

Legislative Assembly.

Wednesday, 9th August, 1939.

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

QUESTION—MENTAL HOSPITAL, WHITBY FALLS.

Hon. C. G. LATHAM asked the Minister representing the Chief Secretary: 1, What area of land is contained in the Whitby Falls Mental Farm? 2, What amount has been expended on the farm since April, 1930? 3, What has been the total expenditure since April, 1933?

The MINISTER FOR MINES replied: 1, The area of land contained in the Whitby Falls Mental Farm is 1,230 acres. 2, £25,324 to the 30th June, 1939. This figure includes £541 capital expenditure by the Mental Hospitals, mostly on poultry houses, fences and machinery, and includes also £17,240 expended by the Lands Department on clearing and fencing, most of which was wages paid to sustenance workers. The above figure is in respect of the period since the 1st July, 1932. Prior to that date no information is available as to expenditure at Whitby Farm. 3, £30,230 to the 30th June, 1939. This figure includes expenditure by the Lands Department on the same basis as above—£11,297. The figures include wages of attendants and maintenance of patients. The expenditure is from 1st July, 1933, for the reason that the departmental books are made up to the 30th June in each year.

QUESTION—MOTOR TRUCKS, STATE-OWNED.

Main Roads Work.

Mr. WATTS asked the Minister for Works: 1, What is the average daily cost (including wages of driver) of running a State-owned motor truck on main roads work on country roads? 2, Does the an-

swer to (1) include allowance for depreciation as well as running expenses? 3, If so, at what rate is depreciation calculated?

The MINISTER FOR WORKS replied: 1, 39s. 8d. 2, Yes. 3, 4½ years' life.

QUESTIONS (2)—RAILWAYS.

Diesel Electric Coaches.

Mr. STYANTS asked the Minister for Railways: 1, Does the Railway Department intend to import further Diesel electric coaches for use on our railways? 2, Are any on order at present? 3, What were the earnings of the Diesel electric coach stationed at Geraldton during the past 12 months? 4, What were the operative costs incurred by this coach during the same period?

The MINISTER FOR RAILWAYS replied: 1, The matter is under consideration. 2, No. 3, £2,130. 4, £2,074.

Engine-cleaning, Mechanical Device.

Mr. STYANTS asked the Minister for Railways: 1, Is the mechanical device used for cleaning engines at Kalgoorlie considered satisfactory? 2, What is the cost of operating it for a period of eight hours?

The MINISTER FOR RAILWAYS replied: 1, Yes. 2, Approximately £1.

CHAIRMEN (TEMPORARY) OF COMMITTEES.

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

COMMITTEES FOR THE SESSION.

On motion by the Acting Premier, Sessional Committees were appointed as follows:—

Library.—Mr. Speaker, Mr. Tonkin, and Mr. Patrick.

Standing Orders.—Mr. Speaker, the Chairman of Committees, Mr. Doney, Mr. Withers, and Mr. North.

House.—Mr. Speaker, Mr. Lambert, Mr. McLarty, Mr. Stubbs, and Mr. Wilson.

Printing.—Mr. Speaker, Mr. Sampson, and Mr. Styants.

ADDRESS-IN-REPLY.*Third Day.*

Debate resumed from the previous day.

MR. NEEDHAM (Perth) [4.38]: I desire to join with the leaders of parties in this Chamber in tendering to you, Mr. Speaker, sincere congratulations on your elevation to the high office you hold. During the period of your Chairmanship of Committees your conduct of business was sufficient to prove that you were well qualified to hold your present position; and I feel sure, Sir, that you will faithfully carry out the duties of your high office. I observe that the Lieutenant-Governor's Speech contains matters of moment. On the first page I notice the following paragraph:—

Defence.—Recognising the supreme importance of the matter of the defence of Australia, Ministers have extended an offer of ready assistance and active co-operation to the Federal Government in all measures necessary for the adequate defence of our land. This spirit of co-operation will be fully maintained.

Realising the present world position, I readily admit that the co-operation of the State Governments with the Federal Government for the defence of this land of ours is of first importance. Nothing should be spared to fit ourselves to preserve the privileges that we enjoy to-day and the heritage that we hope to hand down to others. At the same time, other questions enter into the matter of defence and the cost that it will impose on the people of this country. I notice that the Prime Minister, when speaking at Willmott, Tasmania, during a by-election, announced the foreign policy of the Commonwealth Government. He said the foreign policy of his Government was common cause with Great Britain. So far, so good. But the Prime Minister has not yet made any announcement as to the domestic policy of the Commonwealth Government, which, to my mind, is of equal importance with the foreign policy and perhaps of greater importance. It is all very well for the Prime Minister to announce that the Commonwealth Government was making common cause with Great Britain in matters of interest and importance outside Australia; but I think that he, holding the responsible position he does, should also inform the people of Australia what the domestic policy of his Government is. In that regard, many mat-

ters are demanding urgent attention, of which one is unemployment. Unemployment is not confined to this State; or should I say that the responsibility of providing employment is not one that should be confined to a State alone or to State Governments? The Commonwealth Government has equal responsibility in coping with the evil of unemployment, and it has great opportunities to do so. There is, however, a strange silence on the part of the Commonwealth authorities on this question. It has often been said that unemployment is a matter for State Governments alone to deal with. To that doctrine I have never subscribed. Despite the efforts of our own Government—and I think that within its financial limitations it has coped with the problem very well—the position is still serious. I venture to say that the winter through which we are passing has been the worst, so far as regards unemployment, since 1934. As a consequence, there is much misery in our midst. We have been informed by the Prime Minister that it is proposed to expend £30,000,000 on defence. When we realise that in Western Australia we can only allow 7s. per week per unit of family for sustenance, we must admit at once that something is decidedly wrong. We shall be called upon to expend £30,000,000 this year to prepare perhaps for the destruction of human life; yet at the same time we can only afford 1s. per day to preserve the lives of people not in regular employment. To my mind, such a position is not in keeping with our oft-boasted progress in humanitarian matters.

