

camouflage. It is an honest attempt to reduce the charges to building contractors. In the past they have paid too much. In future they will pay a fair thing. If the Bill be passed, the Government will be able to claim that they have done something, even though little, to reduce building costs.

Mr. McCallum: It was the fault of your friends that it was not done last year.

Mr. Millington: I thought we brought in a Bill to reduce the income tax.

The MINISTER FOR WORKS: That was several years ago; I was referring to recent years. I cannot see any hope of introducing legislation to reduce taxation at present. When Parliament passed the original Act, it was never intended to make a profit out of it. Yet considerably over £8,000 profit has been made in the last five years.

The Premier: If you say that, someone will be applying for a refund.

The MINISTER FOR WORKS: It would be useless to do so, because there is not sufficient money in the Treasury. The Bill will afford relief to small men particularly, who will be asked to pay 4s. per £100 where previously they paid 5s. I move—

That the Bill be now read a second time.

On motion by Mr. McCallum, debate adjourned.

House adjourned at 7.37 p.m.

Legislative Council,

Wednesday, 17th September, 1930.

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

LEAVE OF ABSENCE.

On motion by Hon. G. W. Miles, leave of absence for six consecutive sittings granted to Hon. J. J. Holmes (North) on the ground of urgent private business.

ADDRESS-IN-REPLY.

Thirteenth Day.

Debate resumed from the previous day.

HON. W. H. KITSON (West) [4.34]: I support the motion for the adoption of the Address-in-reply. I am very pleased to note that during the debate very little criticism has been levelled against the previous Government. As a member of that Administration, it was my privilege to be associated with the activities of government in their various forms. Whilst it was not possible for that Government to do all that some people would have liked, particularly all the supporters of the Government outside Parliament would have liked, we can claim in equity that we were fair and impartial in our dealings with all sections of the community. On the hustings during election time the supporters of the Mitchell Government were not able to point to anything of a major character in condemnation of our administration, with the exception of the unemployed problem. The record of the Collier Government, therefore, is something of which they might be proud. During the campaign, the issue of unemployment was the one most featured by all interested parties. The supporters of the present Government, in their anxiety to make out that the previous Government were not capable of dealing with the situation, gave utterance to statements and promises which they now admit they cannot live up to. When Sir James Mitchell stated during the campaign that, if returned to power, he would be able to secure all the money necessary to provide employment for everyone in the State, I think I am right in saying that he made a statement he now admits was not possible of fulfilment.

Hon. J. Nicholson: For what reason?

Hon. W. H. KITSON: For the same reason that the late Government on the hustings told the people it was not possible for them to do all that certain parties imagined should be done. The finances of the State were the main subject of discussion. As I have said, Sir James Mitchell indicated that he could get all the money he wanted to cope with the unemployment situation.

Hon. J. Nicholson: Did he not believe he would get £4,000,000?

Hon. W. H. KITSON: I do not know what he believed, only what he said. The policy of the Collier Government, as ad-

vanced during the last elections, was the only policy any honest Government could put forward. We made no false promises, but gave a frank statement of the position. Sir James Mitchell, however, on more than one occasion has said he was not aware of the actual financial position of the State. If that is correct, I suggest he was not a fit and proper person to occupy the position he did at the time.

Hon. A. Lovekin: He found that the Treasury was empty.

Hon. W. H. KITSON: I knew the state of the Treasury, and so did every public man in the State who cared to take an interest in the position.

Hon. J. Nicholson: The Premier did not know it.

Hon. E. H. Harris: It was very nicely hidden from the public.

Hon. W. H. KITSON: It was not hidden. Statements were made in the House and from the public platform from time to time frankly setting out the condition of the finances. We said that although there was difficulty in securing money, the finances were nevertheless in a sound condition.

Hon. H. Seddon: Were they?

Hon. W. H. KITSON: They were, and they are, as already admitted by the Premier in another place. We are certainly facing serious difficulties, but the finances of Western Australia as a State are sound. One thing said by the Premier, who was then Leader of the Opposition, was that the late Government apparently did not know how to deal with the situation. I will quote his exact words:—

Unemployment has not overtaken us in a night. It has been growing year by year, and the Collier Government has been and still is bankrupt of ideas or policy to deal with it. The greatest waste of all is that occasioned by men out of work, for they are consumers of wealth without creating an equivalent asset. So long has unemployment been rife that the merchant is losing his business, the storekeeper is losing his trade, and the married men who thought their positions secure are being dismissed. This scandalous and unnecessary state of affairs is entirely due to bad management by this so-called best of all Governments.

