

# Legislative Council,

Tuesday, 23rd January, 1923.

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

## LEAVE OF ABSENCE.

On motion by Hon. J. A. Greig, leave of absence for six consecutive sittings granted to Hon. H. Stewart (South-East) on the ground of urgent private business.

## BILL—CLOSER SETTLEMENT (No. 2).

Read a third time and transmitted to the Assembly.

## BILL—LAND TAX AND INCOME TAX ACT, 1922, AMENDMENT.

### Second Reading.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [4.35] in moving the second reading said: I am sorry to have to trouble the House with this Bill. It seems to me that one little word is going to create a great deal of discussion, and that there is danger of a good deal of confusion being caused. It will be remembered, when the Bill was before the House, the word "net" was inserted in Clause 6, the clause relating to the payment of a super tax—"a super tax equal to 15 per cent. of the amount of the net income tax imposed as aforesaid." This clause had relation to the imposition of a super tax on those persons who derived their incomes either partly from personal business, and partly from dividends, or entirely from dividends. The word "net" was omitted from the print of the Bill as it was first submitted to His Excellency the Governor. I have read to the House the statement of the Solicitor General explaining how that omission arose. I have also informed the House that the omission has been rectified, so that, as the law stands to-day, this word "net" is in the Act. The purpose of this Bill is to re-enact that clause without the word "net." When the Bill was before the House I set out my attitude very clearly. I said it was my desire that the Bill should ensure that all classes of taxpayers should be treated equally, and that people who derived their income, either in an individual capacity or as firms should pay ex-

actly the same, and no more, as persons who derived a similar income from investments in the way of dividends either wholly or partly. I was assured that the insertion of this word would bring about that result. I did not investigate the matter myself. The State Commissioner of Taxation happened to be in the House at the time, and he expressed the opinion that this would be the effect of that word. The amendment was sent to another place. The Premier assured the Legislative Assembly that he had been advised that the inclusion of this word "net" merely meant that the ordinary deductions would be made from the income of a person obtaining his income by way of dividends, and that the inclusion of the word would not set up any anomaly as between the two classes of taxpayer. Subsequently the Premier was informed that this was not at all the view of the matter taken by the Taxpayers' Association, that it was intended that the word "net" should allow a person who obtained his income by dividends solely, or partly by dividends and partly in a personal capacity, to escape some portion of this taxation. Upon that view being put forward it was submitted to the Solicitor General and the matter gone into. Mr. Sayer said that if a case came before the court, the court would lean to the view that the word "net" certainly had some meaning, and that in that particular place it could have no meaning except that a person who obtained his income by way of dividends, either partly or wholly, should have deducted from his income the amount he paid as dividend duty tax before the surcharge of 15 per cent. was imposed, and that consequently he would escape some portion of the burden that the ordinary taxpayer would be called upon to bear. It has been customary in many places to impose a higher tax on incomes derived from investments by way of dividends than upon incomes derived from personal exertion. We do not propose to do that. It would not only be a reversal of a very common practice, but, as I think the House will agree, a most unfair principle to allow a person who derives his income from investments, in the form of dividends, to escape with a lighter payment of taxation than the person who draws his income from personal exertion or as the result of his own business. I am not concerned as to the amount of money involved by the inclusion of the word "net." It is the principle that is at stake. There is also this important phase of the question, namely, that if our taxation laws were so constructed that a person, by forming his business into a limited liability company, and deriving his income by way of dividends instead of directly, could escape some portion of his taxation, naturally big business firms and other persons carrying on business in a large way would adopt this course, and the loss of revenue would be very great. I have asked the Taxation Department to put up for me a few figures showing how this would operate. It does not apply to persons on small incomes. In their case the rate of income is not so

high as, or is not higher than the rate charged under dividends, so that it does not affect them in any way whatever. The Taxation Department have prepared a return showing the effect of this word "net"—if it has that meaning, and I am advised by the Solicitor General and the Taxation Department, now that they have gone into the matter, that it cannot have any other meaning, and that the courts would hold that it had some meaning—on incomes of £5,000, £10,000, and £20,000 per annum.

Hon. J. Duffell: You have gone pretty high.

The MINISTER FOR EDUCATION: I know that. I do not suppose this would apply to many people, but it does apply all the same. If a person can evade a portion of his taxation by converting his business into a limited liability company, and drawing his money in dividends, practically everyone will be forced to do this. I take it no member desires that the income tax paid by any individual should be other than equitable as between all taxpayers. A person deriving an income of £5,000 wholly from his own business and not from investments or dividends, has to pay £756 5s., in addition to which he would pay a super tax of £113 8s. 9d., making a total of £869 13s. 9d. A person deriving the same income, half from his business conducted personally or by personal exertion, and the other half from dividends, would, if the word "net" were not included, pay exactly the same amount, namely £869 13s. 9d. The total income would carry a surcharge and he would deduct £179 13s. 9d.—that is the 1s. 3d. rate plus 15 per cent. super tax, which he had already paid in dividend duty. Thus he would pay a tax of £690. If the word "net" were included, instead of paying the tax amounting to £869, he would pay £756 5s. Then £179 13s. 9d. in respect of dividend duty and super tax would be deducted, bringing the amount down to £576 11s. 3d. With the super tax, representing £88 9s. 8d., it would bring the tax up to £663 0s. 11d. This would mean in his case, a loss of revenue to the Government and a gain to the taxpayer of £26 19s. 1d. Taking the case of the person who secures the whole of his income from dividends, if the word "net" were not included, he would have to pay exactly the same as any other taxpayer. His first assessment would be £869 13s. 9d. and he would have to deduct what he had already paid for dividend duty and super tax, bringing him on to the same basis as the ordinary taxpayer. If the word "net" were included, he would be permitted to deduct the amount paid away as dividend tax before the super tax was imposed. Thus he would pay £53 18s. 1d. less to the State. I have an exactly similar comparison regarding the man receiving £10,000. In that case, if the word "net" were included, it would mean that he would pay £1,886 14s. 5d. In the case of the taxpayer who derived his income, partly from personal exertion and partly from dividends,

he would contribute £53 18s. 1d. less, and if he derived his income wholly from dividends, the loss of revenue to the State and the saving of revenue to himself would amount to £107 16s. 3d. As to the man in receipt of £20,000, if he drew half his income from dividends and the word "net" were included, he would pay £3,773 8s. 9d. If he derived the whole of his income from dividends he would pay £215 12s. 6d. less. I am sure that was not the intention of any member of this House. The object of the Bill is merely to remove that particular provision, so that taxpayers may be placed on the same basis, whether they obtain their income from personal exertion and dividends, or partly or wholly from such. The whole object of the measure is to make it equitable as between the taxpayers.

Hon. A. Lovekin: Would you tell us how you would construe the last three lines of Subsection (1) of Section 5 of last year's Act if you strike out the word "net."

The MINISTER FOR EDUCATION: I do not know that that has any bearing on the point. The words referred to by Mr. Lovekin are—

... the taxpayer shall receive credit for the amount of duty payable in respect of such income under the Dividend Duties Act, 1902.

It will apply as I have already indicated. First the total taxable income is assessed. To that is added the amount received by way of dividends and to that, the super tax. When the total is arrived at, the amount of tax is paid on it, according as to whether he receives the whole of his income direct or partly as dividends. The amount he may have paid as dividend duty is credited to him and he pays the balance.

Hon. A. Lovekin: This will not work out as you suggest.

The MINISTER FOR EDUCATION: Yes it will, but if the word "net" be included, it will work out in an exactly opposite way. That is the view taken by the Taxpayers' Association. I move—

That the Bill be now read a second time.

On motion by Hon. A. Lovekin, debate adjourned.

## BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT.

Second Reading.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [4.50]: The question of amending the Industrial Arbitration Act has been under consideration by the Government for some time. Shortly after the conclusion of last session, a conference representative of the employers and the industrial unions was convened by the Premier. That conference held one lengthy sitting before the Premier left for London. Subsequently, I presided over a similar conference. A great many matters

were discussed and while it was found that many amendments were necessary to the Industrial Arbitration Act, it was extremely difficult to bring about an agreement between the parties as to the nature of those amendments. The Bill now before the House proposes to enact the one amendment in regard to which both parties were entirely agreed and which they urged was an essential step to take, if we were to make a success of industrial arbitration. That referred to the appointment of a permanent president of the Arbitration Court. The disabilities attendant upon having a judge of the Supreme Court as president of the Arbitration Court, are many. None of the judges like the job, which may or may not be an argument of great importance. The judge sits in accordance with the rules of the Supreme Court. At the present time, the court is enjoying the long vacation. The result is that no judge is available to sit on the Arbitration Court bench. I do not intend to make any reference to existing industrial disputes, other than to say it is a great pity that when industrial disputes are in existence, the Arbitration Court should not be functioning. I think it is by no means impossible that if the court were functioning, a way of settling the existing dispute would be found. A large number of cases have been hung up month after month, and both parties are extremely restive because of that fact. Both parties are entirely in accord with the principles underlying the Bill. Further than that, there is no great disagreement between the parties respecting the details of the Bill which provides for the appointment of a permanent president. There is room for argument as to whether lay members should be appointed. That is a point on which the employers are not very strong. They favour the abolition of the two lay members but do not in any way declare it to be essential.

Hon. A. Lovekin: I think they do.

The MINISTER FOR EDUCATION: They do nothing of the kind. So far as the employees are concerned, they strongly favour the retention of the lay members, but both sides agree that a permanent president should be appointed. It is proposed that in the appointment of the permanent president, the law for the time being relating to the tenure of office of a judge of the Supreme Court shall apply to the president. That means that the president will not be removed at the will of the Government of the day, but only by a vote of both Houses of Parliament. It is also proposed that the president shall receive a salary equal to that of a puisne judge of the Supreme Court and such salary is to be a charge on the Consolidated Revenue Fund to the extent required for the necessary payment, which is permanently appropriated. Another provision, regarding which there is some difference of opinion, sets out that it shall not be necessary for the person appointed as president to be, or to have the qualifications for appointment as, a judge of the Supreme Court. There is also provision

that, in the case of the absence of any member of the court by reason of illness or other cause, the Governor may appoint someone in his place. The only other provision is in connection with the oath to be taken by the president and any member who has to take his place. I hope the House will see fit to pass the Bill. We cannot expect to get good results from the Arbitration Court unless it is there to function when the people want it. In the past, the greatest trouble has been that the Arbitration Court has not been available when it has been wanted. The general community desire that these industrial disputes should be settled by arbitration, so that there shall be no interference with industry. That is practically the only interest the general community has in connection with industrial disputes. Both the employers and the employees are agreed that it will facilitate the settlement of industrial disputes if a permanent president of the Arbitration Court is appointed and it is the earnest insistence of those parties that the Bill is brought forward.

Hon. G. W. Miles: What will happen when the president is taking his holiday?

The MINISTER FOR EDUCATION: If the president is absent from some cause or other, someone will be appointed in his place, but it is not intended that the president shall be appointed under the rules of the Supreme Court which enable the judges to take their long vacation. It is intended that he shall work as long as anyone else.

Hon. J. Cornell: That is inferred, but it is not stated definitely.

The MINISTER FOR EDUCATION: It would be stated in the agreement when the appointment is made. I move—

That the Bill be now read a second time.

Hon. J. E. DODD (South) [4.56]: I intend to support the Bill, but I am sorry that it is not of a more comprehensive nature. There are quite a number of amendments required to the Industrial Arbitration Act, which are not before us. It is better for the Government to introduce a Bill of this nature rather than to follow the example set in other States and scrap arbitration altogether. There is a movement throughout Australia, excepting in Western Australia, to scrap all industrial laws. I do not think a greater mistake can be made, than to take steps in that direction. I am glad that in South Australia, even the Liberal members voted for blocking the proposal of Sir Harry Barwell regarding the arbitration laws of that State. There are only two matters of importance contained in the Bill. The first is as to whether the president of the court shall be appointed for life, and the second is as to whether a layman may be appointed to that position. So far as the first question is concerned, and it is the most contentious, I think the Government are wise in pursuing the course they have adopted. It seems to me that despite the Bill introduced by me 12 years ago, which provided for an appointment having a seven years' duration, it would be

far better if a life appointment were made. It would give more satisfaction to all concerned. As to whether the president should be a layman, I think the Government have taken a wise step because, as has been pointed out here on many occasions, the choice is practically limited to two men in this State. I incurred some criticism from the late Chief Justice when I made that statement 10 or 12 years ago, and I think the then Chief Justice was rather sorry for his utterance when explanations were made. It was a fact that the appointment of President of the Arbitration Court was limited to two men. The Chief Justice could not take it on account of his other duties and Mr. Justice McMillan, who was a puisne judge at the time, would not take it and I believe had an agreement to that effect. In those circumstances, we were limited to two men. That is a huge mistake and has been the cause of a good deal of the trouble that has arisen. I have nothing whatever to say against either of those gentlemen. Still, to be limited to two men in a State like this is something of a farce. I think the Government could easily get a man who would give just as much satisfaction as would a judge of the Supreme Court. It is certainly a leap in the dark so far as the workers are concerned, and I suppose the same applies to the employers. We do not know what sort of a man may be appointed, but the Government should be able to get a suitable man. With a permanent president, there is no doubt that the arrears of the court could be speedily wiped out, and there would then be none of the irritating delays which have caused so much trouble and indeed are still causing trouble. Once we have a permanent president devoting the whole of his time to the business of the court, we shall get along very much better. One point to which I wish to direct attention and to which reference has not been made is that a deputation of mine owners waited on the Premier while he was in London and asked him to do something to minimise the effects of the award under which the miners obtained from the court an increase of wages some two years ago. It was a very small increase compared with what had been granted in other directions, because the miners had waited all through the years of the war without receiving an increase. The deputation asked that the award be scrapped and that the Premier bring in legislation to minimise the effects of the award. Although I am opposed to the Premier on many things, I must say that the reply he gave to the deputation was worthy of the Premier of the State, and did him infinite credit. He said the miners of this State had always obeyed the terms of the award and strikes in the industry could be counted on the fingers of one hand without exceeding the number of fingers, this after a period of 22 or 23 years of arbitration. Yet the deputation asked that the arbitration law be scrapped. We often hear criticism of the red-raggers of the industrial world, but to my mind infinitely worse red-raggers than

those ordinarily referred to by that name are such as these mine owners. As one who has taken as much interest as anyone in our arbitration laws, who has been on almost every committee of the Labour movement dealing with Arbitration Acts and who has represented the miners during the best part of a lifetime, it is only due to me to make that statement. I repeat that the reply of the Premier was worthy of the Premier of the State. I support the second reading.