The danger exists, so far as the unemployment problem is concerned, of our developing a familiarity complex. When we were face to face with the world-wide economic depression which started nine years ago, we were compelled to accept the responsibility of providing for a large army of unemployed. When I reflect upon what has been done in the other States, I find that Western Australia is certainly doing more for the unemployed than is any other State of the Commonwealth. That, however, is not to say we are doing enough. I mentioned a moment ago the danger of developing a familiarity complex; unemployment has been with us now for nearly nine years, and we seem to have got used to it. We shall have to get out of that mood. I think a determined effort should be made to secure assistance from the Loan Council to improve the

position. No one realises more keenly than I the difficulties of our Government and of the other State Governments in dealing with the unemployment problem, especially when we realise the financial restrictions under which they labour; but if we are persistent, those restrictions may be modified and we should be able in the near future to increase the scale of sustenance for those people whom we cannot put into employment.

While it is proposed that Australia should spend £30,000,000 on defence measures to fight a war that may or may not occur, we are not doing much to fight the enemy of unemployment in our midst. I have said that we are prepared to spend £30,000,000 to fight a war that may or may not eventuate. I may be wrong, but in my opinion there will not be a war. During the past few months we have had a war scare, a paper war.

Mr. Thorn: A war by telephone.

Mr. NEEDHAM: We were advised by the cables that in September, 1938, a crisis in the affairs of our Empire had been reached, and I believe that there was then a real crisis. I believe that, at the time, the Prime Minister of Great Britain did the right thing in endeavouring to prevent the world from again being thrown into another shambles. But that crisis has not lasted. I understand a crisis is something that has to be dealt with at once, but we have had this cry raised continuously by the Press during the past eleven months.

Mr. Warner: That is to wake you up to a sense of your responsibility to get ready.

Mr. NEEDHAM: I repeat that in my opinion it has been a paper war. Since 1938, I consider, the munition-makers have been keeping the propaganda going. They want to dispose of their death-dealing weapons. They are backed by the bankers, who must see that the wares are sold in order to get their money back. We know that the bankers control the Press of the world, and hence the propaganda.

Mr. Patrick: Do they control Hitler, too?

Mr. NEEDHAM: Be this as it may, that is my opinion. We still have the enemy of unemployment in our midst, and we ought to give it a little more practical attention than it is receiving. I wish it to be clearly understood that I am not opposed to this country making all necessary preparation to defend itself against any aggressor. I support that policy whole-heartedly, but I

contend that in our desire to do this, we are not doing all that we might for those people who are suffering economic stress and are without the employment they should have. I stress the point that the question of providing work for the unemployed is not solely a State matter. It is a matter for the Commonwealth Government, just as much as for the State Government. The present Federal Government has not measured up to the standard expected of it. Speaking of unemployment generally, I realise that we shall have very little change until the present monetary system is altered, and there is no hope of altering the monetary system of the Commonwealth until such time as a change of Government occurs in the Federal sphere. I do not think it will be long before such a change occurs. For the time being, and while the present system lasts, I think that the Commonwealth and State Governments, by united effort, could certainly improve the lot of the unemployed.

Mr. Fox: Would you scare capital out of the country if you spoke of a change of Government?

Mr. NEEDHAM: I have often heard statements to that effect, but there have been Labour Governments in the State and also in the Federal sphere and no flight of capital has resulted. We have witnessed an attempt by the controllers of the financial system of the world to cripple New Zealand in its effort to bring about a change in the monetary system, but so far they have failed. I cannot believe that there is any danger of capital leaving the country in the event of there being a change of Government in the Federal sphere.

There is another feature of the defence programme, to the cost of which we shall have to contribute, that is worthy of consideration. There is just a danger that less money will be available for the financing of necessary public works which, of course, will intensify the already difficult position arising from the prevalence of unemployment. This phase of the defence programme should be jealously watched by the State Government and by members of this House. We cannot afford in any way to sacrifice our public works programme. Members should bear in mind also that one of our difficulties in providing work for the unemployed is to put in hand the class of public work that will employ the greatest amount of labour at the least expenditure of money on mat-

erials. When the defence programme is in course of being carried out, the Commonwealth authorities will not be likely to trouble about that aspect. They will want the material results. I am hoping that our contribution to the cost of defence will in no way impair our public works programme and thus lessen the opportunity for providing employment.

This brings me to the question of armaments and re-armament. If the armaments race continues, I am afraid that our standard of living will be reduced. Huge expenditure on defence may lead to starvation for many people; at any rate, there must inevitably be an economic repercussion. If war does occur—and God forbid that it should—during the period of the war money will be plentiful, but if war does not happen, I am much afraid that we shall be confronted with a greater economic depression than that which was experienced in 1930-35. When we consider the defence bills of all the European powers, we must feel staggered at the colossal amounts being poured out for the provision of death-dealing instruments and in making ready for defence or war, as the case may be. Should a war not eventuate, I contend that we shall have a greater depression than the one experienced a few years ago, and following in its train must be a greater army of unemployed than we had at that time.