If this arose through the bad management of the previous Government, here is an excellent opportunity for the present Government to effect a change.

Hon. G. W. Miles: The present Government has not £4,000,000 to spend.

Hon. W. H. KITSON: So far as I can see, they have not been able to do very much.

Hon. Sir Edward Wittenoom: Did not the late Government always pay out more than they received?

Hon. W. H. KITSON: Not always. In the statement I have just read, which was issued on the eve of the elections, Sir James Mitchell concluded by saying—

By voting Nationalist the electors can ensure Government without fear or favour, economical management, work and opportunity for all, and a speedy return to prosperity.

I am not going to take strong exception to his making these statements, but would point out that we have apparently arrived at the stage when it is considered advisable, if a party desires to win an election, to make promises irrespective of whether the state of affairs is such that it is possible to carry them out.

Hon. Sir William Lathlain: What about long-service leave during the previous elections?

Hon. W. H. KITSON: I will deal with that.

Hon. H. Stewart: Particularly do your remarks apply to Federal politics.

Hon. W. H. KITSON: During the elections several candidates were asked as to their attitude towards long-service leave. I believe it is a fact that in every case, perhaps with the exception of one, all said they were in favour of it. With long-service leave I may couple district allowances to which so much consideration has lately been given. During the course of the campaign a paragraph was inserted in the Press at the behest of the present Premier, denying that if his party were returned to power any attempt would be made on the wages or conditions of the workers. His words were particularly definite. The paragraph I refer to appeared in the "West Australian" on the 29th March last, and is as follows:—

A statement is being sedulously circulated by some supporters of Labour that if the Nationalist Government is returned to power it will reduce wages. This is a pure invention for electioneering purposes.

That is definite enough. One of the first things the present Government did was to take steps to reduce wages, and to take away from the men certain industrial advantages they had enjoyed for many years, and, so far as district allowances went, enjoyed for 30 years. If there is going to be any talk of repudiation—an ugly word

which has frequently been used in this Chamber in association with the party to which I belong—here is a fine example of it. Definite promises made prior to the election that certain things would be done were broken immediately the present Government assumed office. They took that step as soon as they were in a position of power than enabled them to do so.

Hon. H. Stewart: That is not a fact.

Hon. W. H. KITSON: The hon. member will have an opportunity of showing that my statement is not correct. Everyone knows that one of the first acts of the present Government—

Hon. G. W. Miles: Was to appeal to the Arbitration Court, which your Government did not do.

Hon. G. Fraser: Was to do what they said they would not do.

Hon. W. H. KITSON: The interjection by Mr. Miles was one that I awaited. The excuse advanced is that it is not the Government who are desirous of securing this result.

Hon. G. W. Miles: You know that wages must come down and hours be lengthened.

Hon. H. Stewart: Even so, wages need not be mentioned because the Government have not referred to that phase.

Hon. W. H. KITSON: It is useless for the Government to endeavour to hide behind the fact that it will be the Arbitration Court that will have the final decision. The present Government took the steps necessary to make an attack on the industrial conditions of the workers, which they had promised not to do.

Hon. H. Stewart: That is not so. It was not the Government; one man made the promise.

Hon. W. H. KITSON: The Leader of the Government made the promise.

Hon. H. Stewart: There was no leader then.

Hon. W. H. KITSON: Sir James Mitchell was the leader.

Hon. H. Stewart: Of one party.

Hon. W. H. KITSON: The fact remains that the Leader of the present Government, with which hon. members of Mr. Stewart's party are associated, promised that there would be no attack upon industrial conditions, and yet the first thing the Government did on securing power was to take

the necessary steps to have wages and working conditions altered.

Hon. G. W. Miles: What would you do if you had not the money with which to pay? You would borrow as before!

Hon. W. H. KITSON: I am pointing out as fairly as I can just what has taken place. I cannot do better than to point to the fact that Mr. Miles himself has made statements of a similar description. He stands up to them and is consistent. The Government are not; they made definite promises, which they broke on the first possible occasion.

Hon. H. Stewart: If you said the Premier had done that, it would be different; it was not a Government statement.

Hon. W. H. KITSON: Surely the Premier speaks for the Government!