On motion by Hon. A. Lovekin, debate adjourned.

## BILL—APPROPRIATION.

### Second Reading.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [5.4] in moving the second reading said: I share the regrets, which I am sure members will express, at the very long period that has elapsed between the presentation of the Budget in the Legislative Assembly and the submission of the Appropriation Bill to this House. The period has been unprecedentedly long. The Budget Speech was delivered on the 12th September, a very early date, much earlier than usual and exceptionally early when it is remembered that the Premier returned to the State only in the middle of July. His Budget was presented within a month of his return from London. It is not for me to say why the Budget has been held up so long in another place. I suppose a mass of contentious legislation had to be considered and was responsible for the delay. The estimated revenue for the year ended the 30th June, 1922, was £7,050,910, and the estimated expenditure £7,621,590, showing a deficit of £570,680. The revenue fell short of the estimate by £143,803 and the expenditure was exceeded by £17,652. The result was a deficit of £161,455 over and above the estimate submitted by the Treasurer. The shortage of revenue was due in the first place to the failure to pass the Licensing Bill, which it had been expected would realise an additional £109,000, and to short collections of revenue by the Taxation Department due to the late passing of the Land and Income Tax Assessment Bill early in last year. The extra expenditure amounting to £17,652 was due to the necessity for providing out of revenue the interest on the Wyndham Meat Works. If it had not been for the need of providing that amount out of revenue, which was not anticipated when the Estimates were framed, the expenditure would have been considerably below the estimate, notwithstanding the numerous increases of wages and salaries given by the awards of courts and of boards. This year's estimated revenue is £7,260,342 and the estimated expenditure £7,649,951, or a deficit of £389,609, or £342,526 less than the deficit of last year, thus nearly, though not quite, cutting last year's deficit in half. I am not going to pretend it is a

compensation for the late presentation of the Appropriation Bill in this House, but it is a fact that because of its late presentation, the House has a better opportunity to inquire as to whether the estimate is likely to be realised. I do not suggest it as a compensation, but it is the way of life that all our misfortunes have some compensating advantages, no matter how small they may be. We are in a fairly good position to-day to inquire as to whether the Estimates are likely to be realised. We are almost through the seventh month of the financial year and I am in a position to say there is every probability of the Estimates being realised, if not entirely, at all events approximately.

Hon. J. J. Holmes: What about the expenditure?

**THE MINISTER FOR EDUCATION:** I am referring to the estimated deficit. We shall approximately cut the deficit of last year in half. We are not going to receive anything like the estimated additional revenue from taxation, but in spite of that we shall realise our Estimates. We expected to get £50,000 more from the Licensing Act than we shall receive. We expected to get one-half of the full year's revenue from the Hospitals Bill. However, seven months have almost run and the Bill has not yet been passed, so that we shall probably be fortunate if we obtain one-fourth of the amount, and I may fairly say that without anticipating what attitude the Council may adopt towards that measure. In both these respects the Government will be disappointed, but notwithstanding these drawbacks, the position is distinctly encouraging and we are hopeful of realising the Estimates. The deficit for the first six months of 1921-22 was £592,895. During the first six months of the current year it was £471,125, or a decrease for the six months of the current financial year of £121,770. This is accounted for by an increase of revenue of £114,673 and a decreased expenditure of £7,097. The month of January has proceeded far enough to enable the Treasurer to indicate with absolute confidence that the deficit for this month, which is always considerable—the two biggest months are January and July following on the squaring up periods in June and December—will be from £60,000 to £80,000 less than the deficit for January of last year, so that we may expect to finish up the first seven months of the year £200,000 better than the first seven months of last year. That gives a distinct promise that we shall realise our estimates for the whole of the year in bulk, notwithstanding that we are not going to get the money from increased taxation under the Licensing Act and the Hospitals measure as we expected. A comparison of the revenue for the first six months of the present financial year compared with the first six months of the preceding year shows that the governmental revenue for 1921-22 was £1,290,191, while for the six months ended the 30th December last, it was £1,342,505, an increase of £52,314. Public utilities for the first six months of 1921-22 produced £1,720,374, while in 1922-23 they realised

£1,787,628, an increase of £67,254. That improved position in regard to public utilities, and particularly of the railways, is one of the most encouraging features of the position. The net revenue from trading concerns was £76,185 for the six months ended December 1921 compared with £81,290 for the half year ended December 1922, an improvement of £5,100, making a total improvement in revenue of £114,673. This improvement in revenue is undoubtedly due to the general expansion of industry. There has been no increase in taxation. We have received no benefit so far from the Licensing Act. The improvement is due to increased expansion, and it is not surprising that this increase should have occurred. When speaking on the Appropriation Bill last year I pointed out the extent to which traders all over Western Australia were cutting down their stocks and the very disastrous effect that was having on the revenue of the State. Members may have noticed a return published in to-day's paper which shows that from July to November, 1921, the imports into Western Australia totalled £1,534,381, whilst for the same period of last year imports totalled £2,519,504. The exports during the same period of 1921 amounted to £3,372,692, while for the same period of 1922 they increased to £3,545,267. In each case the balance of trade was in our favour, there being an excess of exports over imports, but the volume of trade was upwards of a million sterling greater in the five months of 1922 than in the corresponding period of 1921. It is undoubted that the increased volume of trade is largely accountable for the improved revenue received in certain directions. The expenditure for the six months as compared with last year shows, as I have said, a decrease of some £7,000. Under the special Acts, that is interest and sinking fund payments, there is an increase of £84,288—a very large increase, which would have been much larger had it not been possible to arrange for the termination of the sinking fund payments on the Goldfields Water Scheme. But for that relief, the increase under special Acts would have been much greater. The Governmental expenditure was £943,026 for the first six months of 1921-22, and £933,932 for the first six months of 1922-23, showing a saving of £9,094. Then we come to public utilities, which, as I have already informed the House, gave us an increased revenue. We find that the expenditure on public utilities for the first six months of 1921-22 was £1,432,407, as compared with £1,350,116 for the first six months of 1922-23, showing a reduction of £82,291. It is due to the fact that the public utilities have been able to earn more money because of the increased volume of trade, and the further fact that at the same time, because of economies, the public utilities have earned the increased revenue at a cost of £82,291 less than for the corresponding period of last year, that our financial improvement is so notable. The details of the revenue for the first six months of this year as compared

with last year show that taxation for the first half of last year was £375,914 as against £378,300 for the first half of this year, or an increase of only £2,386. The land revenue decreased from £173,661 to £150,827, or by £22,834.

Hon. G. W. Miles: How do you account for that?

**THE MINISTER FOR EDUCATION:** It is very largely due to reductions through re-appraisal of pastoral leaseholds and refunds on their account. If the hon. member desires further information, I will give him the fullest details. Some of that loss will be recovered in the latter portion of the year. The mining revenue declined from £7,748 to £5,027, showing a loss of £2,721. Timber revenue showed a small increase from £31,434 to £32,001. Departmental revenue increased from £409,306 to £488,021, a rise of £78,715, due to increased payments of interest and reduction of principal under advances made to settlers. The Mint revenue also showed a small increase of £1,217. So we have a total increase of revenue amounting to £52,314. There was a reduction, too, in the Commonwealth revenue of £5,016. The Commonwealth revenue declines year by year, because of a reduction of £10,000 per annum from our special grant, and because our increase in population is not quite sufficient to compensate for that. But in spite of those reductions in land revenue, mining revenue, and Commonwealth revenue, and no increase in taxation, there is an increased revenue for the six months of £52,314. When we come to public utilities, we find that the railways, which yielded a revenue of £1,253,286 for the first half of 1921-22, yielded a revenue of £1,321,882 during the corresponding half of the current financial year—an improvement of £68,596. The tramways increased, for corresponding periods, from £116,497 to £122,569—an improvement of £6,072. Electricity supply increased from £45,370 to £52,974—an improvement of £7,604. On the other hand, there were decreases. Water supply gave us a lower revenue by £10,390, public batteries a lower revenue by £2,340, harbour boards a lower revenue by £10,073, and miscellaneous services a lower revenue by £2,215. However, notwithstanding those losses, there was a net gain of £57,254 in the revenue of the public utilities. That amount, added to £5,105 from the State trading concerns, gave us a net gain of £62,359 in revenue under those headings. Turning to the expenditure, there is an increase in the Lands Department of £3,410, due to increased activity in settling people. That, of course, makes the department much more expensive, there being both decreased revenue and increased expenditure. There is also increased expenditure of £4,464 in the Education Department, to which I shall make brief reference later. Then there is increased expenditure of £7,246 in the Department of the North-West: but this is largely compensated for by a decrease in

Public Works expenditure of £5,271, due to work previously carried on by the Public Works Department having been transferred to the North-West Department. Generally there is a decrease of £9,094 in expenditure on governmental operations. When we come to public utilities we find that the railways, although they earned £68,596 more, did it at an expenditure of £65,663 less.

Hon. G. W. Miles: There is something wrong there.

**THE MINISTER FOR EDUCATION:** I shall make extended reference to that later. The result is due to the fact that economies which were put into operation some time ago, have resulted in about 1,000 men fewer being employed on the railways than was the case 18 months back. The tramways earned £6,000 more and spent £8,666 less. Electricity supply earned £7,604 more, but spent £6,003 more.

Hon. C. F. Baxter: Where would the tramways make savings of £8,000? Would it be in the repairs?

**THE MINISTER FOR EDUCATION:** They have made the saving. There are numerous matters on which I have not armed myself with details; but the whole of the details, which represent a very tall file, are available on any point on which any hon. member desires them. Goldfields water supply, as against £10,000 less of revenue, shows a saving of £8,572 in expenditure. The outstanding feature of the position, as regards the public utilities, is that railways and tramways have an increased revenue of £74,668 for the six months as compared with the corresponding six months of last year, and expenditure decreased by £74,329—an improvement of £148,997. That, briefly, is the revenue position for the six months of the financial year that have now expired; and the conclusion which we are entitled to draw from those figures, and from the knowledge that the Treasurer has of the position generally is that the estimated deficit will not be exceeded, or at all events not largely exceeded. It may be decreased. There is a distinct probability of practically cutting in half the deficit of last year. The Appropriation Bill at present before the House provides for the appropriation of amounts based on the Revenue Estimates, under Schedule B, £4,794,117, amounts based on General Loan Fund Estimates, Schedule B, £4,007,480, Sale of Government Property Fund, Schedule B, £111,776, and Land Improvement Loan Fund, Schedule C, £30,062; or a total as per Schedule A of £9,443,435. The items covered by Schedule F, totalling £162,548, represent excesses on last year's votes. These are very largely due to increases of salaries and wages granted by classifications and appeal boards. Schedules G and H cover excess on loan votes and trust fund votes respectively. These items are largely self-explanatory. There are items for tramway extension and the electric power station totalling £44,251. Then there is a loan item, "Assistance to Settlers" excess

£24,773, which is largely due to assistance granted to the Western Australian Meat Company. There is an amount of £86,000 for the Wyndham Meat Works to provide additional funds for the bank account.

Hon. G. W. Miles: Did you not anticipate that last year?

The MINISTER FOR EDUCATION: Not last year. This year we anticipate that we shall have to provide that money. Since we know that we have to provide it, it does not disturb our estimate. For Advance to Treasurer there is £500,000. In the past this amount was £400,000, but there is a good reason for the increase of £100,000, which I will explain. The wording of Schedule E has been altered this year by the addition of the last two lines. This alteration was made on the advice of the Solicitor General, to allow expenditure on account of the Victoria Quay, strengthening at an estimated cost of £150,000, to be debited to suspense account and charged over a period of five years to Consolidated Revenue fund. Executive Council approval has been obtained to this course. The meaning of this is that the expenditure is being treated in exactly the way as was the expenditure for relaying the railway line from Fremantle to Northam. The rails on that section originally were 60lb., and they were relaid with 80lb. It was held that in so far as the cost was due to putting in 80lb. rails instead of 60lb., it was a proper charge against loan account; but in so far as it was merely relaying, the cost should be borne by the Consolidated Revenue, and the amount was spread over a number of years. Exactly the same course will be followed in regard to the Victoria Quay. The Victoria Quay was originally completed in 1898 at an approximate cost of £83,000. The repairs and strengthening effected in 1911-12 cost approximately £68,500. The defective position of the Victoria Quay is due to damage done to the piles by the teredo. It is now proposed to renew the sub-structure, and partially to renew the super-structure, and also to increase the width of the quay by two feet. The total estimated cost of this work is £232,000. Of this amount the substitution of concrete piles for jarrah increases the capital value by £50,000. The widening of the quay will cost £30,000, and also increase the capital value by that amount. Of the total expenditure of approximately £232,000, therefore, £90,000 should be a charge to loan and £142,000 a charge to revenue. This expenditure is exceptional, and there is no reason why it should not be distributed over a period of five years, as the work will take a considerable time to do. In the meantime the expenditure will be placed to a suspense account.

Hon. G. W. Miles: The Treasurer gets credit for the revenue from these harbour works?