I should like briefly to refer to war jitters and their effect on social progress. I have been reading a report issued by the International Labour Office on the question of the reduction of hours. I regret to say that the question of reducing the hours of the working week has, in recent months, been relegated to the background. A year or two ago, the question of adopting a 40-hour week was engaging the earnest attention of many Governments throughout the world, but as a result of war propaganda, this question, as I have said, has been relegated to the background. According to this report, 57 Governments were consulted concerning their desire to introduce a shorter working week. Of these only 25 replied. Seven of the Governments declared themselves in favour of a reduction to a 40-hour week, nine could not agree to less than 48 hours at present, and the other nine were opposed to any alteration in the working week of 48 hours. The continual talk about war and the expenditure of colossal sums of

money upon weapons for the destruction of human life are certainly having their effect upon social progress, and the effect upon sane people of such a report as this is to make them despair of civilisation. I do not wonder at their despair. A reduction in working hours is of supreme importance, and there is no need for me to stress it in this Chamber. It has a direct bearing upon the unemployment question. It is of supreme importance to all countries, yet with few exceptions their Governments have refused to accept any obligation to reduce working hours for fear this may run counter to any other obligation that may suddenly be imposed upon them by the requirements of national, military and economic defence.

The paragraph in the Speech dealing with defence, when viewed from these angles, should give us cause furiously to think. We should be warned not to forget the main factor, namely, that whatever may be the cost of defending this country, we must not lose sight of the economic problem, that of placing our people in employment. Our work has not yet been done. We shall not have done justice to the unemployed of this State until all men who are able and willing to work are placed in full-time occupations. For at least seven years we have been tinkering with the problem, playing with it. I am not reflecting upon this or any other Government, for I know the financial difficulties surrounding the situation. We must not lull ourselves into a sense of false security, or suffer from a familiarity complex. We must not think that because we have given some men with domestic responsibilities full-time work, and other men part-time work, we have done everything we can. I admit the present Government is doing all that it can to meet the situation, and has always followed that practice, but we shall have to go further and see that even more is done. I will leave that phase of the Speech and proceed to discuss another question.

The stabilisation of wheat prices is an exceedingly important matter. To-morrow a conference of Federal and State representatives will assemble in Melbourne to consider the proposed international agreement and what provision should be made for the next harvest. The suggestion has been made that the cost of this stabilisation might be borne equally by the Commonwealth and State Governments, half the cost by an ex-

cise duty on flour and the other half furnished by the States themselves. This is a very important and difficult problem for the States. I realise the awkward predicament in which the farmers are placed. We must carry on the wheat industry. I also realise what the phenomenal drop in the price of wheat means to the national income. For the Commonwealth this abnormal drop—in addition to the drop in the price of wool which represented over £4,000,000 during the last financial year—creates great difficulties for the future. The conference that meets to-morrow will have some weighty problems to consider. I do not think that the money required for the stabilisation of the price of wheat on the home market can be found from ordinary revenue, but will have to be found from increased taxation. The Leader of the Opposition suggested yesterday that it might be a good thing, and help to solve the problem, if a quarter of a million pounds of the revenue derived from the financial emergency tax were earmarked for this purpose. This would leave a million pounds from that form of taxation for other expenditure. I am not in accord with his suggestion, and am very much afraid that, if a quarter of a million pounds were diverted from that source to wheat stabilisation, the repercussions would lead to less employment and intensify the unemployment problem.

Mr. Lambert: Would it not be better to allow the people of the world to consume the products of the world, instead of restricting them?

Mr. NEEDHAM: The conference to-morrow will have to deal with that question. Every member of the Chamber is vitally interested in this problem and eager that a solution should be found. We are all eager to help the farmer. We know the parlous position he is in, and the difficult times he has experienced in the last seven or eight years. I have no desire, however, to assist the farmer at the cost of the worker. I venture to say the Bill we passed somewhat hastily last session, dealing with bread, has worked an injury upon the average worker. We find ourselves in the remarkable, paradoxical situation of having the lowest price on record for wheat and the highest price for a loaf of bread. People are paying more for a loaf to-day than they did when wheat was 5s. a bushel, or as much as they did then.

Mr. Marshall: You mean 9s. a bushel.

Mr. NEEDHAM: Well, 9s. a bushel.

Mr. Marshall: That is better.

Mr. NEEDHAM: I admit that no great quantity of wheat has been sold at 1s. 1d. or 1s. 2d. a bushel, but there is very little prospect of the price increasing within the next two years, because of the wheat position in the world generally. I see very little chance of an increase in the price as a result of the economic situation: in the event of war there would be an increase, but that would be too great a price to pay. The difficulty can perhaps be overcome by spreading the cost of wheat stabilisation more equitably throughout the community. The cost should fall upon the shoulders of those best able to bear it. I cannot support any scheme that will maintain the price of bread at the present level, or lead to an increase.

Mr. Lambert interjected.

Mr. NEEDHAM: I am delivering my speech in my own way and do not desire the assistance of the hon. member at this stage. This question must be carefully handled. No matter how much we may desire to help the man on the land and preserve the wheat-growing industry, we must not do so at the expense of the worker. Bread is the staple diet of the average man and his family.

