do not know what the resolutions may result in.

Hon. J. C. Willcock: All the resolutions in the same words.

Hon. M. F. TROY: Last week I was away from the House, in the farming areas, and there I found that 99 per cent. of the farmers I spoke to did not know anything about this Bill, although they had helped to pass certain resolutions. They asked, "Is the Bill all right?" However, they are told that this is the farmers' own scheme; that all the alleged savings are to be for the farmers; that they are to get the lot. You and I, Mr. Speaker, are experienced enough to know that if those tactics are resorted to in the country, a certain result is bound to follow. But there should not be intimidation of members. We know in our minds and our hearts that members are frequently intimidated by factions outside. That is the curse of politics in Australia as in other parts of the world. We know that people have certain wishes and desires. Those wishes and desires are played upon. But we in this House, at all events, ought to stand out against intimidation, ought to stand up for the best interests of the country. We here are in a position to resist intimidation. In our decisions we ought not

to be influenced by any consideration or any interest outside the welfare of the State. Therefore I take up the attitude, that the Bill ought not to be here at all. Eighty per cent. of the members of this Chamber do not believe in the Bill at all. The Minister, being an intelligent man, does not believe in the Bill. He has my sympathy. I hope the House will reject the Bill in the best interests of the farmer, and in the best interests of the country also. In my opinion the House should contemptuously reject the Bill, because it is the most audacious proposal ever put up in this Chamber. I bear in mind that the Minister, after traversing a great deal of ground which had no relevancy whatever to the Bill, ended his speech with a peroration; and I thought, "God knows, this subject demands it." It is the only time in my life I have known a peroration to be justified, since the peroration covered up the defects in the proposals. And so, though I am highly suspicious of perorations, and have rather a contempt for them, because they are generally used to conceal something, I sympathise with the Minister in his refuge on that occasion.

The Minister for Works: That is rather good.

Hon. P. Collier: His only refuge.

Hon. M. F. TROY: In conclusion, may I ask, is the Minister sincere in bringing down this Bill? In face of all the facts disclosed by the Minister's own report, is the Minister sincere? Do the Government want the Bill passed? Rather I suspect that they want to go to the country and say, "We brought the Bill in; we did our best, but your enemies defeated us. Certainly it had all the advantages we said it had, but your enemies defeated us." That excuse, of course, can also be understood. But still we in this Chamber have a responsibility, and we ought to reject this measure unanimously. I shall not vote for the second reading. I think I have given hon. members good reasons why the Bill should not go to the second reading. I do not desire that the House shall waste time over a select committee on the Bill. I think we are called upon to unanimously kick the Bill downstairs. I conclude by saying that though the opinions I have expressed may give annoyance outside this House and inside this House, my views are in the best interests of the farmers, a class

whose interests I have always considered, a class of whom I am one. And further I give my opinion and vote in the best interests of Western Australia. I definitely oppose the second reading.

On motion by Mr. Doney, debate adjourned.

## ANNUAL ESTIMATES, 1932-33.

### *In Committee of Supply.*

Debate resumed from the 15th September on the Treasurer's Financial Statement and on the Annual Estimates; Mr. Richardson in the Chair.

*Vote—Legislative Council, £1,442:*

**HON. P. COLLIER** (Boulder) [7.59]: Although the annual statement by the Treasurer is of real importance to the people of the State, a general debate on the Budget usually fails to attract much public attention. It may be that the range of subjects usually covered by hon. members has been so wide that many matters of minor importance are stressed, to the exclusion of the vital questions of the day. It is, however, gratifying to find that there is a gradually increasing number of people in the State who are taking a serious interest in our public affairs. There can be no question about the severity and widespread character of the depression, and although, admittedly, it has increased during the past two years, I would remind the Committee that I frequently pointed out the State and Australian condition of affairs prior to the Labour Government going out of office. It seems to me useless to attempt to discuss the cause of our troubles. Economists and so-called experts differ the wide world over. From my viewpoint, I hold that the position of the world to-day, in common with that of our own State and the rest of Australia, is due in a very large measure to the four years of war and the effects that inevitably followed the war. I have mentioned this on previous occasions: How could it be expected that the whole wide world should engage in a war in which tens of millions of men were active participants, and in which hundreds of millions of people were, in one way or another, directly and actively engaged in prosecuting the war, and that we should indulge in an orgy of that

kind for four years, without feeling the effects? Of course, it could not be expected otherwise. History teaches us what happened with regard to past wars, although all others that preceded the Great War were merely skirmishes in comparison with the experience of those tragic four years. So we need only have regard to the fact that large numbers of men were withdrawn from actual production, from trade and commerce, business and enterprise, and engaged, not in the production of commodities that the world required, but in the destruction of some of the essential parts of civilisation. Thus we were bound to experience what we are going through now, although it has been delayed somewhat longer than was the custom in years gone by. If that should teach any lesson, surely it should be that if the world is to survive and civilisation, as we know it, is to continue, there must be taken strenuous steps towards the prevention of wars in the future. In that regard, I regret having to say that the recent Disarmament Conference that was held at Geneva proved to be, as far as one may judge, an absolute failure. The fact is that all nations of the world that suffered so much during the war and post-war years are to-day still engaged in the race for armaments. Some of the nations have armaments the strength of which is greater now than ever before in history, greater than they possessed in pre-war days or at the close of the war. It seems to me that unless some form of agreement can be reached by the principal nations of the world, there is no future for civilisation. It is not only the great loss that was sustained during the war, or the tremendous waste of money, energy and enterprise in the preparation for the war that has affected the position. Just consider for one moment the enormous multitudes of men of all nations of the world who were withdrawn from active production that the world requires in order to construct and build weapons of destruction at enormous cost to each nation concerned. There was not only the actual cost to, and drain upon, the taxpayers to provide the money necessary to build armaments, but, in addition, there was the great loss sustained as the result of the enormous numbers of men withdrawn from useful, peaceful avocations. Until the world realises that wars are a curse, and that they will lead inevitably to the destruction of

civilisation, the world will not gain relief. The destruction of civilisation will not be achieved as in past generations, because methods of warfare are entirely different in these days from those that prevailed generations ago. With the marked development and discoveries of science, we know it is possible now, or will be in the future, to wipe out the whole civil population of a nation by means of chemical processes. Thus it is to be deplored that the recent conference with regard to the reduction of armaments proved, in the words of our own chief representative, the Federal Attorney General, Hon. J. G. Latham, to be disappointing. In other words, it proved a failure. During the war, the world was entirely off the gold standard, which is not considered in times of emergency. As I have previously remarked in this Chamber, the gold standard becomes sacred only when it is a question of ways and means of providing work for our people in times of peace. It does not count during years of war. It seems to me that the return to the gold standard by Great Britain in 1925 was a very great mistake. In fact, the then Chancellor of the Exchequer, Mr. Churchill, recently admitted it had been a mistake and that he took the step because of the advice of experts. He now says that the advice tendered to him was altogether mistaken, and that it was wrong for him to adopt the attitude he did. Coming from such a source, the admission regarding the advice of experts should be heeded, and we in Western Australia ought not to bow down and accept without question the dictums of so-called experts. It seems to me that a recasting of the monetary system is absolutely inevitable. Whilst the few who voiced that opinion two or three years ago were as those crying in the wilderness, there is a great volume of sound opinion, not only on the part of men in the street and of those to whom Lord Snowden referred as "faddists showing incipient signs of insanity," but of thoughtful men of authority whose ideas carry weight in the world, that is coming round to that point of view. It is becoming plain to them that our monetary system of the past has failed us in the present crisis. Surely it does not require much argument to substantiate that statement.

The Premier: We are off the gold standard now.

Hon. P. COLLIER: We returned to it in 1925.

The Premier: And then got off it again.