The MINISTER FOR EDUCATION: Yes: harbour works pay their revenue year by year into the Consolidated Revenue. The Victoria Quay, of course, is not a new work, but an old work, and in so far as the ex-

penditure is in the nature of renewals it will be debited to revenue. In so far as it represents entirely new work, it will be charged to loan account. It is not intended, however, to charge any renewals whatever to loan. They will be paid for entirely out of revenue. This is exactly the same policy as is followed in regard to relaying railways and generally. I do not intend to go into great detail in respect of the Estimates. I shall be prepared to answer any questions when I reply. Still, there are one or two matters to which I propose to refer more particularly. The first is the very important part which the railways play in our State finances. I have already indicated an improvement of nearly £150,000 for the closing part of 1922 as compared with the closing part of 1921. It will be remembered that the Government appointed Mr. Stead as Royal Commissioner. A great many of his recommendations have already been given effect to with good results. There are others which I have no doubt are sound, and with which the department agrees, but which will involve a considerable capital expenditure. They can only be put in hand from time to time, as funds warrant it. Others of Mr. Stead's recommendations are in conflict with the Arbitration Court awards. Then there is a very important recommendation, perhaps the most important of all which, so far as control is concerned, unfortunately, is in conflict with the opinion of the majority of members in this House. The Government, a little time ago, introduced a Bill to provide for the appointment of three Commissioners of Railways. This House rejected it. Mr. Stead is most emphatic in his recommendation that the administration of the railways would be better carried out by three Commissioners.

Hon. J. J. Holmes: This House recommended the payment of a decent salary to one competent Commissioner.

The MINISTER FOR EDUCATION: When the current financial year started, it was estimated that there would be an improvement of £200,000 as against last year. The figures for the first six months give promise that we shall do even better than that. The economy scheme, comprising certain retrenchments, was begun in May of 1921. As a result, the number of men employed has been reduced by about 1,000, and the cost of running the railways greatly reduced, because, in spite of the retrenchment, the railways are still able to do a very much larger amount of business.

Hon. G. W. Miles: What about the other departments? Has there been any reduction in the staff of, say, the Public Works Department?

The MINISTER FOR EDUCATION: Yes, there have been a great many reductions in the Public Works Department. Had the rate of interest remained as in 1913, this year's operations of the railways would have shown an actual profit over interest and working expenses. As it is, it is expected that the loss will not be more than £88,000, the lowest since 1916. The improvement is due, in

point of revenue, to general expansion in business and, in point of expenditure, to strict economy and the effecting of reductions.

Hon. G. W. Miles: The land settlement scheme must give you improved business.

The MINISTER FOR EDUCATION: Yes; anything that causes people to travel and goods to be sent about the country, must improve our business. The tramways are expected to show a profit of £13,000, or £3,000 more than last year. This is due to earnings on new lines, £12,000, as against £5,000 additional expenditure, and £1,000 additional interest. And, in the expenditure, £10,000 for relaying has been included. The electricity supply last year showed a profit of £4,347. This year it is expected to show a profit of £13,000. There can be no doubt that if this improvement in the more important of our public utilities be maintained, our financial position shall be greatly improved; because our deficits year after year have been due to the fact that our public utilities have not returned to the Treasury anything like sufficient to pay interest and sinking fund on the money borrowed for their construction. In respect of the State Trading Concerns, which are to some extent associated with our Public Utilities, I made a statement 18 months ago that up to that time the trading concerns had not contributed to the deficit, and that in the aggregate their operation had not resulted in loss. I think the Premier also made that statement. But, when making that statement I was very particular to show that that happy condition of affairs would not continue, that the balance was due to the very big earnings of the "Kangaroo" during war time, that this would not continue, and that the loss on the steamers and on the Wyndham freezers could not possibly be made up by the profits on the other trading concerns. The position is that for 1922 we obtained towards the payment of interest on money invested in those concerns £32,000 less than we had expected, and this year we are expecting a further loss of £44,000. Up to June, 1921, the loss on the State Trading Concerns had not been of any considerable amount, but the position is not by any means so good now.

Hon. G. W. Miles: Although you have charged up to capital your renovations on the "Kangaroo."

The MINISTER FOR EDUCATION: No. What was charged up to capital account in respect of the "Kangaroo" was the installation of cold storage, an entirely new work. The sawmills, with a fixed capital of £351,000 and a working capital of £161,000, showed a profit last year of £17,744, after paying interest, depreciation and everything else. From their inception till the end of June, 1922, the sawmills, after paying all working expenses, interest, and depreciation—£142,546 has been written off—showed a net profit of £85,896. The brickworks, with a fixed capital of £20,000, have shown a profit from the start of £533. The whole of that was due to last year's operations. They have also written off in depreciation £8,000 odd.

Hon. J. W. Kirwan: Does the Minister now believe in State Trading Concerns?

The MINISTER FOR EDUCATION: Not at all. I am stating facts, irrespective of my personal opinion. Later on I shall come to figures which make less pleasant reading. The quarries, with an invested capital of £14,000, showed a loss of £1,000 last year and, since their inception, have shown a total loss of £1,696. They have written off £2,242 as depreciation. The State Implement Works, with a fixed capital of £58,472 and a working capital of £175,200, showed a loss last year of £28,305. Their total loss amounts to £128,000. They have written off in depreciation £28,086. There was also written off a sum of £120,155, partly off fixed capital and partly as losses written off, the latter amounting to £96,160. In this total of £128,000 loss over the whole period, there is included the £96,160 previously written off as losses. The £43,902 written off the fixed capital is not included, nor is the interest which had to be met year after year on that £43,902, which would mean adding several thousands to the loss. The ferries showed a profit last year of £1,258. Since their inception they have shown a profit of £7,397, and have written off £4,497 in depreciation.

Hon. G. W. Miles: Are they expected to show a profit this year in competition with the Government trams?

The MINISTER FOR EDUCATION: Yes. The State hotels showed a profit of £8,769 during the year, bringing their total profit up to £54,452. They have written off £3,853 since the passing of the State Trading Concerns Act in 1917. Prior to that date considerable sums were written off as depreciation, but I have not the record. Of those trading concerns enumerated, the State Implement Works is the only loser, and the others would more than compensate for the loss. Now we come to two concerns not showing such good results. The State steamers, from the period of their inception, have shown a profit of £57,639, after writing off in depreciation £89,564. If we could leave it at that, the position would appear to be satisfactory. But we know that the position is due to the very high freights earned by the "Kangaroo" during war time, and we know that last year there was a loss on the State steamers of £105,000. So it looks as though another year will wipe out all the accumulated profits.

Hon. G. W. Miles: That is after writing up to capital the renovations on the "Kangaroo"?

The MINISTER FOR EDUCATION: No. What was written up to capital was the installation of the freezing chamber, an entirely new work.

Hon. G. W. Miles: You have her capital written up to over £300,000.

The MINISTER FOR EDUCATION: No, £85,000 has been written off for depreciation. The most unfortunate of our trading concerns



is the Wyndham Freezing Works. Those works have a fixed capital of £728,000 and a working capital of £210,000. The loss from the inception, to the end of December, 1921, has been £371,252, and for the year ended December, 1921, it was £185,824. That was the year in which the works were not operating, and the loss was not a loss incurred that year, but chiefly resulted from the necessity for writing down the anticipated proceeds from meat frozen in previous years. The meat works is the only trading concern that has not written off anything for depreciation.

Hon. J. W. Kirwan: Is it not considerable at Wyndham?

The MINISTER FOR EDUCATION: I have no doubt it is.

Hon. J. W. Kirwan: Why has it not been written off?

The MINISTER FOR EDUCATION: I think the reason is that they have not determined what it should be. In any case it is only a book entry and when you have not the money to pay it, it does not make any difference whether you write it off this year or next year. I should say that five per cent. would be the depreciation. The buildings would not require five per cent.; the machinery might require more.

Hon. A. Lovekin: You have just paid Allen £5,000 to tell you what the depreciation would be.

The MINISTER FOR EDUCATION: That is not so. Hon. members may add the depreciation if they like. The net loss on the whole of these undertakings was £290,545, and the net loss since their inception has been £300,041. That is to say the net loss last year was £290,000 and since their inception £300,000, so that practically for the year ended June, 1921, there was no loss and for the year ended June, 1922, the loss was £105,443 on the State steamships, £185,824 at Wyndham, £28,000 on the implement works, and against that there was a profit of £17,000 on the sawmills and £8,769 on the State hotels. It may be said that up to the year ended June, 1921, the trading concerns did not lose money, but that they were going to lose money was obvious to anyone. They have lost money, and personally I consider they will continue to lose money in the future.

Hon. J. Nicholson: Are you going to get rid of them?

The MINISTER FOR EDUCATION: I hope so. I have not the slightest doubt that we could get rid of those which show a profit. Personally I would not object to do that, but it would not greatly help us. The big losers are the State Shipping Service and the Wyndham Meat Works. I intend to make a brief reference to the operations of the Wyndham Meat Works during 1922 and I do so in view of the report submitted by the select committee of this House. I want the hon. members who compiled that report, and the House generally, to understand that it was only with

great diffidence that the Government determined to operate those works in opposition to the report of the committee, and as Minister in control of those works, and as acting Premier at the time the decision was arrived at, I am prepared to take my full share of the responsibility. The balance sheet is in course of preparation but I do not think that we have lost one penny by having operated during the season just concluded. I think we should have lost as much if we had not worked, and I am sure the members of the select committee will be only too pleased if this is the result, and if it is, I think they will fully endorse the action of the Government in deciding to work. I confess that at the bottom of my mind, in making that recommendation, there was the consideration which hon. members may describe as sentimental. I did feel that the products of these works were wanted in the world's markets, whatever difficulty there was in disposing of them. There was not a surplus of meat for the people to eat, and it was our duty to operate the works if it was at all possible to do so. It would have been a reproach to the Government, if after those difficulties of finance and international exchange had been overcome, and the market was there for the meat, had we not provided it, and so personally I was prepared to take the risk. We took the risk. It was confidently expected that there would be an improvement in the market as against the price prevailing at the time, and we decided to operate in April. The improvements did take place, though they were not so great as we anticipated. We purchased cattle on contract conditions, which so far as practicable were to secure the works against any greater loss than would have been sustained if they had not operated, and to give to the cattle owners the first portion of any advance in price that might be paid. We paid 10s. per 100lbs. dressed weight in beef suitable for export frozen, and 5s. 6d. per 100 lbs. dressed weight of beef unsuitable for export. In addition to this price a reduction was secured in oversea freight on frozen beef of one farthing per lb., and in making contracts with the owners of the cattle, we told them that we were fighting for this reduction in freight, and if we got it they should have it. We got it and they received it. We also undertook to give to the owners a share of the average London realisations upon frozen beef, in excess of 4d. per lb. hind quarters, and 3d. per lb. crops. We had been advised that there was a distinct probability of an increase of 1d. and we agreed to give the first halfpenny to the owners if there was an increase, and to divide any further increase, but it was not as big as we expected. The owners therefore will get the whole of it. Under the scheme the average return to cattle suppliers upon the season's operations may be stated as follows:—The average agreed price per head on the weight of beef, £2 17s. 6d., the average freight refund per head 9s.

2d., the estimated average per head ex London on realisations 14s. 6d., or a total of £4 0s. 9d. per head. It must be remembered that they were prepared to take £2 17s. 1d. It was the best that they could get and they actually got £4 0s. 9d. The best mob of the season sent to the works returned to the owner £5 6s. 8d. per head. Killing commenced on the 10th April and finished on the 28th September—24 weeks. The number of stock treated was 22,646 head. Shipments of frozen beef were made as follows:—To London 4,000 tons, to Java 125 tons, to Fremantle for re-export and for local sale 450 tons. It was estimated that had the works remained idle the costs accruing would have been, interest £77,500, fire insurance £3,000, caretaking, maintenance of meat works, township water supply £5,000; a total of £85,500. No allowance is made there for sinking fund or depreciation. It is generally agreed that the depreciation would have been greater if the works had remained idle. The result of working so far as can be ascertained and estimated will not add much, if anything, to these unavoidable idle works costs. We were disappointed in one matter. We expected to get a rebate of the surcharge of ¼d. per lb. imposed against Wyndham over and above other meat works. At one stage we thought we had it. However, we did not get it, but on the other hand we did get from the Commonwealth Government one farthing subsidy for frozen beef exported. That compensated us.

Hon. G. W. Miles: The reason is that you do not give them full ship loads.

The MINISTER FOR EDUCATION: Yes we do. They say that the port is difficult to enter. In fact all sorts of excuses are made and we are still fighting to get that surcharge removed. There is no justification for it. Our operating expenses, if they did occasion a slight loss, include £11,500 for fares and freights paid to the State Shipping Service as the result of the meat works operating in the 1922 season. That to some extent reduces their loss, and we paid to cattle owners £90,000 and in wages and salaries £58,000. In addition to all this we put upon the English market a good article and it has had the highest commendation. The Government decided to run these works in opposition to the report of the select committee, and we did so with the greatest diffidence, but I am confident that we did the right thing, and not only that, I am hopeful that the position so far as Wyndham is concerned, will improve. If it does, the present impossibility of disposing of the works at anything like a satisfactory figure will be removed, and if it is still the desire to dispose of them, we shall be able to get a decent price for them. Hon. members will have noticed the comments of Sir Sydney Kidman, probably the best judge in Australia, as to the future meat position, and when I say that only 1d. in the pound weight would make a difference of £50,000 in the operation of the Wyndham meat works, it will be realised that there is a prospect,

—I do not say of making a profit on account of the big capitalisation—but at all events the loss will not be so great and the works will become a saleable asset. So far the only offer for the works has come from people who, I think, must have taken the suggestion of the President for granted that the Government should sell them for half a crown.

Hon. J. Duffell: A 1d. in the pound on the wool clip would make a big difference.

The MINISTER FOR EDUCATION: An increase of 1d. or 2d. per lb. in the price of meat is by no means unlikely.

Hon. A. Lovekin: Will you tell us who suggested that the works should be sold for half a crown?

The MINISTER FOR EDUCATION: The President of this Chamber.

Hon. G. W. Miles: Have you heard in any way officially about the Victorian process?

The MINISTER FOR EDUCATION: Yes, it has been gone into exhaustively and if it is successful it will improve the position of frozen meat as against chilled meat.

Hon. J. J. Holmes: Did I hear your figures correctly when you said that it cost nearly £60,000 for wages and salaries to handle £90,000 worth of meat?

The MINISTER FOR EDUCATION: The meat was purchased at a low cost. The future operations of the works will depend upon satisfactory arrangements being made with the men in regard to wages, with the owners of the cattle, and also satisfactory arrangements with regard to freights. All these matters are being gone into. The staff is spending the whole of its time on them. So far we have not done anything except those things that must be done if we are to work. I hope we shall be able to work under slightly better labour conditions, but we must follow the awards given in other places. If reductions are made there we shall be able to apply them similarly. I hope this year the works can be operated to greater advantage so far as the producers are concerned and with smaller loss to the State, although I cannot see any prospect of their being operated at a profit.