Mr. Patrick: The price of wheat does not enter much into that.

Mr. Doney: At whose expense should the problem be solved?

Mr. NEEDHAM: I am not antagonistic to anything that will help the farmer, but I do not think his representatives in this Chamber desire to see the wheat industry assisted at the cost of the workers in the city.

Mr. Patrick: We say the price of wheat does not enter much into the question.

Mr. NEEDHAM: The worker in the city is prepared to play an equitable part, along with other citizens, in helping the man on the land, but he ought not to be expected to go further.

Mr. Thorn: No one is asking any more.

Mr. NEEDHAM: I would say it was the sole duty of the Commonwealth Government to handle this matter. Ever since the Commonwealth was established millions of pounds have been voted for the assistance of industry. For many years I

sat in the Federal Parliament, and often voted for the granting of sums of money for the encouragement and preservation of some struggling industry. Is there any industry in Australia struggling to the same extent as the wheat industry? Are there any people employed in any industry in such a parlous position as is the case with the wheatgrowers? I do not know of any. If the Commonwealth Parliament and the Commonwealth Government were doing their duty, they would give a straight-out bounty to assist the industry.

Mr. Lambert: The only thing they are doing is to assist struggling monopolies.

Mr. SPEAKER: Order!

Mr. NEEDHAM: The Speech deals also with education and contains the following paragraph:—

The expenditure on school buildings last year showed a marked increase. Extensive improvements are being made to accommodation and facilities for technical training. Considerable progress has been effected on the new buildings at the Perth Technical Schools for trade and industrial classes, and the new training buildings for domestic science will shortly be commenced.

One of my dreams has come true. Since I have been a member of this Chamber I have helped with others in the endeavour to secure improvements at the Technical College, Perth. I am glad to know that very shortly the Technical College buildings will become what they should be for the training of our youth.

The last reference I have to make is to the great drive instituted by the Government for the establishment, encouragement and development of secondary industries in Western Australia. I believe that the effort will result in much good. We should not be content to be mere hewers of wood and drawers of water for our sister States, and I am glad to know that the drive by the Government is being greatly assisted by the splendid co-operation evidenced among practically all sections of the community. The very fine gesture in a recent issue of the "West Australian," will, I feel sure, encourage the Government to go ahead with the work it has in hand. If we could cultivate an adequate local products mind in our people, and manufacture even half the goods that we now import from the Eastern States, the unemployment problem in Western Australia would quickly disappear. Despite

the tirade of abuse delivered by a member of another place yesterday against the Minister for Labour and Industrial Development, and others as well—he would not dare to utter that tirade of abuse outside the precincts of Parliament, because he has no proof to back up his assertions—I am convinced the Government's drive will be effective. I hope that before long we shall be well along the road to being not only a State of primary industries but of secondary industries on a large scale.

MR. McDONALD (West Perth) [5.17]: I wish to add my congratulations to the Chairman of Committees upon his accession to the office to which has been appointed, and also to convey to the new Ministers, the member for Kanowna (Hon. E. Nulsen) and the member for Kimberley (Hon. A. A. M. Coverley), my best wishes for their success in their respective offices. I extend to them also my assurance that we shall do our best to assist them in the discharge of the duties attached to their very important portfolios. I should also like to extend my congratulations to the new members who have entered this House to represent Mt. Magnet, Pilbara and Forrest, respectively.

Mr. Lambert: And North Perth, too.

Mr. McDONALD: And North Perth as well. While welcoming those members, I am sure that everyone in the House will regret that we have not with us now the former member for Pilbara (Mr. Frank Welsh).

Members: Hear, hear!

Mr. McDONALD: Mr. Welsh was one of the pioneers of the far northern parts of our State. His is a household name throughout the whole of his district. I do not think any man could be held in greater esteem by the people of that remote part of the State. He earned a name for his sincerity during the period of his occupancy of a seat in this House, and most decidedly he deserves our thanks for the manner in which he represented his constituency during the time he was with us.

Since the House last met we have lost by death the former member for North Perth (Mr. MacCallum Smith). He represented his constituency in this House for a quarter of a century, but his sphere of activities was more particularly concerned with interests outside this House. He was responsible in no small degree for the development of the

primary industries of Western Australia. He was a man to whom this country had been kind, but what money he made he put back into his adopted country to further its development. In the South-West in particular he had a magnificent property where he did much in raising and distributing stud stock.

Mr. Patrick: And in the North, too.

Mr. McDONALD: That is so. The late Mr. MacCallum Smith played a notable part in the development of those parts of the State. I would like to join with the Leader of the Opposition, as well as other members, in conveying to his widow our most sincere sympathy on the death of Mr. MacCallum Smith.

I do not propose to deal at great length this evening with matters associated with problems confronting the State at the present juncture, because at a later stage we shall have an opportunity to go into greater detail regarding what I think should be done to meet the emergency facing the State to-day. There are two or three phases to which I shall make some reference. The first concerns the finances of the State. We must realise we have now arrived at a stage where the State's debt per head of the population is £203 as compared with the per capita indebtedness in Victoria of £95.

Mr. Lambert: What was the position 15 years ago?