Hon. P. COLLIER: I was coming to that. We were off it during the whole war and post-war period until 1925. Now, as I have already pointed out, according to the views of the then Chancellor of the Exchequer who was responsible for the restoration of the gold standard, we realise that a mistake was made. In the crisis that has overwhelmed us during the past year or two, we find we were unable to maintain the gold standard, and so we are off it again. I venture to think we shall be off it for a long time to come. If in times of difficulty and crises the gold standard cannot serve our purposes, and if during war and post-war periods it could not meet the needs of the nations, surely those facts should prompt most people to realise that the gold standard is not all that we have claimed for it. There have been many conferences during the present year. Some of them, perhaps, will be of benefit to the world, others of doubtful benefit, but I hope that at the World Economic Conference which it is proposed to hold in a few months time, something will be done with regard to the monetary system so that the world might function as it did in other days. My reading and thinking have led me definitely to the conclusion that banking ought not to be in the hands of private individuals. The more one reads and thinks on the subject, the more one is convinced that if there is any business or any aspect of trade and commerce in the world that ought to be controlled by the nation, it is that of banking. I recall the days when the proposal was first put forward for the establishment of the Commonwealth Bank. All that is now being said against nationalised banking was then urged against the establishment of the Commonwealth Bank. The proposal was condemned from one end of the Commonwealth to the other, and from the same sources that to-day oppose and condemn any extension of nationalised banking. A remarkable fact, not only with regard to banking but many other proposals, is that when they are brought forward as something new, people being conservative by nature and timid of new schemes or theories, oppose them. Perhaps it is well that human nature should be so constructed as not too readily, quickly or easily adopt new theories or proposals, but gradually allow them—I could name scores of such pro-

posals—to win their way to popular support and eventually find a place on our statute-book. Not in one instance, however, have I found those who opposed such proposals on the ground that they would ruin the country subsequently repealing such laws. So it seems to me that the whole banking system of this country ought to be controlled by the nation. I do not say for one moment that there should be political control, but the Commonwealth Bank has operated for 18 or 19 years and political control has not interfered with that bank. Is there anyone in Australia who would say that we should repeal the Commonwealth Bank Act, disband the bank and revert to private banking? Of course not. So, if we can have a national bank such as the Commonwealth Bank, which controls only a small amount of the banking of Australia, carrying on successfully, is there any argument why the whole of the banking of Australia should not be controlled by the nation? To-day the bankers of Australia are the governments of Australia. We discuss what we like, we decide what we like and we put forward whatever policies we think might be of advantage to the State or the Commonwealth, and the leaders of the Government of every State and of the Commonwealth meet and submit their proposals to the bankers and the bankers say, "No, you cannot do that; it must not be done." So the Premiers have to retire and reconsider their decisions, and formulate a policy in conformity with the wishes and desires of the banks. There is no question that during the past two years—it was not so previous to that—the real governments of Australia have been the Associated Banks. Their attitude has been, "We will not make money available to you or give you credit unless you comply with our policy." Their policy might be the reduction of wages or any policy which they considered best for the nation. The policy finally adopted was not that which the Premiers and Governments of the people considered best, but that which the bankers believed was best. It might be that a policy that the bankers considered best would be best in the interests of their shareholders, but not best in the interests of the nation. Again I would remind the Committee that there is nothing patriotic or philanthropic behind banking. It is a business just the

same as a butcher's, baker's, grocer's or milkman's business. Bankers enter into the business to make profits and for no other purpose. Men do not combine and form a banking corporation with the object of assisting the nation, or making money available to people, or assisting them in their sufferings. They do it with the one object that actuates most people who enter into business—they believe it is a good investment and will return profits on the money invested. Surely when a nation's welfare depends upon banking and credit, as it does in critical times, that above all things should be in the hands of the people and not in the hands of private individuals, who are in it only because they consider it a good investment that will return them profit. I do not see any way out of our difficulties finally so long as banking is in the hands of private corporations. I express the opinion, too, that our troubles are very largely due to the war—it could not be otherwise—and those troubles will continue so long as nations continue to spend huge sums of money on the building of armaments. We cannot forget history. Nations have risen and reached the zenith of power and have gradually decayed and disappeared. That has happened, not only to one, but to many nations. It would almost seem as if our present civilisation had reached the apex and was on the down grade. Certainly, so long as we continue to make preparations to kill each other in war, it seems that the end can be only a matter of time. It may be soon, it may be long delayed, but there can be only one end, as history tells us has been the end of great nations in the past. Undoubtedly, too, some of our troubles are due in part to over-borrowing. In this respect we have all been equally guilty. Australia to-day owes, in round figures, £1,200,000,000. Think of that sum, owing by something over six millions of people. Approximately half of that amount is owing abroad and the other half in Australia. Much of the national indebtedness was incurred during the war and during post-war years. A fair proportion of it is entirely war debt. Speaking from memory the war debt would represent about one-fourth. The remainder was borrowed in times of peace for developmental purposes. Those borrowings involve the nation in a staggering burden of interest. I am not one who would suggest that any undue pressure should be brought to bear upon the people overseas who lent us the money, what-

ever the purpose of it may have been. We offered the loans to them and they were accepted. But I do consider that Australia should before now have received, or ought in the near future to receive considerable relief by a reduced interest rate on its overseas loans. Having regard to the rate of interest in the Old Country and to the fact, as has been stated by the member for South Fremantle (Hon. A. McCallum), that tremendous concessions have been made by Britain to nearly all her debtor countries, it would not be too much to suggest that we be given a reduction in the interest we have to pay on overseas loans. Take this State with its handful of people: the charge on the revenue for interest last year was £3,268,000 out of a total revenue of only £8,000,000. That £8,000,000 of revenue, as the Treasurer knows, is the total of our receipts. It is made up largely of the receipts from public utilities—railways, tramways, electricity supply, water supplies, etc.

The Premier: Nearly half of it.

Hon. P. COLLIER: Yet of that £8,000,000, we have to pay £3,268,000 in interest. Our real revenue, which is classified in the Estimates under the heading "Governmental," is only about £2,750,000, and would not of itself meet our interest commitments.

Mr. H. W. Mann: How much of that is exchange?

Hon. P. COLLIER: That is the interest payment alone. Exchange would be additional. The sinking fund payments last year totalled £238,000, which must be added to the interest bill.

Mr. Hegney: How much is that per head of our population?

Hon. P. COLLIER: I have not worked it out.

The Premier: With sinking fund and exchange added, nearly £10 per head.

Hon. P. COLLIER: It is an enormous burden. We have no right to complain to those who loaned us the money. We borrowed it with our eyes open, and every pound borrowed was authorised by Parliament, but it seems to me we might reasonably ask for a reduction in the rate of interest.

The Premier: Our average overseas rate is 4.2 per cent.

Hon. P. COLLIER: The average rate of interest for Australian overseas debts is  $4\frac{3}{4}$  per cent.

The Premier: Ours is the lowest, 4.2.

Hon. P. COLLIER: In addition to that, Australia has a floating debt of about £100,000,000. That is on short-term loans—Treasury bills and bank overdrafts. The £100,000,000 floating debt has been built up in the past few years. For this money short-dated Treasury bills were issued, or bank overdrafts were obtained to meet Government deficits, speaking of Australia as a whole, and loans. The £100,000,000 differs from the £1,200,000,000 in that it is due on demand.

The Premier: Yes.

Hon. P. COLLIER: We got it on short-term credit, mostly for six months at a time. This credit has had to be renewed when the term of the loan has expired. The £100,000,000 of floating debt is a real millstone around the necks of Governments in Australia.

The Premier: Very real.

Hon. P. COLLIER: If when the money comes due we cannot pay we have to ask for a renewal, and if the renewal were not granted, we would have to default. Only a few months ago a renewal was effected on several million pounds of the floating debt at  $6\frac{1}{2}$  or 7 per cent.

The Premier: At 7 per cent.

Hon. P. COLLIER: At all events, at an increased rate compared with the original loan.