Hon. H. Stewart: There was no Government at that time.

Hon. W. H. KITSON: The Leader of the Opposition, as he was at that stage, put before the people the policy on which he asked the electors to return his party to power. It is no use Mr. Stewart resorting to that subterfuge because if he thinks it will satisfy people outside, it certainly will not.

Hon. H. Stewart: It will not satisfy you.

Hon. W. H. KITSON: If there was one factor that worked towards the defeat of the Labour Government, it was that relating to unemployment. Yet I can say without hesitation that the Labour Government did more towards solving the unemployment problem than the Mitchell Government have so far done. While it was not possible for the Labour Government to provide work for everyone out of employment, we did not make promises that we would do so. We admitted there were extreme difficulties in the way and said it was not feasible for the Government to find work for everyone. Notwithstanding that the financial position, State and Commonwealth, was well known to the leaders of the Opposition parties at that time, they went before the public and made the statement time after time that if they were returned to power, they would experience no difficulty in securing money and providing work for all.

Hon. J. Nicholson: That was based on a certain assumption.

Hon. H. Stewart: In all his public statements Sir James Mitchell said "I" will do this or that.

Hon. W. H. KITSON: And he was speaking for the party now in power, of which he is the head. The Government cannot get away from their responsibilities. If we were to adopt that line of argument and say that when the responsible leader of a political party makes certain statements on the hustings, and, the party having been returned to power, those statements can be repudiated, then it must be obvious that politics have reached a very low level.

Hon. G. W. Miles: Does not the same thing apply to the Federal Government?

Hon. W. H. KITSON: I am not dealing with the Federal Government now, but will do so later on.

Hon. J. Nicholson: Can you show us the way out of the present financial difficulty?

Hon. W. H. KITSON: I do not say that I can, but I may have some suggestions to make later on.

Hon. G. W. Miles: Yes, borrow more money!

Hon. W. H. KITSON. It is admitted by all that we are confronted with a very serious position. It is remarkable to me that during the period discussions were taking place regarding unemployment, the difficulty of securing funds, and the recommendations of Sir Otto Niemeyer, until the matter was mentioned in another place, the question of the Great War and its significance to us in our present situation, was never alluded to. It was only when a member of the Legislative Assembly drew attention to what had been done by Australia during the war and made certain suggestions, that this phase received any consideration by public men in this State.

Hon. W. T. Glasheen: He was not the only man who talked about it.

Hon. W. H. KITSON: During the whole time the discussions I refer to were in progress, that point was never mentioned by any public man in Western Australia, nor yet by the Press until it was raised in another place. It is remarkable that that should have been so. It is equally remarkable that Sir Otto Niemeyer, when dealing with the economic situation, did not mention the effect of the Great War.

Hon. H. Seddon: Because it was unimportant compared with State extravagance.

Hon. W. H. KITSON: I claim it was one of the most important factors.

Hon. H. Seddon: Of course you would; it is a good substitute!

Hon. W. H. KITSON: I propose to show how important it was and still is. I do not desire to be misunderstood. I do not want hon. members to say that I stand for repudiation simply because I may make a suggestion. I do not want them to misquote anything I may say. I merely wish to point out actual facts, as I understand them. If I am wrong in my assumptions, hon. members may be able to demonstrate to me where I am wrong, but I think they will have difficulty in doing so. As a result of the war, the outlook generally of the people was changed. Nowadays there is a different atmosphere, and all sections of the community look upon life somewhat differently. The people had been promised all sorts of things during the war period—not only the soldiers who went to the front to help win the war to end war, but the people who were compelled to stay at home. They were told that conditions would be so different if only the Allies could win the war. As a result of the promises made, and the circulation of such a large amount of money throughout the Commonwealth during the war period, the younger generation obtained an entirely changed outlook from that possessed by their elders. They became accustomed to a different style of living and looked upon many things as necessities that their forefathers never dreamt of possessing. It is hard for the younger generation to take their minds back to anything different from what they have enjoyed during these later years. That, perhaps, has had quite a large influence on the position that obtains to-day. On the other hand, it may be merely one of those minor points that I will mention in passing. During the war period a considerable amount of money was raised and spent throughout the Commonwealth in general and in Western Australia in particular. While that money was in circulation, all of us were prosperous.

Hon. G. W. Miles: What about since the war? What about the £18,000,000 or more that you spent in six years?