Mr. McDONALD: I suppose that in 15 years to come we shall still be a little further ahead. Western Australia now has the largest per capita indebtedness of any State of the Commonwealth. In view of the immense territory for the control of which we are responsible, there is some excuse for that position, but because of our population, which has been stationary of late, the weight of that debt and of the interest charges for its service has become most oppressive. As we increase the demand on the revenue of the State, greater difficulty is experienced in meeting our obligations. No one is more acutely aware of that fact than the members of the State Government. In the field of taxation Western Australia is the third highest in the Commonwealth. We have not reached the achievements of Queensland, where the Government taxes its people to the extent of £8 11s. 8d. per head. Our taxation amounts to £7 4s. 5d. per head, whereas in Victoria

the tax per head is £6 5s. 2d. We must remember that Victoria is a State that, by virtue of its advantages in early development and the contributions towards its industries that it has received from the inception of Federation, is in a position to carry a much heavier debt structure than is Western Australia. What is reassuring for us is that in this State we have what I might almost describe as a phenomenal revenue per head of the population. The productivity of our people is something for which we can indeed take credit. We lead all the States of Australia with our per capita productivity of £23, as against Victoria, where the value of productivity per head is a little over £14. That is a factor that gives us some hope in dealing with problems of finance. The State indebtedness has been mounting steadily year by year, and every increase means still greater difficulty in meeting the interest demands that the additional indebtedness creates. I feel that the time has arrived—that is not the first time such a statement has been made, but it becomes more and more urgent that we should recognise the fact—when we should appreciate the need for a careful examination of our finances, and their trend during the past few years. The position during the past financial year seems to have declined to the extent of £400,000, which has been attributed to various factors that may or may not have been removable with more careful attention to financial considerations. The fact remains that our position has retrogressed to a substantial degree during the last financial year. My reason for mentioning the point is that I notice that in Tasmania steps have been taken to keep a more careful record of that State's financial trend. I have not yet been able to secure the exact details, but I understand a State finance committee has been established which, I believe, is a committee of Parliament. The function of the committee seems to be to examine the finances with the object of helping the Government and the State, and also to analyse the trend of governmental finance. In a survey appearing in the "Australian Quarterly" it was reported that the committee's latest publication had just become available. It dealt with the State's progress during the financial year 1936-37. In compiling its report the State Finance Committee had the assistance of Professor Maulden, the Tasmanian eco-

nomist. In the report for 1936-37, the Tasmanian State Finance Committee follows upon a previous report, with which Professor Maulden was also concerned, that dealt with the economic trend in that State from 1931 to 1936. According to the review, the Tasmanian committee issued warnings to the people of the State as to the trend of their finances and their industries. In the latest report published by the committee the position of the State mining industry is examined and a warning is issued to the people and to the Government as to the contraction of that industry or the rate of profit now being received, and the necessity to take steps to anticipate the decline of the mining industry when the re-armament preparations of the various countries begin to taper off. The establishment of such a committee and the provision of such a survey are no more than prudent on the part of any country. That would be particularly desirable at the present time when the admittedly stringent financial position of our State, having regard to the area of the country and our commitments, is such as to give rise to the most careful thought on the part of those who have to assume responsibility for the State's affairs.

The wheat position has been referred to by the Leader of the Opposition in an earnest and I thought very temperate speech. I desire to make some reference to it because it is a problem that concerns not merely the farmer—although it concerns him most vitally—but also everybody in the State. For it is a truism to say that in this State the city and all other sections of the community are dependent to a very large degree on the stability of our wheat industry. I hope, as all people do, that the position may be eased as a result of the international conference. The difficulty arises, of course, from a variety of causes—from the fear of war, from the policy of self-sufficiency, from the difficulty of certain nations in procuring foreign credits—and it is to be hoped that as a part of the general scheme there will be so much more vision, so much more tolerance and so much more wisdom in the control of the world's affairs that those obstacles will be removed. It may be that the international conference sitting in London will be able to arrive at some decision that will help the wheatgrowers of exporting countries to maintain an existence.

Mr. Lambert: They should try to feed the foodless people of the world.

Mr. SPEAKER: Order!

Mr. Marshall: Go on; that is the way to speak. Solve that problem and you will solve other problems.

Mr. SPEAKER: Order!

Mr. McDONALD: Leaving the international situation and dealing with the problem from a domestic point of view, I would point out that the aid the wheat industry has received in the past from the Commonwealth has been intermittent and it has been granted upon no settled plan. The Commonwealth Government has come to the rescue of the industry at times of extreme need and in a variety of ways—sometimes by bounty on a bushel basis, sometimes by bounty per acre and sometimes by a combination of the two. The Federal Royal Commission on wheat endeavoured to provide a long range policy for the protection of the wheat industry, but its recommendations, except in part, have not been adopted because any Government—we have to recognise facts—naturally feels a reluctance to embark on a long-term obligation, where the amount may be so variable and where under that obligation, in the event of a severe price fall such as has occurred at the present time, there may be serious difficulty in financing such a scheme to the full extent of the obligation undertaken. That is the reason for the reluctance that has been exhibited by Governments to enter upon a long term policy for the assistance of the wheat industry. In addition to that the hesitation of Governments, and particularly of the Federal Government, has been due to this fact: that if a long-term stabilised price is to be given to wheat as it has been given to the sugar industry—and to some extent to butter and dried fruits—which sells the greater part of its production overseas, there is no reason why similar protection and guarantees should not be given to the wool industry which sells 90 per cent. of its products overseas, and to meat, fruit and even gold. We know in fact that some years ago a Commonwealth subsidy was granted to gold at a time when the gold industry was in a parlous position. So that any system under which a primary industry that exports is given a long range term of guaranteed prices is one that must be regarded in conjunction with all other pri-

many industries that also export and that might also be met by the difficulty of a serious fall in price.