The Premier: The interest is down to  $3\frac{1}{2}$  per cent. at the London end.

Hon. P. COLLIER: Some of the money is due in London and some in Australia.

The Premier: It is 4 per cent. here.

Hon. P. COLLIER: The rate of interest on renewals in London would be down because the rate generally is down.

The Premier: On £36,000,000 there the rate is down to 3 or  $3\frac{1}{2}$  per cent.

Hon. P. COLLIER: Governments are hoping to fund this floating debt at the first opportunity.

The Premier: That is the trouble.

Hon. P. COLLIER: It is the only way to deal with it. Australia is not in a position to pay £100,000,000. If it is not funded, Governments will be compelled to ask for a renewal for a short period. This debt will only cease to be a nightmare to Governments when they are successful in funding the debt. This may be possible at some time in the near future.

Hon. J. C. Willcock: Many of the loans are falling due.

Hon. P. COLLIER: Future borrowings will of necessity be greatly restricted, whatever happens to the £100,000,000. If it were possible, it would be inadvisable for Australia to borrow again to the extent that she has done in the past. A large proportion of our troubles is due to interest payments. The ease with which money has been borrowed has been inclined to lead all Governments and all Parliaments into a certain amount of extravagance.

The Premier: The funding of £100,000,000 will absorb all the money that is available for a number of years.

Hon. P. COLLIER: It cannot be done all at once. The money will have to be funded in sections and this will absorb the London market for a long time. This alone means that borrowing overseas will be restricted. I remember during the years we were in office that we borrowed heavily, but each year in which I brought down the Loan Estimates, complaints were made from every section of the House that the money was entirely inadequate.

The Premier: Some new railway was required.

Hon. P. COLLIER: Not enough money was put down for railways, harbours, and public works of all kinds. My colleague, Mr. Angwin, took a note of the requests for various public works that were not included in the Loan Estimates, but he gave up when the total of £20,000,000 had been reached.

The Attorney General: I remember your first Budget speech in 1924.

Hon. P. COLLIER: I do not remember that.

The Minister for Lands: It does not always do to remember too well.

Hon. P. COLLIER: I do not desire to remember all I said on the occasion of all my Budget speeches, nor do I think any Treasurer would desire to do so. We are all human and all make mistakes, but I know there was a complaint on all hands that insufficient money was provided. Of course the money was available. All the States of the Commonwealth were doing this sort of thing. It was considered to be the right thing to do. It enabled many essential works to be carried out, and necessary public undertakings to be embarked upon. These works are here to-day and

will continue to be valuable assets to the State. Unfortunately, we in this State and the other States went too fast because all the States in Australia were together borrowing at the rate of £40,000,000 a year.

Mr. H. W. Mann: For ten years?

The Premier: For six years.

Hon. P. COLLIER: Even with all this money coming in, we were not paying our way. The balance of trade was against Australia. We were importing goods to a greater value than we were producing and exporting goods. We were living in a fool's paradise. We were living like the prodigal son; we were borrowing and spending, and not producing or creating assets to the value of the money spent. I do not know whether anyone will be killing the fatted calf.

Mr. Wells: We have not got the fatted calf yet.

Hon. P. COLLIER: We are suffering from these things to-day. It ought to be a lesson to us, one amongst many others. This is one lesson we shall have learnt, because of the depression, and I hope we shall profit by it in the present generation. The coming generation will probably not profit by the experience of this one. It is no use telling your son what is right or wrong. He calls the old man a fool. No doubt the generation that will succeed us will commit the same errors and mistakes we have committed, and there is very little hope that it will profit by our experience.

Mr. Panton: The son is usually right.

Hon. P. COLLIER: Perhaps it is a case of fifty-fifty. It would not do for the old man to have his way all the time, but it does require the brake of the experience and knowledge that he possesses to check the headlong career of the young fellow. That gives rise to the question of future employment. Large numbers of our people have been employed for many years past through the expenditure of Loan moneys. These men have lost their occupation, not only for the present but for the future. Loan moneys will not be available in the future for the employment of men on public works. Incidentally, there were many others who obtained employment indirectly because of the expenditure of Loan money. They too will have to find some other occupation. They will have to be absorbed in industry.



The Premier: That is the trouble.

The Attorney General: Not re-absorbed, as some people have said.

Hon. P. COLLIER: No. Large numbers of men will have to be absorbed in industry who, prior to this depression, were never in industry as it is understood to-day.

The Attorney General: And had never been in it.

Hon. P. COLLIER: They had been engaged on public works, undertaken through the expenditure of Loan money.

The Minister for Lands: On the distribution of goods.

Hon. P. COLLIER: On the distribution of goods associated therewith and all the indirect employment which the expenditure of Loan moneys gives. That money has gone for the life of the present generation. The great problem will be to absorb into industry these men who hitherto were employed in these works. This includes the younger people, who would also have been engaged on public works.

Mr. H. W. Mann: The process must be slow.

Hon. P. COLLIER: Unfortunately it will be slow.

Hon. A. McCallum: That depends on the policy.

Hon. P. COLLIER: Yes. Whilst prices remain low for our goods and commodities, the process will be very slow. If prices were to take a quick upward jump, there would be a more immediate response to employment in industry. But whilst they remain as they are, I am afraid it will be very slow. So the outlook in that direction of absorbing unemployed is not at all bright. We have been told that the restoration of confidence would accomplish all things. Whilst I do not under-rate the effect which the restoring of confidence would have upon industry generally, upon investment of capital, the commencement of new works, and the improvement or extension of existing works, still I am bound to say that the restoration of confidence has not achieved all that was claimed for it. I believe it has been restored, though I do not know that any particular date has yet been fixed for the event.

The Premier: But there are many side issues, such as confidence in monetary policy, for instance. That has not been restored throughout the world.

Hon. P. COLLIER: But we were concerned more particularly with the restoration of confidence in Australian credit. We were told that a mere change of Government would restore it, and that as soon as it had been restored things would flow again in their usual and natural channel. That was generally claimed. There have been changes of Government during the past 12 months.

Mr. Kenneally: Yes. A Labour Government took office in Queensland.

Hon. P. COLLIER: Yes. I do not know how confidence is up there. I should imagine, though, that things are not going too badly for the present Government of Queensland, otherwise, we should have long articles in the Press, with large headings, telling us how badly things are going in Queensland. I always think that when the newspapers tell us but little about how things are going, especially when a State has a Labour Government, things are all right; otherwise we are kept well informed. In fact, for a long time we saw more news about Mr. Lang and the New South Wales Government in our Press than about our own Government or any other Government. I am not expressing any opinion as to the merits of that news.

The Premier: We all work for Queensland.

Hon. P. COLLIER: To some extent every State works for another State. I do not know of many Federal laws that benefit all the States equally. Some of our Federal laws are of benefit to some States, while bearing harshly upon other States. On the other hand, there may be Federal laws benefiting a particular State but of no benefit to another State. That is inevitable in any scheme of federation. The question is whether the balance is any way even between the beneficial laws as affecting some States and the harmful laws as affecting other States.

The Premier: We have been paying million on sugar and getting very little on gold.

Hon. P. COLLIER: I suppose Queensland has benefited because of the sugar embargo.

The Premier: Yes; for years.

Hon. S. W. Munsie: Australia generally benefited too, by getting rid of the Kanaka.

The Premier: I do not know about sugar prices, all the same.

Hon. S. W. Munsie: I am talking about the White Australia policy.

Hon. P. COLLIER: Personally I consider that the Scullin Government in making the agreement with the sugar people, and the later Government in renewing it for an extended period, have both been wrong. I regard the difference between the price the Australian consumer has to pay for Queensland-grown sugar, and the price the consumer in other parts of the world pays for similar sugar, as altogether too great. I believe it is £30 in one case, and £7 in the other.

The Attorney General: The bulk of the difference goes into the price of land.