Hon. C. F. Baxter: The capital should be written down.

The MINISTER FOR EDUCATION: I agree, but that would not improve the position. We wrote down the capital of the State Implement Works some time ago, but it comes up again. We do not get rid of it. If we had a reasonable offer for these works and could sell them at a decent price we should have to wipe off what had been lost and that would be a loss to the State. There are one or two items on the Revenue Estimates to which I desire to refer. There is an increase of upwards of £4,000 in the vote for education. We have over 1,000 additional scholars for this year as compared with last year. There are 820 in the primary schools and 200 in the secondary schools. The 200 are almost exclusively in the country districts. We expect an increase of 30 in the number of our schools. We have already es-

tablished 26 new schools in the group settlements. They are small buildings. We have altogether over 700 primary schools and more than half of these have less than 20 scholars. We have in our correspondence classes nearly 700 children, all in localities so remote that it is impossible to get even eight children together to form a school. Our expenditure per head of the population for this year on education is 35s. That includes all public works, expenditure on our buildings, the grant to the University, and the educational expenditure incurred by the Department of Mines and by the Aborigines Department. The total amount is 35s. per head of the population.

Hon. G. W. Miles: Have you done all that for the extra £4,000?

THE MINISTER FOR EDUCATION: Our estimated expenditure is only £4,000 more than for last year although we have 1,000 extra scholars and 30 additional schools.

Hon. G. W. Miles: You have been economising in your department?

THE MINISTER FOR EDUCATION: We have economised wherever we could. The trouble is to get through with the extra £4,000. I shall not be surprised if we have to ask for another £4,000 by way of excess. We cannot be opening schools for group settlements without spending money. In England the expenditure on education increased very largely during the war. Then there was the appointment of the Geddes Economy Commission, which made certain recommendations. Some of these were carried out. On the reduced expenditure in England it is still 50s. per head of the population as against 35s. in Western Australia. In England they have to deal with a compact community whereas we have probably the most widely scattered community on the face of the earth.

Hon. G. W. Miles: Is that the cost to the British taxpayer?

THE MINISTER FOR EDUCATION: Yes. They also have the advantage of very large expenditure by private people in private schools. They have a much easier problem to cope with than we have. As a result of investigations which have been made by our teachers, who have been exchanged with teachers in the Old Country during the last few years, we have been informed that the English child gets no better education for the expenditure of 50s. than does the Western Australian child for 35s. Most of the American States spend nearer £5 per head. In New Zealand they spend £2 13s. as against our £1 15s. It is a curious fact that whereas in New Zealand with their £2 13s. expenditure on education they spend only £5 15s. on liquor. We, on the other hand, spend £8 15s. on alcoholic liquors, £3 more per head of the population than does New Zealand, and nearly £1 less on the education of our children.

Hon. A. Lovekin: What does that signify?

THE MINISTER FOR EDUCATION: In 1901 our expenditure per head of the average attendance in our schools was £1 8s. 7d. above the general average for the whole Common-

wealth. To-day our expenditure per child in average attendance is 16s. 6d. below the general average for the Commonwealth. In New South Wales the cost has gone up from £4 in 1901 to £11 7s. 5d. in 1920. In Victoria it has gone up from £4 7s. to £7 15s. 6d.; in Queensland from £3 12s. 9d. to £9 13s. 11d.; in South Australia from £3 9s. 5d. to £6 11s.; in Western Australia from £5 9s. 3d. to £8 15s.; in Tasmania from £2 12s. 11d. to £7 3s. 5d. Ours has been by far the smallest increase. Nearly the whole of our increase has been represented by increased salaries awarded as a result of the classification and the awards of the Appeal Board. Instead of as in 1901 spending £1 8s. 7d. per child more than the average of the Commonwealth to-day we are spending 11s. 6d. less. I have been asked what all this signifies. From my point of view the position is this: we suggest it is a good thing to do all this for the children but that we cannot afford it. My answer is that any community which can afford to spend so much money on luxuries—I do not say this ought not to be done—is not entitled to say it cannot afford to educate its children.

Hon. J. J. Holmes: For this 50s. per head in England do the authorities not provide food and clothing for the children in many cases?

THE MINISTER FOR EDUCATION: I understand they do provide food and books, etc., in certain cases, but I do not know that this expenditure comes out of the ordinary vote. Our teachers who have visited England say that insufficient care is taken of the articles supplied, and that there is not the same spirit amongst the children as there is here. There is a great deal in the English system that it would be unwise for us to follow. Some comment has been made upon the expenditure on the North-West Department. Under the three items, revenue, trust items, and loan fund, there was for the year 1922 an expenditure of £81,689. For the current year we estimate the expenditure will be £141,974, being an increase of £60,000; this is exclusive of the Wyndham Meat Works and the State steamships. It has been suggested in another place that we are doing nothing with the North-West. As Minister for that department, I do not mind saying that the estimates I put forward were very much cut down.

Hon. J. J. Holmes: Does this include the Beadon Point jetty?

THE MINISTER FOR EDUCATION: Yes. Last year on the Loan Estimates a sum of £10,788 was provided and this year a sum of £50,000 is set down, and £40,000 of the total of £60,000 increase is for that jetty. The increase in the vote is more than justified. I am not in position to say as much as I should like with regard to the development of the North-West from the point of view of cotton growing. In a couple of days we are expecting Colonel Evans, the British cotton expert. He has promised to give us a fortnight of his time. We have prepared in great detail a scheme for discussion with him. What

we have done at present is to settle 12 men in three groups of four at Derby. They were sent up rather late, that is to say in December, whereas they should have gone up in May. Notwithstanding this, they have done excellent work. I believe they will have from 60 to 100 acres of cotton in this season. We shall, at all events, have an opportunity of seeing how the experiment goes. If the scheme we have put forward can bear the close scrutiny of Colonel Evans, we hope to have a large number of settlers on cotton land during the coming year.

Hon. G. W. Miles: Will he visit the North?

The MINISTER FOR EDUCATION: He will not have time to do that, though I do not know that this is an irreparable misfortune.

Hon. A. Lovekin: Why not send him up by aeroplane?

The MINISTER FOR EDUCATION: If he is willing to go in that way. The history of cotton growing in Australia is a very interesting one. If we go back to 1871 we find that in Queensland  $2\frac{1}{2}$  million lbs. of cotton were being grown. The industry languished and almost disappeared. In 1921-22 it was revived, and over 7,000 acres were placed under cultivation. For the current year no less than 11,000 individual farmers have applied for seed. It is expected that the cotton production of Queensland, owing to the rapid development which has been made quite recently, will this year be worth upwards of one million pounds as against £90,000 last year. This is a tremendous growth. In Egypt from two million acres 30 million pounds worth of cotton were grown, an average of £15 per acre. Our climate and our conditions in the North are entirely suitable for cotton growing.

Hon. G. W. Miles: And for sugar.

The MINISTER FOR EDUCATION: Yes, we have equal opportunities with Queensland for tremendous expansion in this direction.

Hon. G. W. Miles: Cannot you get private enterprise to go in for it?

The MINISTER FOR EDUCATION: Of course. We have applications from numbers of people who are waiting to start in the industry. It is desirable, however, that the work should be done upon a system. We have, therefore, discouraged people from going up there at this season of the year. We have got this lot of 12 men there now, but we have told people it is not a good time to go as they have entirely missed the season. We thought the work these 12 men would do would be worth while even if no profit was made during the first year. We have, therefore, advised other people not to touch it. The season is wrong, but we hope to have things ready for a good start later on. The time for people to go up is in May. The scheme I have referred to involves some small resumption of pastoral areas. In some cases notice was given 12 months ago and this has expired, and in other cases notices will be given. There is a good deal of Crown land also available. There is no reason why we should not

make a systematic start with cotton growing in May of the present year. I am hopeful we shall not be long before we make as rapid progress as has been made in Queensland. I have been reading a good deal about the subject of late and I understand there is no danger so far as demand is concerned. The American crop has decreased to one-third of its normal state, as a result of the boll weevil, and it has even been suggested that cotton growing in America should be entirely stopped for a year as the only means of stamping out the pest. The American Government have been asked to put up an enormous sum of money to compensate the growers through the cropping being stopped in the hope of starting the industry on sound lines again. The demand for cotton is increasing and America cannot supply it. This, therefore, is Australia's opportunity. The manufacturers in England are keenly anxious that if possible a supply shall be obtained within the British Empire. From all points of view we have reason to expect that in this direction there will be great expansion in the North-West.

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

The MINISTER FOR EDUCATION: Before placing before the House the figures relating to the Loan Estimates, there is one matter relating to the finances of the State generally to which I should like to direct the attention of hon. members. We all know that comparisons are odorous, but recently two very prominent citizens of Western Australia have indulged in comparisons between the public finances of Western Australia and the public finances of Victoria. The first comparison was made by his Worship the Mayor of Perth (Sir William Lathlain) when speaking at a reception tendered to the Premier of Victoria. I do not remember the exact words of the Mayor, but at any rate the idea conveyed was that because of the administration of the present Premier—I am sure I share the Mayor's admiration of that gentleman—Victoria was so much better governed than Western Australia and its finances were in a much better position. In the last issue of the "Sunday Times," we read a short extract from an interview with Sir Walter James published in the "Melbourne Herald." It was a brief extract and Sir Walter was reported as saying:—

You are lucky to live in a State with sane stable Government and without a heavy burden of debt always like a millstone round your neck. I wish we were in Victoria.

The Mayor is a Victorian and is, of course, entitled to pride and enthusiasm in his birthplace. Sir Walter James is a Western Australian, and I for one refuse to believe that the brief extract published in the "Sunday Times," fully and fairly expressed what Sir Walter James had to say. I do not think that any Western Australian would give expression to the opinion that he wished we

lived in Victoria. If he did say that, of course the retort is obvious. What neither of these gentlemen seems to realise is the monstrous unfairness of comparing the public finances of two States, one of which has benefited more than any other State of the Commonwealth as the result of Federation whilst the other has suffered more than any other State.

Hon. A. Lovckin: Hear, hear!

The MINISTER FOR EDUCATION: Nearly five years ago, in April, 1918, I placed before the House a review of the effect of Federation on Western Australia.

Hon. J. Duffell: We have not forgotten it yet, either.

The MINISTER FOR EDUCATION: After a lapse of five years, I do not wish to alter one figure that I submitted on that occasion, nor yet to retract one conclusion that I drew. I pointed out that since Federation was consummated, there had been two alterations in the methods of distributing the surplus revenue, both of which had been highly prejudicial to Western Australia, not merely as compared with the total amount retained by the Commonwealth but as compared with the results in other States.

Hon. J. W. Kirwan: I hope you had better figures to go on than those supplied by Mr. Owen.

The MINISTER FOR EDUCATION: I mentioned then that while our return under the method laid down by the framers of the Constitution as just and equitable as between States, averaged over the first five-year period £5 5s. 7d. per head per annum, over the second period of five years, after the first alteration in the method had been made, it was reduced to £2 19s. 1d., while for the next period, after the second alteration had been made and up to the time I spoke in 1918, it had been still further reduced to £1 16s. 8d. I pointed out that Victoria, for the first five-year period, had averaged £1 13s. 4d.; for the second five-year period, £1 14s. 10d.—an actual increase as compared with the 44 per cent. decrease in the case of Western Australia—and for the third five-year period, £1 4s. 7d. To-day, Victoria is obtaining only 8s. 6d. per head per annum returned to her from the revenue collected by the Commonwealth in Customs and Excise, less than was paid at the start of Federation, whereas we receive £3 14s. less than during the first five years of Federation. I drew attention to the effect of Federation on our industries. I showed that whilst the manufactures of the Commonwealth had nearly trebled the volume of labour employed, ours had practically stood still. I showed how the highly protective tariff had hit us both ways, depriving us of the advantages of free trade, particularly as applying to our primary industries and their requirements, and that it had not helped us in connection with our secondary industries so that we could enter into competition with the older established industries in the Eastern States. After a lapse of five years, I do not wish to retract one word of what I said on that occasion.

Although my statements were widely published throughout the Commonwealth at the time, no serious attempt was made to show any error in the reasoning I advanced then.

Hon. J. W. Kirwan: One statement you made need not be refuted. It was too absurd for anyone to take any notice of it.

The MINISTER FOR EDUCATION: That may be the opinion of the hon. member.

Hon. J. W. Kirwan: It is the opinion of anyone who knows anything about the Federal Parliament.

The MINISTER FOR EDUCATION: I propose to briefly supplement my statements on that occasion with facts and figures to illustrate the fatuous nature of comparisons between the public finances of Victoria and Western Australia respectively. Sir Walter James, as one of the leaders of the campaign for Federation, should be one of the first to appreciate the position of Western Australia which has suffered more than any other State, and to appreciate the fact that Victoria has gained more. For the year 1920-21, the Commonwealth collected in customs and excise from the people of Australia in excess of the amount it returned to the States, including special grants to Western Australia and Tasmania, £4 10s. per head of the population. That was for all the States, but for Victoria the excess was only £4 2s. 11d., whilst for Western Australia it was £6 4s. 5d. That shows there was an excess of collections over the amount returned to the States of £2 1s. 6d. more in Western Australia than in Victoria; £1 14s. 5d. more than the average for the Commonwealth; and £1 10s. 1d. more than the next highest State, South Australia. This has been our experience year after year throughout the whole period of Federation.

Hon. J. W. Kirwan: Where does the Minister get his figures regarding customs collections in the State?

The MINISTER FOR EDUCATION: These figures are available to any hon. member. For 20 years the Commonwealth has collected £24 0s. 11d. per head in excess of the amount repaid over all the States. In Victoria the Commonwealth collected £22 3s. 11d. in excess of the amount repaid, and in Western Australia, £31 10s. 10d. Taking the taxation figures in 1920-21, the direct and indirect taxation by the Commonwealth of the people of Victoria was £9 5s. 3d. per head. In Western Australia it was £11 1s. 2d., and the experience has been similar throughout the whole history of Federation. Turning to the figures regarding population and industrial development, what do we find?