Mr. Lambert: What about the zinc corporation?

Mr. Thorn: What about the manganese company?

Mr. Lambert: The zinc corporation is the wealthiest in Australia.

Mr. McDONALD: Notwithstanding all that, we believe there must be and should be determined now a policy for the wheat industry, and we believe that such a policy should involve certain stages. The first stage—

Mr. Lambert: Starvation first.

Mr. McDONALD: No. I wish my friend would wait until he hears what I have to say. The first stage is that we should take care of the crop being grown and the crop to be sown in eight or nine months' time. The farmers that have put in their crops should be given an assurance that they will be protected as regards the proceeds of those crops and the objective of that protection should in my opinion be the basis laid down by the Federal Royal Commission on wheat. Until the matter is examined by some other expert body, the finding of that Commission as to the amount required by way of a price to maintain the wheat farmer reasonably on his holding, is the most authoritative statement we have. I quite realise that, owing to the need for money for defence purposes, the Commonwealth and State Governments may find it impossible to raise such a sum of money as would bridge the gap between 1s. 2d., the present export price of wheat and the 3s. 4d. recommended by the Federal Royal Commission. A staggering sum of money would be involved. But that should be the objective of any scheme to protect the farmers in respect of the present crop and the next ensuing crop. If we cannot meet that objective then the States and the Commonwealth should go as far as their finances permit them to go.

If I might go so far as to express an opinion on the method by which that help should be given, I would prefer to see it granted not by means of a bounty per bushel—that is, for the present crop and the next ensuing crop—not by means of a bounty which would result in the man who has an average crop of 20 bushels obtaining a comparatively immense sum while the man with only seven or eight bushels,

who would be most in need of help would receive the least assistance. Nor do I believe that the assistance should be given purely and simply on an acreage basis. I consider that for the crop now growing and for the next ensuing crop—in order that the limited financial means of the Commonwealth and the States should be spent to the best purpose and diverted to where the money is most needed to conserve the industry—the basis should be that each farmer should obtain a standard return per acre. If this basis were adopted and we were able to obtain the price recommended by the Federal Royal Commission, we would give the farmer per acre the equivalent in money, or would see that he secured the equivalent in money of 12 bushels at 3s. 4d. per bushel or in other words 42s. per acre. He would sell his crop which, on present prices, might bring him in a pound an acre and would be given the balance by way of assistance from the money raised for the Commonwealth fund.

Mr. Patrick: I do not think that would work.

Mr. McDONALD: That to my mind is the most effective method, but I shall be very glad to hear any criticism from the Country Party on that point. I consider that is how the money could be put to the utmost use. Instead of the money going to the farmer who is successful in getting a large crop and is not so much in need, as occurs under the bounty system, it would be given to the people who most needed assistance.

Mr. Cross: Tell us how you would finance that proposition.

Mr. Lambert: Put the question through a periscope.

Mr. McDONALD: The member for Canning (Mr. Cross) asks how we could finance the proposition in order to bridge the gap between the 1s. 2d. per bushel which is the present price and the 42s. per acre return that the Royal Commission suggested was the figure the farmer should get. Quite candidly I think the raising of the required amount by the Commonwealth and the States would be impossible, but that is the objective, and if the export price of wheat rose rapidly, it would be attained.

Mr. Needham: More than that would be raised if war broke out.

Mr. McDONALD: War is another matter. While that is the objective all we can do is our best to assist the farmers and to spend the money in such a way that it will go into the hands of those who need it most. That is the principle we have to observe and we must rely upon the ingenuity of those who have studied the matter to ensure that in view of our limited funds the money is used to the best advantage for the conservation of the industry. Not only do we want an assurance from the Federal and the State Governments, that the wheat farmers will receive a reasonable price for their present crops and the next ensuing crops, but I think we should also have a promise that the subject will be further studied with a view to the establishment of a long-range policy. That is no more than was recommended by the Federal Royal Commission. When the Commission suggested a home price it expressed the view that it was by no means satisfied that that was in the interests of Australian economy, taking a long view of the subject, and it recommended an expert examination of the situation to ascertain whether some other means of maintaining the price of wheat should be adopted. In a recent book, writing on Australian marketing problems, Professor Copland expressed exactly the same views and other authorities including Professor Giblin have done likewise. I think it is the proper course, while the wheat industry is being protected in the intermediate period for the present and the next succeeding crops, to appoint an expert body to carry on the work of the Federal Commission on wheat, a body that will recommend to the Governments of Australia a long-term policy to deal with the wheat industry and into which will fit any other primary industry that may be threatened with collapse on account of the fall in prices. With these recommendations, and following the proposal of the commission on wheat, during the next 18 months or so, the Governments of Australia can lay down a policy to give the wheat and other primary industries some idea as to the way in which they are to be treated. I believe that we have come to a stage in Australia's economy where we have to take a long view, and perhaps a new view. It is no use waiting until emergency after emergency arises and then finding a stop-gap remedy to meet the diffi-