Hon. W. H. KITSON: Let me develop my argument. As a result of that position, some people were more prosperous than others, and indeed there were many

in the community who had a very enjoyable time as the result of the war. It is to that section of the community that did so well during the war period, we may look at the present juncture for additional assistance in our existing difficulties. I will make a few suggestions in that direction before I conclude. In his speech on the Address-in-reply, Mr. Seddon was heard in a wonderfully fine discourse. No doubt he spent a lot of time in preparing his facts and figures. It was a review for which we must thank the hon. member. He put forward certain points of view, and dealt to some extent with the question of war indebtedness. Like one or two other members, when he dealt with that subject he indicated what I would describe as righteous indignation that anyone should suggest there was an alternative to the payment of the war debt, with interest charges to their fullest extent. His speech and that of one or two other members served to remind me of the spectacle, so often before us during the war period, of prominent men delivering flamboyant speeches from public platforms urging our men to go to the front and those who could not do so, to contribute money even to their last shilling. We have passed that period, and speeches of that type do not have quite the same effect to-day as they did at that time. There is no doubt Australia placed to her credit a wonderful achievement during the war period. We can be proud of what she accomplished both as regards the number of men who went overseas and the amount of money raised. We can be proud of the fact that Australia undertook to pay the whole cost of her troops at the front and with certainty we can say that Australia did at least as much as, if not more than, any other Dominion. Great Britain has her troubles, financial and otherwise, and they are serious. The manner in which she dealt with the financial problem during the war amounted almost to a miracle. The fact that Australia did what she did do at that stage represents, in my opinion, the reason why we should be able to advance a suggestion that should be considered not only by the Old Country but by the people of Australia as well. Any such suggestion advanced should be considered in the same spirit as Australia's deeds were performed during the war and in the same spirit that we evidenced when Australia will-

ingly entered the war. As a result of our war activities this country, or the Commonwealth, is having to find approximately 30 millions every year. That amount of money per annum for a population the size of that of Australia is very considerable, and when one compares it with the first year of the war, it will be admitted as remarkable that we have been able to do what we have done up to date. I should like to make one or two comparisons. In the financial year 1913-14 the receipts from taxation for all the States, plus the whole of the Commonwealth revenue, amounted to only £28,000,000, whereas last year the Commonwealth had to find over £30,000,000 to pay in connection with war services. There is significance in those figures. The receipts of all the States from taxation plus the whole of the consolidated revenue of the Commonwealth in 1913-14 was less than the amount of money we are having to find every year to pay for our share in the war. Examining the figures from that point of view, it is easy for anyone accustomed to public finance to realise some of the difficulties we are up against. Up to date we have already spent over £744,000,000 as a result of the war and yet we still owe over £282,000,000, and with reference to the latter figure, may I say that the greater part of it is owing in Australia and not overseas. The money was raised by our own people, the figures being £190,000,000 raised in Australia and £92,000,000 overseas. I think Mr. Seddon, when dealing with that phase of the question, put it forward as being a reason why we should not expect any assistance from Great Britain. To my way of thinking, if we are to put forward any claim at all, it is an excellent reason to advance that we not only sent our men overseas, and contributed our full share in that direction, but that we also raised the greater part of the money in Australia. Anyone examining the figures must agree that Australia is entitled to a certain amount of consideration from that point of view alone.

Hon. W. T. Glasheen: Great Britain did not lend us much money.

Hon. W. H. KITSON: I honestly believe, so far as the Imperial Government are concerned, that they would be prepared to come to the assistance of Australia if necessary.

Hon. G. W. Miles: Don't you think Australia should be ashamed to ask that of the Imperial Government?

Hon. W. H. KITSON: I do not think so, but it all depends on what kind of assistance we ask.

Hon. Sir William Lathlain: Is not our share of the war debt very small compared with other money that we have squandered?

Hon. W. H. KITSON: I am not prepared to admit that we have squandered money to the extent that some of our public men are prepared to say has been the case. I will admit frankly that there has been some squandered, but not to the extent imagined by the hon. member who interjected.

Hon. Sir William Lathlain: I did not say to what extent.

Hon. W. H. KITSON: The hon. member speaks in such a loose way about money having been squandered. So far as Western Australia is concerned it would be very difficult indeed for the hon. member to point to any large percentage of money squandered.

Hon. Sir William Lathlain: The Wyndham Meat Works.