Hon. P. COLLIER: It merely means adding to the unearned increment, of which speculators and others get the benefit.

Hon. A. McCallum: One company is making big profits out of that fact.

Hon. P. COLLIER: I do not know that Queensland growers to-day are making excessive profits, especially those who bought in of recent years, because they paid excessive prices for their land. However, the Colonial Sugar Refining Co. undoubtedly has been making enormous profits—altogether unjustifiable profits.

The Premier: I think most of the profits go to the grower.

Hon. P. COLLIER: I believe the company has been making large profits as well. But with all the restoration of confidence unemployment in Australia is just as bad to-day as it has been at any period during recent years. In that respect there is no improvement.

Hon. A. McCallum: The figures for the last quarter are the highest ever.

Hon. P. COLLIER: The present Federal Government have been in office for nearly 12 months. I am not one of those who believe that economic conditions can be altered by political changes. That view is absurd, but many people in Australia hold it. They are led to believe that a political change means an economic change, which of course is ridiculous. But there things are. Prices of Australian stocks have increased, but unemployment continues just as great as ever in this State and every other State, except for the temporary employment of men on part time.

Mr. H. W. Mann: You have just explained the reason.

Hon. P. COLLIER: What is that?

Mr. H. W. Mann: No loan money.

Hon. P. COLLIER: But I do not think I said that that was the only reason. It is not

the first time I have explained the matter. I am glad the hon. member accepts my explanation on this occasion. It just depends on what side of the House one sits on whether an explanation is a good or a bad one. Undoubtedly unemployment is very bad indeed, and there can be no getting back to reasonable conditions while so large a proportion of our people remain out of work. We all know that. How are they to be got back into work? That is the puzzle; that is the problem. We all know that while so large a number of our potential producers are unemployed, things will remain bad. How the unemployed are to be re-absorbed in industry is a problem for which at the moment I have not a solution. However, I do think it hinges largely on our monetary system.

The Minister for Lands: On the world's prices for our goods.

Hon. A. McCallum: The two are involved in each other.

Hon. P. COLLIER: Yes. The recent increases in the prices of Australian stocks, some going back to par—

The Minister for Lands: And some over.

Hon. P. COLLIER: Yes; sometimes they have gone to a small premium, 101. That is a very good thing for holders of Australian stocks, and there is much elation regarding it. But what does it really indicate? That people have not yet got confidence in industry, because in normal times most people prefer investing their money in industry, which gives a larger return on the investment than is the case with the purchase of Government bonds or Government stocks. As a rule the ordinary investor, the trader, the business man engaged in industry does not put his money into Government stocks, does not buy them at all. The increased prices show that there have been large purchases of stocks recently. Certain prices rose to 101, whereas they were down low a few months ago. That fact in itself is an indication of a want of confidence in the investment of money in Australian industries.

The Minister for Lands: Want of profit.

Hon. P. COLLIER: That is want of confidence. A man says, "I have not confidence that I can invest my money profitably in any Australian industry."

The Minister for Lands: Look at the rates of interest the banks are offering.

Hon. P. COLLIER: The prospects of industry are not a sufficient inducement for

the investor to put his money into industry. Therefore he prefers what is usually the lower rate of interest, and invests in Government stocks. That I think is the position, and I do not look upon it as a hopeful sign. To me it is an indication that still at the present moment the average investor is not prepared to put his money into industry, because he cannot see a profit ahead of him.

The Minister for Lands: There is not sufficient profit in industry.

Hon. P. COLLIER: That is the reason why men will not invest in industry; they cannot see in it a return equal to the 4 per cent. obtainable by investment in Government stocks. The whole position is largely wrapped up with the prices of our wool, our wheat, and other commodities that we produce for export. Unquestionably an increase in the prices of those commodities would be of immense benefit, and would have an almost immediate effect. In that respect it is pleasing to know that there has been in recent Perth wool sales an increase of up to 25 per cent., and this will help. The price is still low, still insufficient, but it is an improvement on what has been obtainable hitherto. The outlook for wheat, however, is not good.

Hon. A. McCallum: There is not much 25 per cent. increase about.

Hon. P. COLLIER: That is not an average increase, but the increase on some special lines.

The Minister for Lands: Yes, and in comparison with the opening of last year.

Hon. P. COLLIER: Yes; not in comparison with the closing sales. I am sure the increase would not average 25 per cent. all round.

Hon. W. D. Johnson: The price is still lower than the highest of last year.

Hon. P. COLLIER: That fact is not too promising. For wheat the outlook does not seem much better, notwithstanding the fact—

The Premier: It is not so good just now.

Hon. P. COLLIER: The outlook is bad. When we realise the important part that wheat plays in our national economy, we can only be apprehensive with regard to the future of wheat. The price of gold has saved the situation. I doubt whether any considerable number of people, apart from goldfields residents, realise what gold has

done for Western Australia during the past two years. Because of the premium on gold and the high price which the metal has been averaging, gold is the only Australian commodity which to-day is being exported at an enhanced price as against that of two or three years ago.

The Attorney General: Of course as prices of commodities go down, the price of gold goes up.

Hon. P. COLLIER: Yes; and the converse. However, gold has been of immense value to Western Australia, because it has given work to many thousands of men. I think there are several thousands more men employed in the mining industry to-day than was the case two years ago.

The Minister for Lands: The industry brought money here for circulation.

Hon. P. COLLIER: I am now referring to the number of men directly employed, to say nothing of the large number employed indirectly. I refer also to the money which the industry put into circulation, and the assistance it gave to the State. The premium on gold has helped to balance the low price of wheat and assisted the State itself although, perhaps, not the wheat growers individually. I do not look upon the conversion of the New South Wales loan—it was really a Commonwealth loan, because the Commonwealth accept the responsibility for such loans—of £13,500,000 as something about which to be over-pleased. The conversion certainly represented an immense improvement on what was possible a few months ago; but having regard to the price of money in England, where the bank rate is 2 per cent. only, and where money is lying idle waiting for investment, I do not think the result unduly satisfactory. The loan was issued at £97 10s. with a return of £4 1s. 6d. to the investors. This represents an average yield of about £4 1s. 2d. per cent. to the investors. It is an improvement on the old rate, which was 5¾ per cent., and the conversion will mean a saving to the New South Wales people of £4 1s. 6d. per cent. On the other hand, having regard to the price of money in England, the terms might have been improved.

Hon. A. McCallum: It represents 1¾ per cent. more than the English Government secured a few days ago.

Hon. P. COLLIER: And double the bank rate in England.

The Premier: That is a very short-term rate.

Hon. P. COLLIER: There is no doubt the exchange benefited the producers and that, together with the bonus paid by the Commonwealth, saved our wheat growers. I hope the rate of exchange will be maintained and also that the Federal Government will continue the wheat bonus this year. All Governments have their troubles and probably the Federal Government would have no difficulty in pointing out expenditure on the part of the State Government that might well be avoided, but nevertheless I do not think I would have much difficulty in pointing out expenditure on the part of the Federal Government that could well be saved in order to pay the bonus to wheat growers this year. Whatever may happen, it is important and essential that the wheat growers, as primary producers, shall be encouraged to produce, at least until normal times return.

The Premier: We must have wheat for export.