Hon. J. W. Kirwan: Surely the Minister does not contend that Mr. Owen's figures regarding customs collections are correct!

The MINISTER FOR EDUCATION: Many of my figures are taken from the Commonwealth Year Book. During 21 years of Federation, the Australian population has increased by 46.38 per cent. Victoria showed an increase of 29.66 per cent., and Western Australia, an increase of 86.42 per cent. That shows that our rate of increase in population has been

treble that recorded by Victoria. On the other hand, what is the position of our industries? After 21 years of Federation, Victoria has increased the number of her factory hands by 85 per cent., whereas we in Western Australia increased ours by only 23.4 per cent. The amount of wages paid in Victoria has increased by 105 per cent., whereas ours has only increased by 26.3 per cent., although our rate of increased population is treble that of Victoria. In the 12 years, 1908-1920, Victoria increased the number of hands employed in her factories by 45.5 per cent., and her wages payments by 177.4 per cent. We increased the number of hands by only 24 per cent., and the wages paid by only 47.4 per cent. Could there be any more conclusive evidence of the extent to which the policy of the Federal Parliament and its highly protective tariff has advanced the interests of Victoria and prejudiced the industrial development of Western Australia?

Hon. J. Cornell: What is the remedy?

The MINISTER FOR EDUCATION: We have been able to exist only by the expansion of our primary industries, and even in that expansion we have been retarded and prejudiced because of the highly protective tariff that has contributed so largely to the development of the secondary industries in the Eastern States. One further indication is furnished by our figures of imports from and exports to the other States. I refer to goods of Australian origin and not to British and foreign goods, re-imported into Western Australia. During the first 20 years of Federation we imported goods from the Eastern States to the value of £70,454,000 and exported to the other States, Western Australian goods representing a value of £28,030,000. A great deal of that was gold and coin. The balance of trade against this State for the period was therefore 42½ millions. In the last two years, 1920 and 1921, we imported from the Eastern States, Australian goods of a value of £12,240,000—I refer to Australian products and not to re-importations of British and foreign goods—and we sent to the East exports valued at £1,915,000, showing a loss of over £5,000,000 per annum. A good many people think—and I believe these two gentlemen to whom I have referred, who made a most unfair comparison between Western Australia and Victoria, think so too—that we are a very heavily taxed community. I have shown the rate of increased population and that we are taxed more heavily by the Federal Government than any other State. The latest figures which I have taken from the Commonwealth Year Book, No. 15, show that the State taxation per head for 1921 was as follows:—New South Wales, £3 10s. 8d.; Victoria, £2 10s. 4d.; Queensland, £4 17s. 11d.; South Australia, £3 6s.; Western Australia, £2 17s. 9d.; and Tasmania, £3 6s. 7d. We are the second lowest in the Commonwealth and the lowest with the exception of Victoria. We exceed that State by only 7s. 5d., and we are 10s. per

head lower than the general average for the Commonwealth. Comparing the finances of the several States in connection with the returns for revenue and expenditure for the last completed year of 1921-22, it is true that our deficit totalled £732,135, but against that we had actually contributed £281,000 to the sinking fund, and the interest on the accumulated sinking fund practically made up the balance of the deficit. South Australia showed a surplus. Victoria showed a deficit of £79,000 and contributed nothing to sinking fund. New South Wales showed a deficit of £1,328,704 and contributed nothing to sinking fund. Queensland showed a deficit of £188,000 and contributed nothing to sinking fund. Tasmania showed a deficit of £120,000 which was practically balanced by her contribution to the sinking fund. In the first year under Federation our gold yield was worth seven and a half millions sterling. Now it is only half of that amount. We have lived under Federation only by the great expansion of our primary industries, an expansion illustrated by the fact that while in 20 years the increase in the area under crop in the Commonwealth was 58 per cent., in Western Australia it represented 648.5 per cent., a truly marvellous increase, which has enabled us to live. Now I am asked how do we propose to get out of this difficulty? By the same means which have kept us going during the last 20 years, and perhaps we shall be able ultimately to take advantage of the high protective tariff which has contributed to the building up of secondary industries in the Eastern States, but until that time comes, it is monstrously unfair to institute comparisons between the public finances of Victoria and Western Australia and to give credit for the difference to the Government who happen to be in power. If Western Australia had received the same advantages under Federation as Victoria has had, our financial position would be just as good as hers. The Estimates of loan expenditure for 1921-22 amounted to £3,548,304, but the actual amount expended was £2,454,925, the balance unexpended being a little over a million sterling. In our Loan Estimates it is always necessary to plan a long way ahead, and the consequence is the estimates put up for the year always contain a large sum of money which cannot be spent until well into the following year. I do not know of any means by which a consecutive loan policy could be carried on without doing that. The expenditure from the 1st July to the 31st December of last year was £1,090,236, and there is no doubt that the total amount estimated on loan expenditure this year, as in all previous years, will not be nearly reached by the 30th June. Most of the money to be spent under the Loan Estimates is for settlement on the land. In that connection it is interesting to note that on soldier settlement the total expenditure to date has been £5,063,145. On lands and works (purchases, drainage, clearing, tractors, etc.) £944,929 has been spent; on Agricultural Bank advances, £4,118,216. Agricultural

Bank approvals to soldiers to the 31st December, 1922, total £4,719,492, and loans were approved to the 31st December, 1922, to 4,729 individuals including British soldiers. Soldiers are also taking up wheat lands as thrown open at Newdegate, Westonia, and Southern Cross, and will come under the scheme subsequently. The total commitments to date amount to £5,064,421, and the average commitment represents £1,198 per man. The expenditure on estates not yet settled, such as the Peel estate and Herdsman's Lake, is included in that amount, so that the cost per man will probably be less than £1,100. A great deal of expenditure is included in the total which has not yet been divided up amongst the soldiers. That figure of £1,100 per soldier compares very favourably with the average in the other States. Group settlement also accounts for a large proportion of the loan expenditure. The number of groups established is 49, and the number of men in them is 945, the total number of souls is 3,500, and the expenditure to date amounts to £214,421. It is too early yet to apportion the amount between the different settlers, but it is confidently expected it will be a very long way below the average amount for soldier settlement. During the debate on the Address-in-reply, £1,000 per head was generally quoted as the amount which it would cost. There is reason to suppose, however, that it will be considerably below this figure. The expenditure on the Peel estate including purchase has been £190,096, of which £43,000 represented plant which will be of use elsewhere, thus reducing the expenditure on the estate to £147,096. It is estimated that it will cost to complete £150,000, bringing the total for the estate to £297,096. There will be a profit on the sale of firewood amounting to £30,000, making the total of the estate £267,096. The works carried out will drain 18,000 acres of swamp and altogether 50,000 acres of the estate can be cropped, and it is regarded as a conservative estimate that as against the £267,000 spent on the estate, its value will be not much short of one million sterling. With regard to these estimates of loan expenditure, a point of very great importance is our population, and I wish to make a brief reference to what has been said with regard to our ability to retain our population. In the past figures have shown that the Government have brought out large numbers of people, but that the net gain by excess of immigrants over departures has not been great. Reference was made to this fact in the Speech at the opening of Parliament, but a close analysis of the position shows that we seem to have overcome that trouble. This year for the first time since the war, we are holding the people we are bringing out. For the five years preceding the war period, the Government brought out 35,246 migrants, and there was a total excess of arrivals over departures of 33,579. Before the war, therefore, we retained nearly all the people we brought out; there was only a small leakage. Then we come to the war period, 1914 to

1918, when men were going away. From 1914 to 1918 inclusive the departures from the State exceeded the arrivals by 37,000. Twenty-five thousand men enlisted. Of these we certainly lost 5,500, who were killed. The condition into which our industries were thrown owing to the war caused large numbers of other men to leave Western Australia, so that during this period we lost by excess of departures 37,000 people. In the following year the men who returned represented an excess of arrivals over departures of only 14,000, leaving us with a net loss of population for the six years of 22,791. That was where the great loss of population took place.

Hon. J. Cornhill: Twenty thousand soldiers were demobilised here.

The MINISTER FOR EDUCATION: Quite so. While our soldiers were coming back other people were going away. The Government brought out 1,499 people in the first year after the war, and in spite of that there was an excess of departures over arrivals of 1,347. During 1921 the Government brought out 3,344 migrants, but the excess of arrivals over departures was only 27. We were not holding our people. In 1922 the Government brought out 4,369 and there was an excess of arrivals over departures of 3,304—by far the best record for any period back to pre-war days. Not only was there that excess, but the Commonwealth Government, for a reason which it is not easy to understand, deduct a certain percentage of our population every year for unrecorded departures, and that deduction in 1921 totalled 953, while in 1922 it was 939. I fail to see how that number could get out of Western Australia without being recorded. If we exclude that arbitrary deduction by the Commonwealth Government, we find that during last year the excess of arrivals over departures was equal to the number of people the Government brought out. For the first time we are retaining the people we are bringing here. The census figures are not entirely satisfactory. No doubt it is within the recollection of members that, after the census of 1911, we had to deduct from our population 11,500 people. They could not be found on the census, although on the records kept from year to year they appeared to be here. Between 1911 and 1921 there was a deduction every year for unrecorded departures, and notwithstanding that, on our census figures of 1921 we had to make a further deduction of about 5,000. There is very little room for doubt that the collection of the census in this widely scattered territory has not been entirely satisfactory, and that we have not been credited with the population we possess. Of course every soul not credited to us means a loss of 25s. a year to us and a similar gain to the Commonwealth Government. But the great feature from the point of view of the Government is that we are retaining the people we are bringing out. That is the case for the year 1922 and I think the activity displayed all over Western Australia suggests that this must be the case. In 1913 the amount spent on buildings in the city of

Perth was £152,000 and last year it exceeded £500,000. Therefore, we must realise that we cannot be losing our population. No doubt we shall be able to retain the people fully in future as we have done in the past 12 months. As a matter of fact with the exception of the period between seed time and harvest when there was a little unemployed difficulty in this State, all the arrivals have been quickly placed after landing in Western Australia. The migrants who came by the boat which arrived on Saturday last were all placed in satisfactory positions before midday on Sunday, so that in considering these Loan Estimates, it may be safely concluded that so far as the money is to be employed in increasing our population, we have solved the difficulty of keeping the people here once we get them. I do not think it is necessary to go into the details of the items of the Loan Estimates. There are two or three which perhaps are not fully explained, and it might be of interest to members to know what the amounts are for. There is the item £150,000 for rails and fastenings. That amount provides for the following:—Esperance-Northwards railway, £70,000; Busselton-Margaret River, £45,000; Nyabing-Pingrup, £24,000; Wyaleathem-Mt. Marshall, £3,000; and minor items £8,000. Under the heading of tramways a sum of £91,515 is provided, of which £30,000 is for the Como line; £9,500 for duplication of existing sections and minor works; £9,500 for machine shop, tools, etc., and £42,500 as a first instalment to give effect to the Royal Commission's recommendations with regard to the construction of new lines. There is little doubt that the Como line will be one of the most profitable sections of the service. Long before the tramways were purchased I fought against their purchase by the Government, because I always held that these facilities should be in the hands of the local governing bodies. But the fact remains that while the Government have them, we must provide for the requirements of the people. No doubt the provision made here will be entirely profitable. There is a sum of £38,000 for goldfields water supply. This is chiefly for extensions from the main to different places in the agricultural areas—Goomalling extension £14,000; Toodyay, £8,700; main agricultural extension, £5,300; small agricultural extension, £4,000; York-Beverly reticulations, £3,000, and mining centres £5,000. The vote for mining on the Loan Estimates for last year was £35,000 for the development of mining itself and £10,000 for water supplies. Last year £31,000 was spent on the development of mining, and £7,000 on water supplies. The vote for this year is the same as that for last year, £35,000 for development and £10,000 for water supplies. I think there is good reason to expect a considerable extra prosperity from our gold mining industry. I am not competent to speak at any length on the subject, but I have no doubt members representing the gold mining industry will agree with me when I say that the prospects of the industry are brighter now than they have been for some

years past. If it is in the hands of the Government to do anything to stimulate activity and to help any promising centre, it will be done. Of the total under the Loan Estimates of £2,314,000, nearly 60 per cent. is for the development of agriculture, very largely, of course, in connection with group settlements and the completion of the work of settling the soldiers upon the land. The amount provided for the year for expenditure on group settlement is £452,000. That includes clearing, housing, and a good deal of other work. Public Works appear on the Loan Estimates for £86,545. This includes an item of £19,300 for the Claremont Asylum, and an item of £10,000 for a reception home at West Subiaco in connection with the same institution. Those are two very large items, but they are both incurred in response to the report of the Royal Commission on Lunacy, and they are also in accord with what the Government know to be the needs of the position. We must do something in this direction. The £10,000 for a receiving home is, to my mind, expenditure that ought to have been incurred long ago. The idea is to have a kind of convalescent home for people who require that sort of treatment, before they go into the asylum, instead of after. It is absolutely certain that by the establishment of the receiving home we shall save a very large number of people from going into the asylum at all. If by the expenditure of this £10,000 we can fulfil that recommendation of the Royal Commission—the Chairman of which was a man of very great experience in the matter—the money will be repaid to the State over and over again. Further, there is a sum of £15,000 representing the first instalment towards the construction of permanent buildings for the University. I have not attempted to detail exhaustively all the phases of these Estimates, but, as I have already stated, any information that is required can be supplied as fully as hon. members wish. My object has been to supply information on the more important points. I am satisfied, and the Treasurer is entirely satisfied, that our financial position is steadily and surely improving. The closest economy has been and is being exercised in all departments, consistently with giving to the public such services as are necessary to aid and stimulate the development of our industries. The improved position of our finances is not due to increased taxation. It is due on the one hand to economies, and on the other, but still more, to the general expansion of industry. The Government are confident that a steady devotion to the policy of increased population and enlarged production is the only thing that can help the State out of its present financial difficulties, and place it in the position it ought to occupy amongst the States of the Commonwealth. I know that there are in this House doubters—I will give them credit for being honest doubters. Doubts have been expressed as to the markets which will be available for certain products when