Hon. W. H. KITSON: There you are! The hon. member would say that the expenditure on the Wyndham Meat Works has been squandered. I venture the opinion that Mr. Miles would not be prepared to agree to such a suggestion. If Sir William Lathlain argues from that point of view he might as well say that we should close down those works.

Hon. J. M. Drew: There is a Legislative council trading concern.

Hon. W. H. KITSON: That is so. I am prepared to go so far as to admit that there are other things that can be quoted in a similar way. Even in respect of other trading concerns and public utilities we hear members say that money has been squandered, but I have not heard any suggestion advanced by which the money could have been spent in a different way. For instance, I have heard that the State Shipping Service should be abolished, and that money has been, and is still being squandered there. Again, I venture to say that a section of the community would be up in arms if they thought for a moment there was any likelihood of the scrapping of the steamers becoming an accomplished fact.

Hon. Sir William Lathlain: It will become a fact all right.

Hon. W. H. KITSON: I hope the hon. member is not correct in his assertion. However, getting back to the question of war finance, in 1913-14 the total Commonwealth

public debt was £19,182,333 and on the 30th June of the present year it had increased to almost £373,000,000, or 75 per cent. of the Commonwealth public debt arising from our war services. Mr. Seddon said that was of not very great importance.

Hon. H. Seddon: The Commonwealth, but not the total public debt.

Hon. W. H. KITSON: Very well, we shall deal with the total figures when we come to them. Anything which comprises 75 per cent. of the public debt is of major importance, and so far as we as a people are concerned, it is one of those things we should take into consideration and not say that because we are in difficulties at the present time, and because the money was raised for war purposes, we should do nothing in the matter and allow things to drift and drift, as perhaps has been done already. There is another point which is of importance. At the commencement of the war period in 1914, the average rate of interest was £3 11s. 6d. To-day it is £5 0s. 7d. There is a tremendous difference between the cost of money then and the cost of money raised since then. I would also point out that the per capita payments for the Commonwealth in regard to our public debt, as far as interest is concerned, is no less a sum than £8 12s. per annum, and that figure has a bearing, a most important bearing, on whatever methods that might be adopted in getting the Commonwealth and the States out of their difficulties. It has also a most important bearing on one subject to which hon. members have given so much attention, and that is the question of interest. I shall be able to show that the significance of the sum is of the utmost importance, that it warrants consideration because of the amount of money we are obliged to find year after year for the payment of interest overseas and in the Commonwealth. I do not know whether the figure has been quoted before or not, but the interest payable by the Commonwealth per annum is over £55,000,000, actually over £1,000,000 per week. That sum is divided fairly equally as between the Commonwealth and overseas. In Australia £27,769,748 is paid in interest to the bondholders and overseas the figure is £27,595,701. There is another comparison I should like to make and it is that the taxation receipts for the Commonwealth at the present time are approximately £59,000,000 and for the whole of the States £31,000,000, a total of £90,000,000

collected by the Commonwealth and States from all sources last year. The interest payable in 1930, as I have stated is over £55,000,000. Therefore, approximately 60 per cent. of the receipts from taxation from the Commonwealth and States is paid away in interest every year. These figures are somewhat alarming, especially when we remember the sum is approximately 100 per cent. more than the total receipts from taxation of all the States plus the Consolidated Revenue of the Commonwealth in the year 1914—100 per cent. more being paid in interest to-day than we received in taxation plus Commonwealth revenue in the first year of the war. Therefore I say that this question of our war indebtedness is a matter to which we must give serious consideration.

Hon. H. Seddon: Do you say that the whole of that interest is due to war expenditure?

Hon. W. H. KITSON: No, the hon. member knows I would not be foolish enough to make a statement of that kind.

Hon. H. Seddon: How much of it is?

Hon. W. H. KITSON: I will come to that in a moment. In my opinion the position must get worse.

Hon. G. W. Miles: It will be worse before it is better.

Hon. W. H. KITSON: I think it will get worse and especially as far as this State is concerned, because we have large amounts of loan money maturing within the next few years. Something over eight millions will be maturing in this State in the next few years.

Hon. G. W. Miles: It is a Commonwealth matter now, but we are all in the same boat.

Hon. W. H. KITSON: Yes. At any rate these things have to be faced, and I am pointing out what Western Australia's position is. The same thing applies to most of the other States, that within the next few years loans will be maturing. Thus it is absolutely necessary to give consideration to the question of indebtedness and particularly to the subject of loans.