Hon. P. COLLIER: I refer to production for export purposes. Even though prices may be low, we must continue to export in order to meet our obligations overseas. According to the Treasurer's figures, the exchange rate has benefited Western Australia to a greater degree than any of the other States of the Commonwealth, because we exported last year goods representing a value of £27 per head, whereas the average for the rest of Australia was £16 per head. We exported more than the other States were able to because ours is not a consuming population. Of the commodities produced in Victoria and New South Wales, because of the large populations there, a large proportion is consumed locally, leaving a comparatively small proportion available for export. On the other hand, with our small population, the consumption locally is correspondingly small and the proportion available for export is so much greater. Now I come to the question of trust funds, and at this stage I wish to have a word with the Country Party members who sit on the Government crossbenches. I have a copy of a country newspaper—the "Southern Cross Times and Hollow's Find Miner" dated the 3rd Sep-

tember. I notice the publication of weekly propaganda sent out by the Country Party to all country newspapers. What I have before me happens to be one week's production only. It states that the information is embodied in "a weekly bulletin issued by the State Country Party Parliamentary Committee." The bulletin commences by saying that, as a pre-election effort, my speech on the Address-in-reply was a failure. I wonder if my friends of the Country Party know I did not endeavour to make a pre-election effort of my speech on that occasion. I have not been in the habit of using the floor of this House as a platform from which to address the electors. I have never done that. Every reasonably-minded member of the House will admit it. I have not used my position in the House for the purposes of addressing the electors. Whatever my speech on the Address-in-reply may have been, it was not an effort, nor was it intended to be an effort, at electioneering. This is what one gets for endeavouring to conduct his arguments in this Chamber free, as far as possible, from party propaganda. Apparently it was assumed by the members of the Country Party that my speech had no other object than that of a pre-election effort. It was taken as such for granted. That is their point of view. So, no doubt, their own speeches on the Address-in-reply had that objective, and no other. They judge me from the standpoint of their own outlook.

Mr. J. I. Mann: You are entirely wrong. We do not judge your speeches as that bulletin suggests.

Hon. P. COLLIER: But this is the statement of your parliamentary committee.

Mr. J. I. Mann: That is all right.

Hon. P. COLLIER: This propaganda was issued by the committee of the Parliamentary Country Party. They cannot understand a member making a speech in this Chamber, especially on the Address-in-reply, except with any other object than to address the electors for political purposes. That is their standard.

Mr. Sampson: I would not be grieved too much over it.

Hon. P. COLLIER: I am not grieved at all. I intend to have something further to say regarding the standard of members of this committee that could issue such a bulletin for broadcasting throughout the

State and publication in country newspapers. I intend to pursue the matter further because the committee in their bulletin state that I, as Treasurer of Western Australia, actually "robbed the trust funds."

Member: Shocking!

Hon. P. COLLIER: It is shocking, and any man with a sense of decency would be ashamed to use the word and make the allegation that I "robbed the trust funds." One could imagine that a remark of that description could be made in the country where the people do not understand the trust funds so much as do the members of the Country Party Parliamentary Committee. If the members of that committee can make such a statement one can but imagine what will be said between now and election day about robbing the trust funds.

Mr. Sampson: Where did the trust funds go to?

Hon. A. McCallum: You got the money; what did you do with it?

Mr. Sampson: When we got there, the cupboard was bare!

Mr. Millington: Now we know who is on the committee.

Hon. P. COLLIER: I do not take exception to anything that the Treasurer said regarding this question in the course of his Budget speech, but I do take exception to the statement that I "robbed the trust fund." It was a despicable statement to make.

Mr. Kenneally: And the member for Swan knows it.

Hon. P. COLLIER: To use a hackneyed expression, I am intrigued to know the personnel of the committee that issued the bulletin. The document covers  $1\frac{1}{2}$  columns in the country newspapers and the bulletin is 90 per cent. misrepresentation and falsehood. I am merely drawing attention to the one statement to which I take decided exception. I have been searching the cross-benches in an endeavour to identify the members of the committee who could issue such a circular embodying the statement that I robbed the trust funds. At first glance it seemed to me that those words might have been used by the fiery member for Pingelly (Mr. Brown), who sometimes gets heated and lets himself go about various subjects. I could not imagine it emanating from my amiable friend, the

member for Katanning (Mr. Picse), or even from that other member of the House who has belonged to all parties and has just recently rejoined the Country Party—the member for Swan (Mr. Sampson). Who are the members of this parliamentary committee? I hope that before the conclusion of the general debate, members of the Country Party, and particularly those who are members of this particular committee, who were responsible for issuing or initialling the bulletin I have referred to, will seek to defend the statements it contains. I hope they will not slink behind these little country journals and make charges and allegations against me that they have not the courage to make from their places in this House. I do not know how many of these little rags there are in the country districts. I know the member for Swan (Mr. Sampson) owns dozens of them. This is the kind of stuff that is being issued weekly and will continue to appear in the country papers. If at this early stage of the campaign, as it were, the committee can use such words as "robbing the trust funds," I wonder what they will say by the time March arrives.

Mr. Sampson: Is it fair to give us a small extract from the publication and not quote the lot?

Hon. P. COLLIER: I will give it to the hon. member, and he can have the opportunity to reply to my statements.

Mr. Kenneally: He has seen it before.

Hon. P. COLLIER: I am merely complaining about the use of the words "robbing the trust funds." I hope that before the debate concludes, Country Party members will deal with this matter. The publication was unworthy of anyone associated with party politics. It was unworthy of them to accuse anyone, especially a former Treasurer of the State, of robbing the trust funds.

The Minister for Lands: It was a very ill-chosen reference.

Hon. P. COLLIER: It might do for the kerbstone or the gutter, but it is an unworthy phrase to be used by any member of the House. The committee may not have meant the words to be taken literally, but we know the construction that will be placed upon those words by the thousands of unsophisticated individuals the bulletin was designed to mislead. In regard to those

trust funds, I did nothing more than was done by all the Treasurers that have gone before me.

The Minister for Lands: Except that they were lucky enough to be able to replace them.

Hon. P. COLLIER: All those Treasurers that have gone before me used trust funds because it was to the advantage of the State to do so; instead of, when ordinary funds were exhausted, going on the London market for a loan and thereby having to pay, say, interest on a million pounds for a year, the trust funds were utilised and a year of interest was thus saved. Then when the next loan was raised, say 12 months afterwards, the trust funds were restored and made good. That has been the practice of all the Treasurers in the past, and I did more in this respect than any Treasurer who preceded me has ever done. But the unlucky feature was that whereas in the past, when trust funds instead of loan moneys had been used for carrying on public works until a loan should be raised, when the loan was raised the position was restored, in this instance, just when the Premier came in, or even before he came in, the market had closed against the raising of further loans.

The Minister for Lands: Practically a whole year before.

Hon. P. COLLIER: Well since June of the year before.

The Premier: Yes, I explained that.

Hon. P. COLLIER: That is so. I am not complaining of the way in which the Premier explained it; his explanation was perfectly fair. But the position was that when those trust funds were used for public works nobody could foresee that the market would close and therefore we would be unable to raise a loan. It was one of those things that happened, I have no doubt, in every other State as well as in this State because the loan market had closed. But it is entirely wrong and most improper for any member of the House to say that the trust funds were stolen. We can imagine how the ire of Daniel in the Way-back would rise when, under the gum trees, he was told the trust funds had been stolen.

The Premier: You must not reflect upon Daniel.

Hon. P. COLLIER: I am not. I can imagine with all sincerity the feelings he would have when men who were doing it

for political party purposes told him I had stolen the trust funds. That is what I take exception to. And I shall look to this committee, whoever they are, to get up in the House and justify what is written in this newspaper.

Mr. Kenneally: They will not do that. You need not worry.

Mr. Millington: I guarantee they will repeat it at the first opportunity.