we have grown them. But if we look back, we find that the State of Victoria, regarding which so many comparisons have been made detrimental to this State, lifted itself out of financial difficulties greater than ours, difficulties which involved very large numbers of the Victorian people in absolute ruin, by the development of the butter industry at a time when butter was not worth anything like so much on the world's market as it is to-day. When Western Australia reached the stage of growing too much wheat for its own consumption and had to look abroad for markets, much of our wheat was sold at 2s. 6d. and 3s. per bushel, not much more than half the price prevailing to-day. We have to look back only a couple of years to find the wool market in what seemed to be an entirely hopeless position; and we all know what splendid prices are being realised for wool to-day. I say that at any time it is impossible for anyone to predict far ahead what the market for any commodity is going to be. It is impossible at any time to make reliable distant forecasts in that regard. To-day, with the shadow of the war still hanging over the greater portion of the civilised world, with the currencies of countries in such a chaotic condition that whereas under normal conditions a pound of our exported meat could be obtained for a German mark or an Austrian krone, to-day it is impossible to say how many hundred German marks or how many thousand Austrian kronen a pound of our meat would bring, to-day, I say, no one can predict what the market for any particular article will be in the course of a year or in the course of two years. But there is one thing that we know, and know definitely. We know that the world requires the things that we can produce. We have here in abundance all the natural requirements for such production. And I venture to think that if, without stopping to find out what cannot be found out, without puzzling our heads too much as to what wheat is going to be worth two years ahead, or wool or meat will be worth two years hence, we go on producing those things which we know the world wants and we can produce, we shall be doing our duty to common humanity, and that as a State we shall come out right and that our people will be prosperous. There is no place in the world that can be compared with Australia in regard to either its present position or the prospects of its people. Whilst every State in the Commonwealth is a good State, and a good place to live in, Western Australia possesses possibilities of expansion greater than any of the others. Personally I believe that the people of this State are prepared to live up to its possibilities. I believe that the time must soon come when the Federal Parliament will recognise and correct the very grave injustices under which Western Australia is labouring to-day; and I believe that every year the feeling is growing in the Old Country that it is desirable for the people of Great Britain to co-operate with men and

money in the great task before us. It is in the firm conviction that this Appropriation Bill is in keeping with the requirements of Western Australia and in the best interests of her people that I move—

That the Bill be now read a second time.

On motion by Hon. J. J. Holmes debate adjourned.

#### SELECT COMMITTEE, FISHING INDUSTRY.

To adopt Report.

Debate resumed from the previous sitting on the motion by Hon. F. A. Baglin, "That the report be adopted."

Hon. G. POTTER (West) [8.10]: Only a few years ago the Premier gave to Western Australian citizens the slogan, "Increased production." Hardly had the echoes of that cry been lost, when the whole State, in every portion, took up the motto "Increased production." The genesis of that cry is not wrapped in mystery; its origin is not obscure. It came from circumstances, the hard circumstances of the aftermath of the war. The Premier's breadth of vision enabled him to see, with others in the State, that increased production alone would get Western Australia out of her difficulties. Just an hour or two ago, when we heard with rapt attention the words of the Leader of this House, we were conscious of the reflection, in the present situation, of the result of the Premier's cry for production. Many factors conduced to the circumstances which demanded increased production. The first, and the ruling, factor was the high cost of production. Then there was the partial paralysis of trade which reflected the depreciation of sterling in the exchanges of the world. Those were the dominant factors which necessitated increased production. It certainly is a truism that for a community to become uniformly successful it must be wholly employed. In order that a community may be wholly employed, every avenue of employment must be exploited. Further, the community must be employed profitably; and to be employed profitably it must be able to sell its products at reasonable rates, at prices which enable the people to buy. Therefore, if, by the report of the select committee appointed to inquire into the fishing industry, anything can be attained that will reduce even by a little the cost of living, a very desirable object will have been effected. Mr. Lovekin described fish as something succulent, something that would create an appetite. But fish is something more than that. Fish is well adapted to appease a healthy appetite. Unfortunately, however, the price at which fish is being offered to the community to-day precludes that article of diet from taking its proper place on the general menu. I have great hopes that Mr. Lovekin will change his attitude a little. Cer-

tainly, he seemed to me somewhat facetious in his remarks.

Hon. J. J. Holmes: He was only fishing.

Hon. G. POTTER: I remember a time when the hon. member was not fishing, when he appeared to me like a butterfly that a little boy has pinned on a card. On that occasion he upbraided Dr. Saw for indulging in facetiousness, indicating that this was a thing which he himself was incapable of. Again, there was an occasion when the hon. member was invested with the mantle of Jeremiah. He discarded that mantle. Probably he thought it consisted of worsted and found it was woollen. It may be that he was dissatisfied with the texture of the garment. Then again, we found the hon. member associated with that great engineer for water supply who struck a rock and caused water to flow. But the hon. member is even a greater water engineer. He wishes to make water run uphill. While the engineers of the Public Works Department are satisfied with making water run downhill into the sea, Mr. Lovekin expresses himself as in favour of a proposal under which the Government would have to make water run uphill into our swamps.

Hon. A. Lovekin: That is what they are understood to be doing.

Hon. G. POTTER: I have seen the Public Works Department engineers most successful in draining swamps into the sea. Of course, if Mr. Lovekin wishes to drain water uphill that is a matter for himself.

Hon. J. J. Holmes: Mr. Lovekin prefers to mix his water with something else.

Hon. G. POTTER: Very probably. Anyhow the development of this great fishing industry is a matter that concerns us very closely. As compared with other primary industries, the fishing industry is unique. Every hon. member is pledged to his constituency to support the development of the State's natural resources, which without development they are virtually valueless. In all industries the first object is to produce something for export which, of course, means a benefit to the State, especially since the balance of trade is at last in our favour. In a sense the fishing industry can be allied to the dairying industry, which fails to provide sufficient for local consumption. The fishing industry cannot keep pace with local requirements. The coast line of this State is lavishly endowed with fishing grounds. But there are two great disturbing factors. In the first place those fishing grounds are imperfectly known, and secondly there is the great cost of getting their produce to the consumer. Consideration of those factors largely dominated the work of your committee. For some reason or other the fishing industry is almost entirely in the hands of people from the Mediterranean littoral, people entirely alien to us at all events in thought. I cannot find any reason why that should be so, other than that deep sea fishing as an occupation does not appeal to the Western Australian born citizen. The pages of Western Australian

history are adorned with testimonies to the hardihood, the courage, and the endurance of her sons. Therefore it cannot be believed that they are not ready to take the numerous risks inseparable from deep sea adventure, for on land they have proved themselves capable of doughty deeds and great achievements. Western Australians who have cast their eyes towards deep sea fishing must either have seen something unattractive about it or have failed to discover that which is attractive to founders of great national industries. It may be that the opportunity for home building does not ally itself to the development of fishing grounds, entailing long absences at sea. During the peregrinations of your committee we saw the fishing boats at various jetties. They come in and, within an hour or two, discharge their freight, take in fresh stores, and have gone; because it takes them anything up to 14 days to make the trip, and so they have very little opportunity for the gregarious life. Again, it might be that the occupations on land present more roseate hues and more pleasing prospects for material advancement than are to be found afloat. Another important disturbing factor is the absence of any well organised scheme to buy and distribute what the fishermen bring to the jetties. That, I think, is what keeps our native born from deep sea fishing.

Hon. J. A. Greig: There is not enough profit in it.

Hon. G. POTTER: There is a great deal of profit in it. Added to all those objections, there comes the question of temperament. The Chief Inspector of Fisheries pointed to the efficiency of the North Sea fishermen, for whom as a class there is no counterpart in Australia. Those men have been born into the occupation, reared in an environment of scientific fishing, and I think that after further research, if the deductions are favourable, the introduction of a community of those men would be a very welcome addition to the population of Western Australia. It is a great pity that fishing research was interrupted by the loss of the "Penguin," and a further pity that the research work has not been again taken up and actively prosecuted. There are difficulties in that direction. The Chief Inspector of Fisheries in his evidence admitted that the results of the operations of the "Penguin" were disappointing in respect of the catch. Those engaged on the boat were new to their gear. When the "Penguin" was wrecked the party aboard were only on the threshold of their investigations, notwithstanding which, magnificent results were discernable. So I submit that the prosecution of research work in fishing is one that can safely be undertaken by the Government. It is a legitimate channel of governmental activity, and should be the first guiding principle of the operations of the Fisheries Department, instead of that department merely policing known fishing grounds and beaches. No valid objection can be offered by members if the select committee propose that the Gov-

ernment should take on this research work. It has been done for other industries, and surely the fishing industry, which should be as valuable as other industries—it might even help the Agricultural Department if it can show where the manures are easily obtained—is worthy of consideration! The recommendations of the select committee, even if a little ideal, are not entirely utopian, but on the other hand are essentially practical. It is useless lamenting that an industry is failing; unless some member comes forward with practical suggestions and constructive criticism, he should be very careful indeed in his criticism. Still it is competent for hon. members to correct anything in the committee's recommendation by further suggestions, which, if in the interests of the State, will be very acceptable. Unquestionably if the recommendations of the select committee are put into effect they will cost money. But then, all the departments are costing money. Would any hon. member suggest the cessation of departmental activities on that score? I am convinced that the Fisheries Department are doing excellent work with the material at their disposal. If the department were granted further facilities and further equipment, there is ample room for an extension of its activities which would benefit the whole of the State. There is no suggestion in the select committee's report that the State should embark upon any trading enterprise, such as the opening of fish shops, but in the opinion of the select committee it is the function of the Government to carry out the necessary research work. That is all. Once fishing banks are discovered and proved, it will be the duty of the Government to protect them from ruthless exploitation by irresponsible fishermen who care nothing at all about whether the fish are coming in to spawn. As it is necessary for the Forestry Department to conserve the forests, so is it necessary for the Fisheries Department to conserve the fishing industry. At Geraldton, the second fishing port of the State, the inspection is done in an honorary capacity. I have the greatest respect for the work performed by those honorary inspectors. One has only to go there to notice local colouring. But there is no doubt some of those honorary inspectors have an erroneous idea of their duties. I submit that the expansion of the duties of the Fisheries Department should not be curbed financially. At the same time it was not the intention of the select committee that the State should embark on further trading enterprises. Regarding cost, I do not believe in delving into the historic past, but yesterday in Perth, a common fish—I mean one that is easily got in large quantities, the sea herring—was sold at 1s. 2d. per edible pound, and of that amount the fisherman received under 4d. That surely does substantiate one of the observations of the committee that there is something wasteful and extravagant in connection with the industry.

Hon. A. Lovekin: It costs £58,000 to kill £90,000 worth of meat!

Hon. G. POTTER: It would be justifiably alarming to the butchers of the community if that amount was spent in bringing fish to market. In impressing upon the Government the necessity for doing something in connection with this business, I point out that once the industry has been thoroughly launched, it will be incumbent on the Government to protect the fishing banks as they protect the forests. That is tutelage. The establishment of canning and curing factories is necessary in connection with the industry, just as freezing works are essential in connection with meat. We have it in evidence here, as well as elsewhere, that the lack of technical knowledge has been responsible for the closing up of at least one factory, while the silting up of bars has been the means of closing up another factory. All secondary industries are necessary to the welfare of the State. The canning factory at Shark Bay was closed on account of the lack of technical knowledge which might in the future be supplied by the Fisheries Department.

Hon. C. F. Baxter: The products of that factory were good.

Hon. G. POTTER: But there was something wrong; there was a demand for the stuff and yet they had to close down. At Mandurah the factory had been long established, but it had to close down on account of the lack of fish which should have been easily and cheaply procured. That factory was forced to close down on account of the silting up of the bar.

Hon. J. J. Holmes: The bar has silted up every year for 40 years to my knowledge.

Hon. G. POTTER: Reference has been made to the number of bars along the coast which the select committee recommended should be opened. If hon. members will refer to the report they will see that only two bars are mentioned, that at Mandurah and that at the Greenough River. The bar at the Greenough River has been responsible for the destruction of millions of small fish every year, for the reason that the small fish are not able to get out into the open ocean as nature demands they should.

Hon. J. Nicholson: How much would it cost to open the bar?

Hon. G. POTTER: That would be a matter for the Public Works Department engineers to determine. The select committee did not set itself out to prepare estimates, but it suggested the procedure that should be adopted in order to put the fishing industry on a stable basis. Next in importance to the catching of the fish comes the handling of it, and in that handling transport naturally occupies a big place. Hon. members no doubt are aware that any considerable handling of fish affects its selling qualities. Therefore it is of importance that the fish should be taken direct from the boat to the centre of sale. The report of the committee in connection with the transport of fish should not alarm members because the recommendation is contingent on the fulfilment of the Government

and municipal policies in the districts, and in the fulness of time there will be an increased traffic on the railways. With regard to the fishing fleets, it has been demonstrated that at least 50 per cent. of the time of the fishermen is wasted in going to and returning from the fishing grounds. Each trip out of Geraldton and Fremantle occupies 10 to 14 days, and half of that time is lost in going out and returning from the fishing grounds. One can thus readily appreciate the economic waste of time. Not only that, but there is to be considered the quality of the fish and the expense, before it is landed on the jetty. The average small boat which operates from Fremantle and from Geraldton requires 15 cwt. of ice, and at Geraldton this costs 7s. per cwt. The fish are on the boat for 10 or 15 days before being landed on the jetty. Of course it is still fresh, otherwise it would not be bought. The select committee were alarmed at the attitude taken up by the buyers in Geraldton. Some of them refused to take the fish even when the health inspector declared it fit for human consumption. But there must be taken into consideration the long journey from Geraldton to Perth in trucks which are totally unfit for the transport of this commodity. One can well understand that the buyers wish to protect themselves against possible losses. In one instance the sum of £156 was lost on one consignment. The fish is packed in trucks and by a gentle process as between the supplier of the ice and the buyer of the fish—he happens to be the same person—the ice from the boat is used in the truck.

Hon. J. J. Holmes: Why do these fishermen go 600 miles north when there is plenty of fish to be got down here, at Mandurah, for instance?