Hon. G. W. Miles: If we balance our Budget in the next year or two we shall be able to redeem those loans and pay a lower rate of interest.

Hon. W. H. KITSON: I hope the hon. member is right, because that would help us to get over some of our troubles.

Hon. J. Nicholson: But you do not think that a request for a reduction of interest

would induce investors to lend money at a lower rate of interest, do you?

Hon. W. H. KITSON: No. The average investor, I know, is out for his pound of flesh all the time. That is the unfortunate part of the position.

Hon. J. Nicholson: So that repudiation would not be beneficial?

Hon. W. H. KITSON: Of course not.

Hon. C. B. Williams: What if we cannot pay at all?

Hon. W. H. KITSON: I am not going to repudiate anything.

Hon. C. B. Williams: But you may be pushed into the same position as I am in.

Hon. W. H. KITSON: I believe there is a way out of the difficulty, a way which can be assisted considerably by those people who did so well during the war period. It is up to them to do their bit in this economic crisis as they said it was up to everybody else to do his bit during the war crisis. Before sitting down I shall make a suggestion which may or may not meet with the approval of hon. members, but which seems to me to afford the only way out of the difficulty. Mr. Seddon, in a personal explanation after dealing with the question of interest, corrected himself in regard to the amount by which Australia's interest bill would be reduced if the rate of interest were lowered by 1 per cent. Mr. Seddon quoted a figure of £11,000,000 per annum. That figure is quite correct. It is a striking illustration of the importance of our interest payments when a reduction of 1 per cent. only will give relief to the Commonwealth of no less than £11,000,000 per annum. I have already mentioned that the greater part of our war loans was raised in Australia. I have to go over these matters in order to lead up to the suggestion which I shall make at a later stage. The amount of money raised in Australia for war loans during the war period was £213,490,810. That was a wonderful achievement. If it was possible to do that at a time when Australia was faced with a war crisis, it should be possible to raise means in exactly the same way at present. There is no reason why it should not be possible. Some people say offhand, "No; it cannot be done; the money is not there" and all that kind of thing.

Hon. G. W. Miles: Do you suggest borrowing another couple of hundred millions?

Hon. W. H. KITSON: There is no reason why what I have indicated should not be done.

Hon. G. W. Miles: But do you propose borrowing another couple of hundred millions?

The PRESIDENT: Order!

Hon. W. H. KITSON: There is no reason why, if that is necessary, it should not be done during this crisis as it was done during the war crisis. Since the war there have been good seasons and good prices. As the result of a combination of circumstances we find that our large financial institutions, particularly our banks, have reaped what I may describe as wonderful returns. There has been great prosperity among the financiers. They have not slipped at any stage of the game.

Hon. Sir Edward Wittenoom: What about bank shares now?

Hon. W. H. KITSON: They are in a wonderfully fine position. I am not a speculator, but I venture to say there is not one bank in Australia whose shares do not stand at a premium to-day. Is there one? There is no reply to that question. There is nothing in the argument sometimes put forward that there has been a slump of various bank shares, and that certain industrial concerns have lost millions of pounds during the last month or two.

Hon. G. W. Miles: You ought to own some of the shares!

Hon. W. H. KITSON: It is a serious thing for the shareholders, particularly those who have paid inflated prices for the shares; but the concerns themselves—

Hon. Sir Edward Wittenoom: How many people, do you think, have original shares?

Hon. W. H. KITSON: That is just the point. It shows the skill and ingenuity of those in the financial world who from time to time are able to manipulate shares to their own advantage. I have no more sympathy with the man who loses his money by speculating in shares than with the man who loses his money on the racecourse. Both take the same risk. That is a phase of the situation which we must all recognise. It may be said that the shares were worth the additional money because they were paying a high rate of interest. From the speculator's point of view that is correct, but from my point of view it has another significance. I venture the assertion that had it

not been for the huge margin of profit made by many large corporations during the war period and since, the cost of living to-day would not be as high as it is. When we read, as we do even now, of a concern returning no less than 40 per cent. dividends, is it not about time that we took notice of that sort of thing? Would hon. members like me to give them the latest list of about two dozen concerns which inflated their capital during the war period, watered their capital? There are one or two classical examples in Australia. The question of payment of our indebtedness is one that concerns us all. Whether any particular individual has lost money as the result of investing in shares at a high premium is a matter which does not affect the present situation.