culty. We know that the policy of many countries is affecting the normal trade that we enjoyed in the past. I suggest that we should fit our principal exporting industries into the Australian economy, try to create a balance between the primary industries and the secondary industries, and arrive at some means of co-ordination between the industries, particularly the exporting industries. We have given protection to our secondary industries, but they are a stand-by to-day in Australia, and their importance is hard to over-estimate. I am not satisfied myself that some of the secondary industries in the Eastern States under our present system are getting a fair deal; there are some, however, that seem to be making such profits that their shares rise and are valued at perhaps considerably more than the original contribution made to the concern. That to me seems to be something that should be investigated in relation to a number of industries, with the idea of ensuring a more even balance between the protection afforded by the policy we are able to give those industries and the protection we are able to give the primary industries. If this inquiry were held, other matters also would have to be considered. The wheat industry would have to be rationalised. We are all aware that it could not be expected that the taxpayers of the Australian States could support farms in areas where there was no chance of succeeding. The Royal Commission on the wheat industry said that about 25 per cent. of the farms could not produce wheat at a price that would enable them to succeed, nor could they succeed even if the price were good, and in that intervening period the State would need to arrive at a decision regarding economic farms. It would be hopeless to condemn the wheatgrowers to a lifetime on farms on which they would have no chance of succeeding, no matter what assistance the Commonwealth or the States might be able to give. I would be satisfied to see some commission or expert body, such as that recommended by the Royal Commission, appointed to examine the debt structure of the Australian wheat industry. The Royal Commission dealt with this aspect and made certain recommendations. These are due for consideration on an Australia-wide basis. There is a further aspect I wish to mention in connection with this matter. I suppose as things are it

will be very difficult to carry out such a proposal, but in connection with our primary industries it seems to be a pity that in prosperous times we cannot make some provision for assistance being given during depression periods. We know from the record of wheat prices that on the whole the price has been payable, or nearly so. I think within the last ten years—say, the period 1927-37—the price paid by the Western Australian Wheat Pool averaged about 3s. 2d. or 3s. 3d. at the siding.

Mr. Lambert: That is where equalisation comes in.

Mr. McDONALD: Precisely.

Hon. C. G. Latham interjected.

Mr. McDONALD: I believe the price paid by the merchants was 2d. or 2½d. lower. I think, however, the figure was 3s. 2d. or 3s. 3d. at the siding. I do not know whether it would be possible in Western Australia to take Time by the forelock and establish a set policy based upon consideration by experts and under which we could make provision in good times to meet the difficulties arising out of bad times. We have a practical instance in our own State where a few years ago the gold mining industry was in such a bad way that the Commonwealth agreed to grant a bonus. The industry had got to such a stage that those engaged in it declared that they could not carry on. Fortunately the price of gold advanced, and there was no need for the payment of the bonus. The fact remains, however, that the industry had reached a parlous state. To-day it is in a highly prosperous condition. I am one of those who do not believe in loading any industry with costs, because, if we can keep costs down—now I am referring again to the mining industry—a lower grade of ore can be treated at a profit, which means, of course, the employment of a greater number of men. So I consider it would be interesting if an inquiry were held as to whether such an industry, in times of comparative prosperity and stability, could not make provision for bad times that might arrive, an inquiry such as that recommended by the Royal Commission on the wheat industry. This is a question that might be dealt with as a matter of Australian policy in connection with Australian primary industries. I believe that the present situation is that all who have put in crops this year and who may put in crops eight or

nine months hence should receive some assurance of protection from the Commonwealth and the States. The protection should be as much as we could give and we should also give an assurance that during the period of the cropping, Parliament would give consideration to a proposal to afford protection in future years against any serious falls in price. I am speaking for myself when I say that I believe the State would do well to consider the question of granting increased powers to the Commonwealth not only in connection with marketing legislation but also in respect of trade, commerce and industry. There is too much trouble in connection with marketing, trouble in respect of securing the consent of all the States and the Commonwealth.

Mr. Needham: That does not sound like secession.

Mr. McDONALD: I never was very keen on secession. Anyway, I was in a minority, and I do not suppose it will be the last occasion on which I will be in a minority. The present powers under the Constitution operate against a State like Western Australia. The Commonwealth has power to grant bounties to assist industries, but it cannot discriminate between the States. The Commonwealth can say, "Here is a bounty for the jam industry." Any man who sets up a jam manufactory can obtain a bounty from the Commonwealth; the States, however, cannot discriminate by granting bounties to industry, except in the case of the mining industry. If a State wishes to help a struggling industry, again it is prevented from granting monetary help so that the industry might have a chance against competition from the Eastern States. It seems to me that we would gain by granting additional powers to the Commonwealth to enable it to carry out the policy of building up secondary industries in the outlying States. If we gave the Federation power of that kind, this is a thing that might happen. The Commonwealth might say—and it has acknowledged the importance of building up industries in Western Australia—"Tariff protection is granted to you on condition that one-quarter of your production is from factories in Western Australia." In the case of steel the Commonwealth might say, "Tariff protection is granted to you on condition that three-eighths of your production of steel takes place in Western Australia."

Several members interjected.

Mr. McDONALD: The general principle is that the Commonwealth under the Federal Constitution cannot discriminate between States, and that the States cannot discriminate against residents or manufacturers in other States. My point is just this, that if in view of the acknowledgment that the present Federal Government has given—that industries in outlying States should be built up—we gave the Federation this power we could not be worse off and we would enable the Commonwealth to bring pressure on factories to establish part of their production in Western Australia.

Mr. Needham: The Commonwealth has that power now.

Mr. McDONALD: I do not think so.

Mr. Needham: It has.