Hon. G. POTTER: There is very little fish at Mandurah. The fish there has been ruthlessly destroyed.

Hon. E. Rose: The small nets have been responsible for that.

Hon. G. POTTER: One of the recommendations of the select committee is that no nets should be used having a mesh smaller than two inches. Some people say "Why do that if others want it smaller?" Let me remind hon. members that once fish are taken from the net and thrown back into the water, they eventually die. That is the considered and expressed opinion of those who know best.

Hon. E. H. Harris: Would you recommend the closing of the spawning grounds for a term?

Hon. G. POTTER: Decidedly.

Hon. J. J. Holmes: How many of these million of herrings would you get in the net?

Hon. G. POTTER: It would depend on the size of the net.

Hon. J. J. Holmes: On the size of the mesh.

Hon. G. POTTER: Another disability that cannot be overlooked is the question of the freights from Geraldton. One is struck by the fact that on all other produce that it is

possible to convey south by steamer the freights have been reduced by the railways, and that only in the case of fish are the high charges being insisted upon.

Hon. E. H. Harris: On the Government or the Midland railway?

The Minister for Railways: The Midland Company's charges are similar to those of the Government railways.

Hon. G. POTTER: How ridiculous would it be to send fish to Perth via the Wongan Hills, route bearing in mind the time that it takes.

Hon. J. J. Holmes: A few hours only.

Hon. G. POTTER: Some evidence was adduced at Rockingham where there is a group sea settlement of maimed returned soldiers. There was a time when fishing was to them a pastime, but, by virtue of their being shattered and unable to take their proper place in life, it has now become an occupation. In a modest way they have asked the select committee to bring their plaint before the Government, which is that a small section of the beach between Cape Peron, extending for two miles to a place opposite Penguin Island, should be reserved for the use of maimed soldiers. It was heartrending to see these men taking one of their companions, who had lost the use of both legs, from his chair and placing him in his boat. I am told that he was the best fisherman of the lot. They are asking for this small section of a large coast-line to be set aside for maimed soldiers in order that they may have priority of fishing along that particular stretch of sea-boards.

The Minister for Education: Is this mentioned in the report?

Hon. G. POTTER: Yes.

Hon. J. J. Holmes: I cannot find it.

Hon. G. POTTER: No doubt the question of the Fremantle Fish Markets will be the subject of another debate. Members must consider the market at Fremantle in conjunction with the industry as a whole. There may be other places along the coast line which can produce great quantities of fish, and where there are such large quantities that a canning and curing factory could be kept going. If that is so it would be interesting to know where they are. There is a lamentable amount of ignorance in Western Australia regarding the potentialities and whereabouts of our fishing grounds.

Hon. A. BURVILL (South-East) [S.47]: I take some interest in this fishing business for I was managing a fishing enterprise in Albany nine or ten years ago. I have read the report of the select committee and am sorry the members of it did not take further evidence with respect to trawling, more especially as that applies to the Albany end of the State. The Chief Inspector of Fisheries (Mr. Aldrich) was, according to the evidence, asked this question—"Do you think steam trawlers could be worked successfully on this coast?" The reply was—"Yes, particularly on the south coast." The Chief

Inspector then went on to state what had been done by the s.s. "Penguin." I wish the select committee had also found out what had been done by the Commonwealth trawler "Endeavour." If they had done so they would have been able to throw a good deal of light upon trawling, which must be the foundation of the fishing industry in Western Australia. Mr. Charles Nelson was also asked this question—"Are there any waters on this coast which would be suitable for trawling?" The witness replied—"Not from the Leeuwin to Geraldton." According to the evidence gained by the select committee there are no trawling grounds between those two points. The fishing industry cannot be expected to reach big dimensions unless trawling is engaged in. South from the Leeuwin we have the Great Australian Bight where the "Penguin," up to the time she was wrecked, conducted trawling operations. If the bottom of the ocean in the Bight is free from snags and rocks it should be possible to make a success of trawling there. From the evidence I have gathered it appears that there is a good trawling ground there.

Hon. J. Cornell: You would have to go a long way to reach the bottom.

Hon. A. BURVILL: If the select committee had made inquiries they would have found that this was so, and that it was the only place we have for that purpose. In their recommendations the select committee do not mention trawling. They recommend that certain things should be done in connection with the Fremantle Fish Markets, and ask that a board should be appointed. The fishing industry is almost entirely in the hands of foreigners at Fremantle, and I understand the same thing applies to Geraldton. When I was connected with the business in Albany the foreign element was trying to get in, but up to the present their efforts have been fruitless, and the industry is still in the hands of Britishers and Australians. I do not agree with the statement of the members of the select committee that there are only three ways of handling the industry, namely, by private enterprise, Government control, and co-operative societies under Government tutelage. The report says that private enterprise has failed to realise the possibilities of the industry, and would probably fail to provide the necessary scientific establishment. The chief hope of the industry lies in private enterprise. Negotiations are now in progress for getting British trawlers out to Australia, and there is a probability of a fishing company from the British Isles starting here. The men employed will be British. British capital will come here, and the Government should encourage it.

Hon. G. Potter: What do you mean by encouraging it?

Hon. A. BURVILL: The same encouragement should be given to fishermen to come out here as is given to the ordinary immigrant to come here and settle on the land.

Hon. G. Potter: That is exactly the committee's point.

Hon. A. BURVILL: I do not believe in the industry being controlled by the Government. It would be better to assist private or co-operative enterprise by taking the duty off nets and the gear that is used in the industry. It is an expensive business to run. At present the gear is all imported from Great Britain. If greater encouragement could be given to men to come here and exploit the possibilities of the south coast from the trawling point of view it would be an excellent thing for the industry. The smaller fishermen could, if they were protected from the foreign element, fish the small bays and inlets along the coast. I am in accord with giving protection to returned soldiers along the lines suggested by Mr. Potter. I understand that the returned soldiers are opposed by the foreigners, who keep closely together and endeavour to control both the catching and the selling of fish. Their object is to get the industry into their own hands. I suppose we cannot blame them. There is a type of fishermen who were so useful to Great Britain during the war because of their knowledge of the North Sea. It would be a very wise course to encourage men like that to come to this State. I am sorry the select committee did not go further than they did in their report. I do not agree with the strictures placed upon private enterprise. Encouragement should be given to fishermen to start trawling here, and I am in favour of the expenditure of more money to prove the value of our trawling grounds. If the Committee had gone into this question their recommendations would have covered a much wider scope. With regard to the mesh of nets, the layman cannot say for certain which is the best mesh for any particular kind of fish. A mesh of 1½ inches might enmesh a number of small fish, but a mesh of a smaller size might not have the same harmful effect. It would merely hold the fish without enmeshing them. After a fish has been enmeshed, even if liberated at once, it generally dies. This, however, is a question upon which experts only can give reliable information.

Hon. G. Potter: That is expert evidence.

Hon. J. J. HOLMES (North) [8.57]: In spite of what Mr. Potter has said, it seems to me that embodied in the report of the select committee is a suggestion for another trading concern.

Hon. J. W. Kirwan: That should suit the hon. member.

Hon. J. J. HOLMES: In the first paragraph the Committee recommend that the Fremantle fish markets should be taken over by the Government and that special cool storage facilities should be provided. I am at a loss to understand how Mr. Potter came to declare that there was no suggestion in the report of the establishment of another trading concern. Reference has been made to Mandurah and the possibilities of the rivers there from the fishing standpoint. I

was born in that locality. Some 50 years ago the river and the estuary, as well as the lake, were teeming with fish. There were sea mullet present in the waters in millions. They used to go into the rivers to spawn. The natives in those days came from as far as the Moore River in the North, and I think from Bunbury in the South. These were the boundary lines of that particular tribe. They made a contrivance of their own very much akin to a sheep race that is used on a station. They arrived on the spot about the commencement of the winter and made these races with a narrow outlet, which was the only way the fish could pass up or down. As soon as the early rains came the salt water fish had to make for the sea. There was only a narrow passage for the fish to go through and ten of these warriors sat on either side of the passage. The fish collected in their tens of thousands until they had to make their way out. Then the aborigines grabbed all the fish they could, no matter how many came through that day. I have seen people at Pinjarra, including the McLartys and the Patersons, coming down with bullock teams to cart away the fish to fertilise their orchards. These fish do not come there now because the waters have been polluted with the sawdust from the timber mills for many years past. The sawdust has been sent down the brook, which has carried it to the river and then down to the lakes which were the breeding grounds.

Hon. F. A. Baglin: The sea mullet cannot get in there.

Hon. J. J. Holmes: Of course, they can get in.

Hon. F. A. Baglin: The evidence distinctly stated that they could not get in.

Hon. J. J. HOLMES: I know all about this question. The breeding ground has been ruined by means of the sawdust. The same conditions applying at the mouth of the bar, have applied for generations past.

Hon. F. A. Baglin: The fishermen say that that is not so.

Hon. J. J. HOLMES: I know it. The only time in the last 50 years when the bar was not open was in 1914, when there was no storm on the outside, and only a limited quantity of fresh water on the inside, with the result that the bar remained closed. The bar silts up every year. There is a whirling quicksand there and in the summer months the blowing sand develops an embankment across the mouth of the estuary. We have sent our bullock teams across that embankment in the summer months. When the North-West weather comes in winter, the bar is washed aside and the same thing has been going on for generations past.

Hon. A. Burvill: That occurs all round the coast.

Hon. J. J. HOLMES: If the House were to agree to the expenditure of £100,000 in removing the bar, the same conditions would be repeated in the following season.

Hon. F. A. Baglin: A breakwater is required there.

Hon. J. J. HOLMES: There was a breakwater there some years ago but the conditions have always been as I have indicated. The bar silts up in summer and the winter weather carries it away. It is not that the bar requires to be removed that has caused the difficulty regarding the fishing industry at Mandurah; it is the fact that the breeding ground has been spoilt by jarrah sawdust. During the 1914 drought, when there was practically no rain and no storm, millions of whitening and small fish came to the mouth of the estuary but no sea mullet entered an appearance. They seemed to have abandoned the place altogether. It would almost seem as though the fish possessed more intelligence than we give them credit for. It is known that the salmon in America will migrate to the upper reaches of the rivers, jumping over rocks and so forth, in their endeavour to reach their breeding ground, while the young go to sea for four years. They do not return to the breeding ground which they left as young ones, until the end of that period.

Hon. J. W. Kirwan: The history of eels is still more remarkable.

Hon. J. J. HOLMES: There is much to be said in favour of an adequate fish supply. There are two things the children of this State do not get enough of, one is fish and the other is fruit. There is an abundance of fruit but there is no attempt on the part of the people who grow it to get into touch with the people who require it. The man with an orchard is apparently content to sit down to-day and wait for the Government to provide him with facilities for the disposal of his fruit. Instead of doing that, the orchardist should get into direct touch with the people in and around Perth and distribute his fruit himself. Fish is an ideal food for young people and, in fact, for anyone, and some attempt should be made to provide more fish for the markets. When the Labour Government were in power, they undertook to deliver fish all through the metropolitan area every morning at 5d. per lb. Their undertaking never got beyond their announcement. If fishing is a profitable industry, I think there are plenty of people with sufficient energy to start out and secure practical results. If private enterprise will not do it, I should say that the Government have their hands pretty full at present without attempting to control the fishing industry. We have reference in the report to what happens during the herring season. We have had a herring season in this Chamber and a good many red herrings were drawn across the path by the Minister when introducing the Appropriation Bill to-day. Possibly some hon. members will draw attention to them to-morrow.

Hon. J. Ewing: And he gave some home truths, too.

Hon. J. J. HOLMES: We have a suggestion in the report regarding fixing the price of fish. We know what happened during the war period when attempts were made to fix prices, and we know that the effect was rather

to increase than reduce the prices. The committee recommends the appointment of some board to fix the price of fish every three months and to decide what the retail price should be to the public. If people will not go in for fishing when they can get practically any price they demand for it, who is likely to start in the industry if there is a board sitting on the jetty to fix the price of fish when it arrives? Apart from the question of fishing, it is suggested that someone, I presume the Government, should embark on the production of fertilisers, including fish glue, rasping cloth, which is to be taken from the hide of sharks, and so forth. It is also recommended that we should have trawlers and harbours and an endowment sailing fleet which would supply the requirements of Perth. We are to have markets for Perth and Fremantle and I presume these will be carried on by the Government. Yet we are told there is no suggestion that more State trading is proposed.

Hon. G. Potter: We do not say that the Government should embark upon this work.

Hon. J. J. HOLMES: That is how I read it.

Hon. G. Potter: You are misreading the report.

Hon. J. J. HOLMES: The only way I can read it is that it is suggested that the Government should do this work. There is reference to the closed waters at Rockingham. The report, too, suggests a railway with a depot and harbour at Rockingham with the extension of the canning factory proposal and retail shops in certain suburbs. There is also to be an extension of the scientific survey with piscatorial laboratories in Perth and Fremantle. All are to be provided, I presume, by the generous Government.

Hon. G. Potter: That phase is dealt with specifically.

Hon. J. J. HOLMES: The report says that from inquiries made and evidence given, the committee are of opinion that fishing is being carried on in closed waters, particularly at Rockingham. We are told that there are some maimed soldiers in that locality who asked that a certain portion of the beach should be set aside for them to fish from, to the exclusion of other individuals. That was a reasonable request but I cannot find that the committee brought forward any recommendation, or have made any suggestion as to what course should be adopted. I am pleased, however, to know from the Minister, who also could not find any recommendation in the report on that point, that this matter is receiving attention.

Hon. G. Potter: It is referred to in the evidence and I said that I had brought it before the notice of the Government.

Hon. J. J. HOLMES: I am glad that the Minister has mentioned the matter, for it is a reasonable request. The report says that, in view of the possibility of Rockingham becoming a popular resort, they recommend—

(1) That pegs be placed on the shore indicating the portions embraced in the closed areas; (2) that honorary inspectors be appointed at Rockingham; (3) that an extra permanent inspector be appointed at Fremantle to enable the present staff to give more attention to preventing fishing in closed areas.

Hon. G. Potter: The section I mentioned was outside the protected areas.