Hon. P. COLLIER: Of course they will. We can understand the average person not having a proper appreciation of the value or meaning of words, but a member of this House ought to have some understanding of words and should not lightly use that particular word. Because it was not only designed prejudicially to affect me and my party, but it has had a prejudicial influence on the State, and it was an unworthy thing for any member of this House to say. Let him, whoever it was said it, stand up and justify it, especially this word "stealing." Why, I am a criminal! Because there is only one meaning of the words "robbery" and "stealing": the man who steals is a criminal and ought to be in the dock, not here. And this slap-dash casual kind of method of writing stuff in order to secure wretched, paltry votes is unworthy of any member of the House. Now, Mr. Chairman, our financial position is still very serious. Last year the Treasurer budgeted for a deficit of £1,226,000, and closed the year with a deficit of £1,557,000. The original Loan Council's limit on last year's deficit was £1,200,000, which was subsequently increased in February of this year to £1,560,000. The year ended with an actual deficit of £1,557,000. The estimated deficit, the Treasurer tells us, for this year, the original one put forward to the Loan Council, was £1,360,000, and this has been reduced, practically at the command of the Loan Council, to £763,000. If we take these years, the year that has just closed ended with a deficit of £1,557,000, and the previous year saw a deficit of £1,420,000. So in round figures the deficit for those two years amounted to £3,000,000. By that amount the State went to the bad. And the Premier's latest estimate for this year—I hope it will be realised—is a deficit of £763,000, which means that for the three years the State will have gone to the bad to the extent of 3¾ million pounds. There is no doubt in the world that

it is a terrific sum of money for our small population. It would not matter so much if we had the population of Victoria or of New South Wales, but for our handful of people to make leeway to the extent of £3,000,000 in two years and, if the present estimate should be realised, to the extent of 3¾ millions in three years, is staggering. I do not know, I am not prepared to offer a solution, but certainly we cannot continue in this way, for there can be only one end, and it is absolute ruin for this State. The estimated deficit of £763,000 for this year is computed after including an extra special grant from the Commonwealth of £200,000. Because last year and for a number of years past the Commonwealth grant has been £300,000, and this year we are to get £500,000. So there is an extra £200,000. Also the deficit includes the amount of £350,000, special tax for unemployment. So there is £500,000 in those two items which were not in last year's figures. They are additional. They are new; £200,000 from the Commonwealth and £300,000 from a special tax, making £500,000. And still our estimated deficit for the year is £763,000. And the Government estimate to benefit this year to the extent of £343,000 by reduced expenditure on unemployment relief, because a considerable number who were on relief last year will be on loan money this year. So it is estimated that the expenditure on unemployment relief will be £343,000 less than it was last year.

The Premier: No. Last year unemployment relief and the exchange cost £1,200,000.

Hon. P. COLLIER: Yes, something over a million, the exchange and the unemployment relief. The unemployment relief was £600,000.

The Premier: And there was £600,000 for exchange. Those two items did not appear before.

Hon. P. COLLIER: They did in the previous year, but not to anything like the same extent. But here we are with extra taxation this year.

The Premier: We are getting much less taxation than you got.

Hon. P. COLLIER: Yes, from the ordinary channels of taxation. The receipts from all the different forms of taxation have fallen off, but as against that the Government have increased taxation in many ways. The possibilities of further economies seem

to be exhausted, and so some form of additional taxation is inescapable. It seems to me that is the position with which we are confronted if we are to get within the figure of £763,000, the estimated deficit for this year. The scope for economy, for reduced expenditure, is much more limited in a State with a small population than in a State with a large population. But as against that, the Government have had the advantage of a deal of additional taxation. The income tax has been increased by 13½ per cent., while the stamp tax has been doubled.

The Premier: No, not the stamp tax.

Hon. P. COLLIER: Yes, it has been doubled.

The Premier: Not on everything.

Hon. P. COLLIER: On some things it has been doubled. Then the hospital tax has benefited the Government to the extent of over £100,000 per annum. In fact, the Budget figures show that as compared with 1929-30, the last year we were in office, the expenditure on the hospitals and the Health Department has been reduced by £135,000. To be quite fair, I think the benefit the Treasurer has received as the result of the hospital tax amounts to £104,000, a pretty substantial sum.

The Minister for Lands: You must not forget the reduced expenditure.

Hon. P. COLLIER: Yes, that accounts for the difference between £134,000 and £135,000, but the actual benefit is £104,000. Then the totalisator tax has been increased, and the entertainments tax has been doubled.

Hon. S. W. Munsie: Yes, in all cases.

Hon. P. COLLIER: So the Government have had the advantage of increased receipts from five different forms of taxation, not including the £300,000 they expect to raise by the special tax, and the £200,000 from the extra Commonwealth grant, in addition to which they have had the advantage of reduced wages, salaries, pensions and grants and all the other expenditure under the Financial Emergency Act.

The Premier: Yet we collect much less taxation than you did, £100,000 less.

Hon. P. COLLIER: Then I can only assume that the prosperity promised by the Premier has not returned.

The Premier: That was destroyed before we came into office.

Hon. S. W. Munsie: What was not destroyed before you came, you destroyed as soon as you did appear.

Hon. P. COLLIER: The Government have had the benefit of reduced wages and salaries and all the other reductions, and yet the financial position of the State is the worst in the history of the State. I am not trying to be unfair, because I know the State has gone through an exceptional period. There can be no doubt about that.

The Minister for Lands: The farmer has not been able to pay his rent or his interest.

Hon. P. COLLIER: I do not know about that; everybody has felt the depression. The fact is that the total taxation, Federal, State and local authority, is a crushing burden on the people, and is stifling industry.

The Premier: There is no doubt about it.

Hon. P. COLLIER: And it is to a large extent preventing men from getting back to work, because Governments are taking money for the purposes of Government that otherwise would go into industry and provide work for people.

Mr. Angelo: The Federal Government are the worst offenders.

Hon. P. COLLIER: I think they are, although we are apt to place all the responsibility on the Federal Government. All the same, the Federal Government have proposals to reduce taxation. So far as I can gather, it is intended to reduce the 10 per cent. supertax on income derived from property.

Hon. J. C. Willcock: Also the land tax.

Hon. P. COLLIER: There is talk of that, too. But we have the spectacle that whereas last year the Federal Government finished with a surplus of £1,300,000, the six States combined closed the year with a deficit of £18,300,000. For this year, the estimates are—Commonwealth, surplus £12,000; States, combined deficit, £9,000,000. From the results so far, the Commonwealth will have a greater surplus than £12,000 because the receipts from Customs and excise are greater proportionately. Those figures indicate that things are top-heavy somewhere, the Commonwealth showing a surplus, and the six States showing a deficit of £18,000,000. It indicates to me that the Commonwealth have, without proper justification, invaded the fields of taxation that should have been left to the States, and that is the difficulty the States have in levying taxation to-day. They are simply piling it

on to similar forms of taxation imposed by the Commonwealth.

The Minister for Lands: The Commonwealth do not leave any avenue at all for the States.

Hon. P. COLLIER: The States have to impose their taxation on top of what the Commonwealth impose, which is the limit of what the taxpayers can bear. It is improper to have huge deficits by the States while the Commonwealth show a surplus. I am certain that I could point out where the Commonwealth Government could reduce their expenditure by millions of pounds a year and to that extent reduce their taxation and leave the field open to the States. There has been no attempt by Federal Governments to overcome the scandalous duplication of departments, the overloading of departments in all directions.

The Premier: A good deal of the reduced proceeds from income tax is due to remissions for Federal taxation.

Hon. P. COLLIER: That is only fair to the taxpayer, but it has an effect on the State Treasury.

The Premier: Yes, the Commonwealth come first.

Hon. P. COLLIER: When the Premiers' Plan was formulated, I think the experts stated that there would have to be some readjustment between the Federal and State Governments, but it would appear that the Federal Government are not concerned how the States get through, so long as they can balance their own budget. The Commonwealth say, "Your deficit for this year must not exceed so much. If it does, the Commonwealth Bank will not finance you."

The Premier: And they need not find the security.

Hon. P. COLLIER: I am wondering when the Commonwealth Government will attempt to put their house in order. The whole thing on the face of it shows the ill-balanced condition of Federal and State finance. The Treasurer stated that in accordance with the Premiers' Plan there had been a considerable reduction in adjustable expenditure as compared with 1929-30. The total was £1,900,000 less than in 1929-30. A considerable amount is not reduction in expenditure; it consists of withholding essential expenditure on the maintenance of public property. So far from being a saving of expenditure, it is merely a postponement



of expenditure. Take the railways: it is common knowledge that months ago there were over 1,000 railway wagons standing about in different sidings. They were out of action for want of repairs.