Mr. McDONALD: I heard the Prime Minister say the Commonwealth had not that power.

Mr. Needham: He is wrong.

Mr. McDONALD: Whatever the situation may be, it seems to me that increased powers in the hands of the Federal Government might enable us to overcome some of the difficulties with which we are now faced in relation to the establishment of secondary industries. On the matter of unemployment the member for Perth (Mr. Needham) says that for the last six years the Government has only been tinkering with it. The hon. member says that it is not criticism, but of course it is severe criticism.

Mr. Needham: I applied that remark to all the State Governments.

Mr. McDONALD: In my opinion the time has come when we must overhaul the whole system with regard to unemployment. There are those men on 7s. per head per week. I said here last year that at all costs we had to get better conditions for those men. Those men come to the member for Perth, and they are coming to me. In many cases they have had no work for months, and as a result are getting into a highly serious industrial position. The night before last a man came to me and stated his position. He was on a weekly allowance of 14s. for himself and his wife and one child who brought £1 per week into the home. That is a total of £1 14s. weekly for the man, his wife and the child. Out of that amount they had to find rent and all other necessities of life.

The man had had three weeks' work in the last four months. It appears to me that the Government, at all costs, must do something to help such people. The Government will not find any objection on this side of the House to any proposal to make their position more tolerable. We have to bear in mind that the 7s. allowed is now worth only 6s. Those people have not received an advance in their sustenance rate, but have actually been reduced from 7s. to 6s. in point of purchasing power.

Mr. Lambert: The difference in the purchasing power of the sovereign to-day, as compared with 20 years ago, is 13s.

Mr. SPEAKER: Order!

Mr. McDONALD: The States and the Commonwealth, and in fact the whole world, are faced to-day with gigantic problems, and problems extremely difficult of solution. I do not propose to deal with international affairs such as war, or anything of that kind; but certain expenditures are forced upon Governments. We all regret the expenditure on armaments; but no country, and no Government, whatever its complexion, can possibly afford not to spend that money. It is a fact that the amount being spent in Australia on armaments is relatively small. The member for Perth, if he consults a recent article by Mr. Colin Clarke, lecturer in economics in the University of Queensland, will find a table of the arms expenditure of the main countries of the world, which shows that Australia is spending comparatively little on armaments per head compared with Great Britain and a number of other countries. But what they are spending they are compelled to spend, unfortunately. All these things have their effect upon the internal affairs of the Commonwealth—on unemployment, on industry, and in various other directions. I do not know whether it is possible—I suppose it is not—as we are now entering on a new Parliament to mobilise the full power of members in order to deal with some of these problems. It seems to me that it would be a very good thing. I believe that we shall have to adopt a more challenging attitude towards our economy and towards our policy. In my opinion we shall have to submit them to a more critical examination. If we have select committees of members to examine various aspects of our State affairs and their future

prospects in order to help the Government, we may make a considerable advance.

Just one other thing. The other day I saw that blocks of land were sold in Kalgoorlie by auction, and I think the price of these residential blocks went up to as much as £109, and there was great dissatisfaction amongst miners who were in search of blocks of land on which to establish homes at having to pay £100 or more in order to secure a site for a home.

Mr. Lambert: It was a National Government made that possible.

Hon. C. G. Latham: Poor unfortunate National Government! It was there for three years.

Mr. McDONALD: Would it not be far better to put in force the policy of leasehold land? I am one of those who feel that the world has gone completely wrong in ever parting with the ownership of land. I hold that the land should belong to the people, that there should be no such thing as private ownership of land. Land should be disposed of by the State on perpetual lease with right to sell and to recover the value of improvements, the holder paying the Crown a rental based on the value of the land. Why could we not do that with regard to Crown lands in Kalgoorlie? A man paying £3 or £4 would not feel it; and if the land went up in value, the increase would belong to the people. In those circumstances, why sell land at £109 per residential block?

The Acting Premier: Some holders pay only 10s.

Mr. SPEAKER: Order!

Mr. McDONALD: Why not enter upon a campaign to show the people that they can do very much better by taking Crown lands on lease? Why not extend that principle, not compulsorily, but by persuasion, to all our various towns where to-day Crown lands are sold in sites which in a hundred years would be of very great value, the value being retained by the people of the State? Any energetic effort on the part of the Government to tell people the real advantages of getting land on those terms would find a tremendous response.

The Acting Premier: We are making the effort.

Mr. McDONALD: No, because the Government sold that land at Kalgoorlie and there was dissatisfaction amongst the people

with the prices they were compelled to pay. I hope some use will be made of members to submit our affairs to the examination of which they have need at this particular time, almost more than at any other time. Otherwise, without any particular forethought we keep on drifting until some emergency arises, and we meet it without any adequate preparation, although we might have realised that it would come at any time.

On motion by Mr. Marshall debate adjourned.

House adjourned at 6.13 p.m.

Legislative Assembly.

Thursday, 10th August, 1939.

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

QUESTION—ALIENS, STATE RELIEF.

Mr. DONEY asked the Minister for Labour: Have there been recent cases where aliens, who, upon arrival at Fremantle are required to possess £40 per capita, have nevertheless been given State relief within a few days after landing?

The MINISTER FOR LABOUR replied: No.

ADDRESS-IN-REPLY.

Fourth Day.

Debate resumed from the previous day.

MR. WATTS (Katanning) [4.33]: First of all I would like to congratulate you, Sir, and the new Chairman of Committees, on