Hon. J. J. HOLMES: The select committee might have been more explicit and might have gone more carefully into the question of expenditure. Any person who has lived at Mandurah for 20, 10, or even 5 years must know that the bar opens and closes every year and there is no necessity for Government expenditure in that connection. I do not propose to say any more, but I could not give a silent vote on the question of the adoption of the report, nor could I allow to go through without expressing my opinion, proposals which, to my mind, look like the establishment of another trading concern. If we want any evidence as to why no further State trading concerns should be established, I can only refer hon. members to the speech delivered by the leader of the House this afternoon.

Hon. J. A. GREIG (South-East) [9.13]: I have very little knowledge of this question, but during the last few weeks I have spoken to some fishermen regarding the matter. One part of the report with which I agree is the recommendation to apply science to the industry and obtain a knowledge regarding the habits of the various types of fish to be found along our coast. If we could obtain that, that is as far as the Government should be prepared to go at the present time. I was pleased to hear Mr. Burvill say that it was possible that some English fishermen were coming out to establish trawling on the south coast. I should like to see them come along. I have been told by experienced fishermen that trawling or fishing in the cold waters around England, Scotland and in the North Sea is quite a different proposition from fishing in Australian waters. What little experience I have had in getting fish around the coast of Australia shows that they are very cunning creatures to catch. I have been told by fishermen that it is almost impossible to catch them by trawling. The fish are very nervous and quite different from those found in the cold waters. It is said that fish can be caught in deep water off the coast of England with a net that goes only part of the way to the bottom, but that here as soon as a net touches a shoal of fish they drop into the deep water immediately or fly away in the opposite direction. My experience of fishing with a net from a boat was that as soon as the fish touched the net the fish turned back and were lost. At a point north of Fremantle I am informed that fishermen run their nets out a few hundred yards and a man on shore watches for the shoals to come down, and that if any of the fish touch the net before the boat gets sufficiently around

the shoal, they clear off. I would welcome experiments by practical fishermen from the Old Country. It may be that we do not know how to catch the fish. Before the Government adopt such a report as this and embark on expenditure for a trawling fleet, private enterprise conversant with the business should be allowed to give it a trial. Last week there was advertised for sale the New South Wales Government fleet of trawlers. I was told that they had experimented and had concluded that they could not catch the fish. I think this is the reason why Australians do not engage in the industry.

Hon. J. Cornell: I think the conclusion in New South Wales was that the men on the boats did not try to catch the fish.

**THE MINISTER FOR EDUCATION** (Hon. H. P. Colebatch—East) [9.20]: I am sorry I cannot support the motion for the adoption of the report. I do not wish to give a silent vote, because there are features of the report which deserve the closest consideration by the departments concerned. The trouble is not confined to Western Australia. It is common to the whole of Australia. The select committee state that whereas the consumption of fish per head of population in the Old Country is 42lbs. per annum, in the Commonwealth it is only about 10lbs. A few years ago the total catch in New South Wales and Victoria was less than 9lbs. per head of the population for the year. The chief recommendation of the select committee is that the Government should purchase a trawler. I do not know whether the committee had before them the report published in 1913 by Mr. H. C. Dannevig, the Commonwealth Director of Fisheries.

Hon. F. A. Baglin: Yes.

**THE MINISTER FOR EDUCATION**: That report throws a very interesting light upon the recommendation of the select committee. In the report Mr. Dannevig gives in detail the results of the trawling operations of the "Endeavour" from 1908 to 1912. During those four years only a comparatively small portion of the Australian coast line of 7,000 miles could be examined, but the trawler did locate extensive trawling grounds, aggregating 6,000 square miles off the eastern coast and within easy reach of Sydney and Melbourne, and about 4,000 square miles in the Great Australian Bight, half way between Adelaide and Albany, partly off the Western Australian and partly off the South Australian coast, rather more of it off our coast. On the Gabo to Sydney section the results of 16 cruises averaged 371 lb. of fish per hour of fishing. In the Great Australian Bight section five cruises in the shallower waters averaged 203lb. per hour and three cruises in the deeper waters 118 lb. The mean average over the whole of the waters located both on the eastern side of Australia and in the Bight was 226 lb. per hour, practically equal to the average for the North Sea, but the return on the eastern side of Australia, Gabo to Sydney, was very

much higher than off our southern coast. Mr. Dannevig said—

Basing an estimate on the average of 2 cwt. only, a suitable vessel ought to bring home 300 tons per annum. (This is equal to 20 hours' work a day for 150 days out of 360—a very safe margin of time). This fish, if sold at 4d. a lb., wholesale, would bring in a yearly gross earning of £11,200 from which, after deducting the working expenses, a net balance of about £6,000 would remain. A suitable trawler will cost less than £12,000 imported from the United Kingdom, and it follows that in two years' time the capital and working expenses will be covered. A profit of fully £5,000 a year may subsequently be looked forward to with confidence for there is no fear of the supplies giving out, or that the market will become over-stocked. The figures here quoted are too comprehensive to require further explanation or support: an average which is based upon fully four years' experience over an area equivalent, practically, to the Dogger Bank must be taken as a very fair and reliable test, and there need be no fear or doubt as to an available supply.

He pointed out that the reason why fish was so dear in Australia was that there were too many men handling too small a quantity. Whereas per fisherman in Australia the catch was about three tons per annum, the catch per trawl fisherman in the North Sea was 30 tons per annum. Six or seven years before the date of his pamphlet, the Japanese obtained their first trawler equipped from Great Britain, and six years later they had 100 trawling vessels at work, mostly locally built. No doubt Mr. Dannevig's report indicated that the most promising place for trawling was off the east coast in the neighbourhood of Sydney. That was the pick spot, not only from the point of view of catching more fish per hour than on any of the other grounds located, but because there was a much bigger market in Sydney than in any other part of Australia. This report probably had a good deal to do with inducing the Government of New South Wales to purchase and equip trawlers. They were operating under what Mr. Dannevig said were the best conditions, the best spot and the best market. Had they been successful, there would have been a good deal in favour of the recommendation of our select committee. In fact, had they been successful, I do not know that the work of the select committee would have been needed, because the chances are that private enterprise would have stepped in and exploited the trawling grounds on the south of our coast. From time to time select committees appointed by this House and by another place have been converted into Royal Commissions. If that had been done in this case and the Royal Commission had journeyed to Sydney during the recess, they might have given us some information as to why the trawling in New South Wales had not been successful. However, we



are faced with the position that the trawling inaugurated by the New South Wales Government, on grounds which Mr. Dannevig after four years' investigation pronounced to be the best of all and at the very door of an unequalled market, has apparently failed.

Hon. J. Cornell: The Government decided to sell the trawlers, because this is not part of their policy.

The MINISTER FOR EDUCATION: Not for that reason alone, but because of the tremendous loss they were making. Had they been successful, the Government would have had no difficulty in selling them to others to carry on the industry.

Hon. G. W. Miles: How do you account for a New Zealander having a trawler in Fremantle at the present time?

The MINISTER FOR EDUCATION: I hope he will do well and I hope someone will succeed in establishing trawling here. What I say is that the experience of the New South Wales Government would not justify the Western Australian Government in purchasing trawlers and endeavouring to exploit the grounds here. Reference has been made to the nationality of those engaged in the industry. Whilst I fully and freely admit that for the most part the foreigners are very industrious and frugal citizens, it is a pity that the trade is so much in foreign hands. In the city we have 33 fish shops, 21 of which are owned by Greeks, one each by a Dane, an Indian, a Swede and an Italian, and the remainder, eight, by Britishers. Of licensed fishermen there are 524, of whom 292 are Britishers and 134 Italians, the rest being of mixed races. The vast majority of the deep sea fishermen undoubtedly are foreigners. I have nothing to say against them. They are hard working and they are very fine fishermen, but it is a pity there is not a larger percentage of Britishers engaged in this industry. Probably the fact pointed out by Mr. Dannevig that the catch is so small, compared with the catch in the North Sea, accounts for it to some extent. The matter of insufficient inspectors is deserving of the attention of the department. It is purely a question of finance, but I quite agree with the select committee that where the fish can be preserved by a closer inspection of closed waters, it is worth while to employ sufficient inspectors to see that the work is properly done. The other matter is that relating to the letting of the Fremantle market. I think the committee have done good work in drawing attention to the position which exists. The Fremantle council desired to obtain a lease of the Fremantle market for a period of 21 years. That was not granted, but they were given a lease at a peppercorn rental from year to year, and the Government have the power to revoke the lease at any time by giving certain notice. It would not be desirable to revoke the lease; I would sooner see the business in the hands of the council than the Government, but if the market remains in the hands of the council there should be a well defined understanding as to who is

to pay for the upkeep from time to time. It is hardly fair that the Fremantle council should derive a substantial revenue—and under the present percentage they derive a revenue of about £375 per annum, less an estimated cost of £75 for lighting, leaving a net revenue of £300—

Hon. F. A. Baglin: According to the Town Clerk's evidence they pay only £25 for water.

The MINISTER FOR EDUCATION: I was going by the evidence on the file. I have read the report of the select committee, but I have not had time to peruse the whole of the evidence. I do not think it is an unreasonable amount for the Fremantle council to obtain for the use of the market, provided they undertake the obligation of maintaining the market. But if they obtain £300 or £350 by way of revenue and wish to cast on the Government the cost of maintenance and upkeep, it is not a fair proposition. I shall certainly bring the matter to the attention of the two departments concerned, the Public Works Department and the Fisheries Department, as I think there should be some equitable arrangement between the council and the Government. I do not think the council are getting too much revenue out of the market, but in return for the revenue they get they should look after the markets and keep them up to their full state of efficiency.

Hon. G. W. Miles: Who is responsible for the shag being protected?

The MINISTER FOR EDUCATION: They are not protected.

Hon. J. W. Kirwan: Report says they are.

The MINISTER FOR EDUCATION: I do not think that is the case. The position is that people are not allowed to shoot any birds on the river, and I think that is generally agreed to be right. There may be strong objection to people being allowed to shoot there. It is not that the shag are protected; people are not allowed to shoot on the river at all.

Hon. E. Rose: At one time we paid a bonus for the destruction of shag.

The MINISTER FOR EDUCATION: Yes. One can snare them and destroy them in any way except by shooting them. Probably it would be a great mistake to permit shooting on the river.

Hon. J. J. Holmes: But the fishermen let one another know by shots when the inspectors are coming.

The MINISTER FOR EDUCATION: Yes. One evening as, in company with an inspector, I was passing through Canning Bridge, two shots were fired, and the inspector knew at once what had happened. However, a few days later he caught six of the fishermen, and they were fined a total of £35. I quite agree with what Capt. Potter said in regard to marketing. It will probably be surprising to members of the community to know that the fish they eat are very often out of the water three weeks or a month.

Hon. J. Ewing: Sensible men do not eat it.

The MINISTER FOR EDUCATION: I understand that the fish arrives either at Geraldton or Fremantle in ice, and that even though it may be in ice for 10 or 12 days, it is perfectly good in flavour. Packed in ice it does not lose its flavour at all; but when put into freezing chambers, where it may be kept for a considerable time, it soon puts on a different character, loses its flavour, and is no longer so good an article of diet as it should be. No doubt a good deal can be done in the way of improving the marketing facilities. I will bring that matter under notice. I am sorry I cannot support the report because of the nature of its recommendations. I am not in a position to support Government trawlers at present. I do not think the Government should take over the Fremantle fish markets, but I do think there should be a more equitable arrangement in regard to them. Then there is the proposal for a board—

A board should be constituted, giving equal representation to the Government and the fishermen, with an independent chairman—such board to control the fishing industry.

In New South Wales there was at one time a board known as the Commission of Fisheries. That was abandoned, and a board known as the Board of Fisheries, having on it a representative of the fishermen, was appointed. But after some experience that too was abandoned, and the administration of fisheries in New South Wales is now under a chief inspector, very much in the same way as here. The third recommendation of the select committee's report reads—

Regularity of supply to the public should be provided by the methods hereinbefore set forth.

Those methods start with the purchase of a trawler, and I am not prepared to support that proposal at the present time. The other recommendations of the select committee will receive careful consideration.

On motion by Hon. H. Seddon debate adjourned.

## BILL — GENERAL LOAN AND INSCRIBED STOCK ACT AMENDMENT.

### Second Reading.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [9.36] in moving the second reading said: This is a very short Bill, regulating the authorised rate of interest on inscribed stock and debentures to the 31st December, 1923. From time to time, since the rate of interest went up, the maximum rate that the Government should be allowed to pay has been fixed; and, by the decision of this House in the first instance, it has been fixed for one year only. The authority obtained last session fixed the maximum rate at 6½ per cent., and that was limited to the 31st December, 1922. The

amendment Act in question has now expired, and therefore we go back to the original Act under which the maximum rate is fixed at 4 per cent. Each amendment Act has been for a period only. As soon as an amendment Act expires, we revert to the 4 per cent. The present Bill provides for 6 per cent. as a maximum rate at the end of the present year. It is anticipated that the loans will be placed in London at about 5 per cent., or locally at about 5½ per cent. Our last London loans were for three millions at £95 and 6 per cent., equal to £6 12s. per cent., and two millions at £96 and 5 per cent., equal to £5 9s. 6d. Our last local loan was at 6 per cent. at par. The last New South Wales loan was at 4½ per cent. and £91, the underwriters taking 93 per cent. New South Wales has recognised the necessity for offering a slightly higher rate in connection with the loan now on the London market. New Zealand floated a loan of five millions at 5 per cent. at par. The Commonwealth recently issued a 5 per cent. loan of five millions at £96. Therefore I think the 6 per cent. proposed by this Bill is a sufficient and reasonable maximum to be fixed for our State loans for the current year. I move—

That the Bill be now read a second time.  
On motion by Hon. J. W. Kirwan debate adjourned.

House adjourned at 9.38 p.m.

## Legislative Assembly.

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The SPEAKER took the Chair at 2.30 p.m., and read prayers.

### QUESTION—TRAFFIC SIGNALLING.

Mr. MARSHALL asked the Minister for Works: 1, In order to prevent as far as possible accidents with travelling vehicles after sunset, will he consider the advisability of adopting some such patent as the Clement's