The Premier: A lot of them were not wanted.

Hon. J. C. Willecock: A lot are still in the sidings.

Hon. P. COLLIER: There is no question that maintenance of Government works has been starved, particularly in the railways. The money is not being saved; the expenditure is merely being postponed until the inevitable happens, that the Railway Department will no longer be able to continue without the expenditure of a considerable sum of money to effect necessary repairs for maintenance that ought to have been carried out this year.

Mr. Kenneally: Simply a legacy for future Governments.

Hon. P. COLLIER: Yes. I had an experience of the kind in the past. We had to find £100,000 to meet what were characterised as belated repairs. The first Conference of Premiers in 1930 decided to balance budgets that year. The Premier came back and submitted a budget for a small surplus, and other Premiers did the same. I said at the time it was ridiculous, in view of the large deficit, to attempt to balance the budget in one year, and I suggested a three or five-years plan.

The Premier: The exchange rose then.

Hon. P. COLLIER: It does not matter what happened. We had not been balancing budgets in previous years when commodity prices were high and when there was no exchange to pay on interest commitments. How could we expect to balance in a year when prices were down and exchange was up.

The Premier: It was not up at that time.

Hon. P. COLLIER: Anyhow, prices were down. It was an absurd proposition. The States would be mighty lucky to balance in five years from 1930. I am afraid I have wearied members by making a long speech. I did intend to deal with public utilities, particularly the East Perth power house. I think such a utility could be well controlled by a board. If the Government cannot find money to finance it, a board could be created with separate borrowing powers, but I doubt whether that will ever come as a practical

proposition before the House. If it does, we shall be able to deal with it. I have endeavoured to refrain from using this opportunity for party purposes, because I consider that we ought to discuss the finances as far as possible independently of party purposes. I have not intended to speak to the electors, as some of our friends would say. Whatever the results may be, I sincerely hope that next year will witness a great improvement for the people of the State as compared with the past few years.

Progress reported.

## BILL—LOCAL COURTS ACT AMENDMENT.

### *Second Reading.*

Debate resumed from the 29th September.

**MR. MARSHALL** (Murchison) [9.43]  
I feel that I can subscribe to this measure. If there is any fault to be found, it is that the Bill is a little late in making its appearance. Such a reform could have been considered many years ago. It is intended to protect those people who find themselves in the unfortunate position of being in debt, and to an extent it will give them an opportunity to present their cases without being arrested on warrant under judgment of a local court, and thrown into prison without hearing or trial. In many countries imprisonment for debt has long since been abolished. When an ordinary debt is incurred it is due to the fact that two parties have mutually agreed upon it. I could not be a debtor to the member for Canning (Mr. Wells) unless he were willing to be a creditor. To a large extent the creditor is as much to blame as the debtor. The unfortunate part of most of these accounts that become so objectionable to people is that the debt is due in a large measure to the influence of expert salesmen. People are inclined to buy things because they are induced to do so. Very frequently they will buy commodities offered to them by some good speaker or convincing individual, who decoys them into making a bargain which ultimately they are not in a position to meet. The buyers then become heavily involved. They are taken to court and judgment is secured against them. Subsequently they default,

and go to prison without very much of a trial. This Bill will relieve such cases to a large extent. There should be no imprisonment for debt. If that were abolished business people would be more careful concerning the amount of credit they gave. It would put an obligation upon the prospective creditor in the same way as the present law does upon the prospective debtor. Whilst the Bill provides for married women with separate estates, it does not provide any relief for a married man who may have a reckless wife. Such a woman can build up debt upon debt, and the husband has either to make good or meet the consequences. He may know nothing about what is going on. That anomaly will still exist even if the Bill passes into law. Without being aware that his wife is spending money, he may find himself suddenly heavily involved in debt. After a judgment summons has been secured against him he may be put into gaol for default. This Bill will only partially afford relief in such a case as that. The time has arrived when we should consider the advisability of abolishing imprisonment for debt. The Bill goes a long way in the right direction, but still falls short of what other countries consider is right and proper, fair and just. The only complaint I have against it is that it does not go far enough, but I am prepared to support the second reading.

**MR. PIESSE** (Katanning) [9.50]: I understand the Attorney General desires that relief shall be afforded in necessitous cases. There is, however, a considerable danger of making it more difficult for creditors to collect debts that are justly due to them. In the past many debtors have taken advantage of the present provisions of the Act. As soon as I receive some information that is being sent to me, I hope to have the opportunity of explaining what I mean more fully to the Attorney General. Business people rightly complain that there is a great tendency on the part of debtors who are in receipt of reasonably good wages to avoid their just obligations. There is also a danger that the proposed legislation will make it still more difficult for people to collect their just dues. I hope before the Bill passes through all stages the Attorney General will give me an opportunity to place certain facts before him.

**THE ATTORNEY GENERAL** (Hon. T. A. L. Davy—West Perth—in reply) [9.52]: I did not expect any opposition to this Bill. I am a little inclined to agree with the member for Murchison (Mr. Marshall) when he says that the measure does not go far enough. It provided what I felt would be sufficient, namely, the repeal of this particular section of the Local Courts Act. I think we ought to move with caution in these matters. I want it to be possible for the recalcitrant debtor, who can pay and will not pay, to be punished. No member would desire to see a man, who puts all his property in his wife's name and draws a decent income—whether it be in wages, salary or otherwise—and who defies his creditors—go scot free. Such a man is dishonest and should be punished. All I want to ensure is that a man shall not go to gaol merely because he is poor, and perhaps foolish or unfortunate. If we accomplish that we shall have done something right and proper. With reference to what the member for Katanning (Mr. Piesse) has said, it is interesting to study a series of judgment summons lists. Such a study will show that approximately 50 per cent. of the debts in respect to which judgment summonses are issued are for money loaned by money lenders, and for instalments on articles or land sold on the instalment plan.

Mr. Marshall: By good talkers.

**THE ATTORNEY GENERAL**: This is not a guess on my part. I took the precaution of obtaining a number of specimen judgment summons lists, extending over some years, and having them examined to ascertain who the creditors were. The figures I have given are approximately the percentages. The balance of the people have incurred debts in the ordinary way to grocers, haberdashers, and so forth. The system of recovering debts that we have at present is a kind of handmaiden to the excessive credit that we have been indulging in in Australia during recent years. The sale of goods on the hire-purchase or instalment plan is not an unmixed evil by any means. Within proper limits such a system does enable people to get things, which perhaps they could not get without it. Run mad as it has done in recent years, and worked out by experienced salesmen, who frequently exercise a kind of hypnotic influence over the proposed purchasers, I believe it is inimical to the best interests of the community. The House can

with absolute safety pass this measure. It will relieve some people who in the past have been treated in a manner too harsh for their deserts, but will still preserve the possibility of punishing the dishonest person who is determined not to pay his debts whether he can or not.

Question put and passed.

Bill read a second time.

*In Committee.*

Mr. Angelo in the Chair; the Attorney General in charge of the Bill.

Clauses 1 and 2—agreed to.

Progress reported.

## **BILL—DEBTORS ACT AMENDMENT.**

*Second Reading.*

Debate resumed from the 29th September.

**MR. MARSHALL** (Murchison) [9.58]: This Bill stands in some relationship to the one we have just dealt with.

The Attorney General: It is exactly the same as the last one, except that it comes under a different jurisdiction.

**Mr. MARSHALL:** It will be possible to vary a judgment to suit the means of the person at the time when he finds himself defaulting, instead of his being sent to prison. I much appreciate the nature of the Bill. It gives justice to all concerned, and makes for a close scrutiny of all the facts before the imprisonment of a person can possibly take place. I propose to support the second reading.

Question put and passed.

Bill read a second time.

*In Committee.*

Mr. Angelo in the Chair; the Attorney General in charge of the Bill.

Clauses 1, 2—agreed to.

Progress reported.

## **BILL—ROCKINGHAM ROAD DISTRICT (LOAN RATE EXEMPTION).**

*Second Reading.*

Debate resumed from the 27th September.

**HON. A. McCALLUM** (South Fremantle) [10.4]: This Bill is designed mainly to exempt settlers on the Peel Estate from pay-

ing loan rate on loans which were floated by the Rockingham Road Board but out of which nothing was spent within the Peel Estate territory. Throughout the Peel Estate the roads were constructed by the Government. At that time group settlements were not subject to rating. It would have been unfair had the loan rate been levied on the group settlements in this instance. However, there is one point I want to be clear about. The Bill sets forth that it excludes only the group settlements as recorded at the time. In addition to the group settlements, there are the town sites in the group settlement areas. Are those town sites to be excluded as well as the groups? Or, if there is a distinction drawn, can any justification be shown for that distinction? The town sites were put up to auction and sold and bought under conditions then prevailing, and the same argument regarding road construction being done by the Government applies to the town sites as to the groups. In fact, not many of the town sites have roads. So I see no reason for drawing a distinction. From my reading of the Bill, no distinction is drawn. I have no exception to take to the Bill so far as it relates to the groups, but I consider that the same consideration should be extended to residents on the town sites. I gather that the road board agreed to the proposal, thoroughly understanding that it applied to the whole area of the Peel Estate, on which no one was to be rated. If the Bill is not quite clear, the Minister should take time to have the point investigated by the Crown Law Department, and to consult the local authorities with regard to it. I shall raise objection to the Bill if it draws a distinction for which no case can be made. If there is no distinction, I shall raise no objection to the measure.

**THE MINISTER FOR WORKS** (Hon. J. Lindsay—Mt. Marshall—in reply) [10.6]: In my opinion, the Bill does not exempt town sites. The First Schedule shows that the measure refers to certain group settlements. It does not mention town sites at all.

The Minister for Lands: The town sites are within the group areas.

The MINISTER FOR WORKS: I do not think they are. Town site blocks have been sold at upset prices, and therefore the

town sites cannot be group areas. The reason for the Bill is that the loans referred to were spent in certain portions of the Rockingham Road Board district, and group settlers had no say in the matter. They were not rateable.

Hon. A. McCallum: Neither were settlers on the town sites.

The MINISTER FOR WORKS: If a man buys a block in a town site, he immediately becomes rateable. The residents on these town sites were rated. I suggest that the Bill be allowed to go through Committee as far as the schedule, when progress can be reported.

Hon. A. McCallum: The question arises on Clause 3.

Question put and passed.

Bill read a second time.

## BILL—JUSTICES ACT AMENDMENT.

### *Second Reading.*

Debate resumed from the 29th September.

MR. MARSHALL (Murchison) [10.10]: This is a difficult Bill to discuss, as it is concerned with pretty well forty Acts of Parliament. I do not know that such a procedure has previously been adopted in the history of this Parliament. A great many Acts are gathered together, and the amendments to all of them are put into the one Bill.

The Attorney General: You would have growled if I had brought down forty Bills.

The Minister for Lands: It is a question of the Title of the Bill.

Mr. MARSHALL: The Title does not vary so much as the contents of the Bill. Thirty-nine different Acts are affected.

The Attorney General: Your are wrong; there are 41 Acts affected.

Mr. MARSHALL: I think this is about the first time such a measure has been attempted. It will be for members of the legal profession closely to scrutinise the Bill. I endeavoured to ascertain from the Attorney General whether the Legal Practitioners Act had crept into the schedule by mistake. If the schedule be agreed to, it will be impossible to summon a client for any debt owed to a lawyer! The Attorney General and the Government may be complimented upon the introduction of the

legislation. The principal Act goes back, I think, to 1879 and its provisions were taken from one of the old Imperial Acts. It was amended once in 1902, and there have been a few subsequent amendments. The Act has been good ground for the silverfish for many years, and the Bill is certainly required.

Question put and passed.

Bill read a second time.

### *In Committee.*

Mr. Richardson in the Chair; the Attorney General in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 155 of the principal Act:

Hon. A. McCALLUM: Reference is made in the clause to the schedule and I take it we will discuss the schedule at this stage. On the Notice Paper is reference to a Bill to amend the Industrial Arbitration Act.

The CHAIRMAN: That matter had better be discussed on Clause 6, which embodies the schedule.

Clause put and passed.

Clauses 3 to 5—agreed to.

Clause 6—New schedule added:

The ATTORNEY GENERAL: With regard to the point raised by the member for South Fremantle, the Bill to amend the Arbitration Act deals with Section 97 which relates to the recovery of back wages under an enforcement application. The section referred to in the schedule is that which gives power to a union to recover union dues. At present such dues can be recovered either in the local court or in the police court. If recovered in the latter, the order is for the payment of the dues and in default of distress, imprisonment. The effect of this schedule will be to make such debts recoverable in the local court as a civil debt.

Mr. MARSHALL: There is a reference to the Master and Servant Act. I take it the same position arises there.

The ATTORNEY GENERAL: Yes, but in that instance the provision cuts both ways. At present a servant is allowed to proceed for the recovery of wages in the police court, with a possibility of imprisonment for the master. The master can proceed against the servant for damages for breach of contract

should the servant terminate his employment without giving proper notice, with the possibility of imprisonment for the servant. In each instance the proceedings will have to be dealt with in the local court.

Clause put and passed.

Clauses 7, 8—agreed to.

Title—agreed to.

Bill reported without amendment and the report adopted.

### ADJOURNMENT—ROYAL SHOW.

**THE PREMIER** (Hon. Sir James Mitchell—Northam) [10.18]: I move—

That the House at its rising adjourn till 4.30 p.m. on Thursday next.

Question put and passed.

*House adjourned at 10.20 p.m.*

## Legislative Council,

*Thursday, 6th October, 1932.*

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

### PAPERS—ELECTORAL.

*East Province Office.*

The CHIEF SECRETARY: I have here the papers, relating to the removal from Northam to Merredin of the East Province

electoral office, ordered on motion of Mr. Yelland at the last sitting. I will now lay them on the Table.

### QUESTION—RAILWAYS AUTHORISED.

Hon. J. J. HOLMES asked the Chief Secretary: 1, What is the number of railways authorised by Parliament but not constructed? 2, Length of such railways? 3, Amount of money authorised for same? 4, Has the money authorised and raised been used for any other purpose? 5, If so, what?

The CHIEF SECRETARY replied: 1, Five (see page 2 of Commissioner of Railway's annual report). 2, Three hundred and twenty miles, excluding those under construction. 3, No provision has been made on Loan Estimates for any funds for the construction of these railways, but the authorisations are as follows:—Boyup Brook-Cranbrook, £30,000; Brookton-Dale River, £30,000; Manjimup-Mt. Barker, £10,000; Yarramony East, £30,000; Leighton-Robbs Jetty, part of £65,141, which includes Fremantle Road and Railway Bridge. 4, No money has been raised for these works. 5, Answered by No. 4.

### BILL—GOVERNMENT FERRIES.

*Further Recommendation.*

On motion by Hon. A. Thomson, Bill re-committed for the purpose of further considering Clause 15. Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clause 15—Receipts and expenditure:

Hon. A. THOMSON: Owing to a misunderstanding, the amendment I moved on the 4th October, to add a proviso, appears in the Minutes as having been made on Subclause (2), whereas I moved it on Subclause (1). I move an amendment—

That the proviso added to Subclause (2) at the last sitting be transposed from Subclause (2) to Subclause (1).

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

Bill again reported with a further amendment.