Hon. Sir Edward Wittenoom: How could a man owe money if he paid for his shares?

Hon. W. H. KITSON: Any loss he incurs is his own responsibility, and has nothing whatever to do with the community in general.

Hon. Sir Edward Wittenoom: You say he has to subscribe now to find this money.

Hon. W. H. KITSON: Yes; just the same as the man who goes to Belmont, or some other racecourse, next Saturday and does his few pounds in.

Member: What about the list you were going to give?

Hon. W. H. KITSON: I will supply one example, a concern that started with a few thousands and to-day has a capital of hundreds of thousands of pounds, not a single pound of additional capital having been subscribed. And still that concern continues to pay handsome dividends. Australian banks have had a good time, so good that to-day their surplus of assets over liabilities is ten times what it was in 1914. To those of us who have given any study to the operations of high finance, it is plain that whenever there is a war this self-same set of circumstances occurs; and it is up to us as public men to devise ways and means by which we can escape what we are now suffering, mainly as the result of the money power in operation here and in every country of the world.

Hon. Sir Edward Wittenoom: Are you aware that every shareholder is liable for double the amount of his shares in the bank?

Hon. W. H. KITSON: Some may be, but that does not affect my argument. The reserves of the banks—

Hon. G. W. Miles: Are saving the situation for us.

Hon. W. H. KITSON: They will have to do so.

Hon. G. W. Miles: They are doing it now.

Hon. W. H. KITSON: I do not for a moment criticise that phase. I am simply pointing out that during the war period, and since, all these financial institutions, especially the banks, have had such a wonderful time that their surplus of assets over liabilities to-day is ten times what it was in the year when the war broke out.

Hon. G. W. Miles: They run their institutions on business lines. They created the reserves which are saving the situation to-day. That is what Governments failed to do.

Hon. W. H. KITSON: Banks and financial institutions do things in a business way. They get an adequate return, and in some instances more than an adequate return, for the services they render. The figures relating to reserves are that in 1914 the surplus of assets over liabilities of Australian banks was £7,447,606, whereas on the 31st March, 1930, the surplus was £76,792,326.

Hon. Sir William Lathlain: Do not you think that the latter amount would be seriously depreciated now?

Hon. W. H. KITSON: I am not inclined to that view. I think the amount will be appreciated sooner or later, and I will tell the hon. member why.

Hon. Sir William Lathlain: But it will be greatly depreciated first.

Hon. W. H. KITSON: The hon. member need not have that fear. The reports of the annual meetings of banks and other financial institutions show that these things are written down considerably more than there is any necessity for doing. The buildings to-day are worth at least the amounts at which they appear in the balance sheets.

Hon. J. Nicholson: But you know that most banking institutions have largely increased their capital in comparatively recent years, within the period you refer to? Not one bank but has increased its capital enormously during that period.

Hon. W. H. KITSON: I do not think that applies to all of them.

Hon. J. Nicholson: Pretty well all.

Hon. W. H. KITSON: Even so, it does not get away from the fact that until this year practically the whole of the Australian banks have been paying remarkably fine dividends, whether on the smaller amounts of the original capital, or on the higher amounts subscribed as Mr. Nicholson has stated.

Hon. J. Nicholson: But you speak of the surplus of assets over liabilities, without taking into account the means by which the increase has been brought about.

The PRESIDENT: Order! Mr. Kitson has the floor.

Hon. W. H. KITSON: It has been suggested that in the near future the assets of the various banks will be considerably depreciated. In my opinion, if some people have their way and we get reduction of prices in Australia, and the deflation process continues as it is likely to continue, the assets of the banks, far from depreciating, will appreciate. There are one or two bankers in this Chamber, and I should like to ask them their opinion on the point. What has been the experience everywhere else will be the experience here too. It matters not what method we adopt in order to get out of our present difficulties, those people who have the manipulation of large sums of money will make a profit out of the matter. They certainly will not lose. There is no need for me to endeavour to prove that, as I think it is well known to every member of the Chamber. Naturally deflation must intensify the position. It does not matter whether reduction is applied to prices and wages, it cannot adversely affect the value of the assets of the financial institutions.

Hon. G. W. Miles: Do you propose taxing interest, then?

Hon. W. H. KITSON: Interest is taxed to-day, and it will probably be taxed a little more in the future.

Hon. H. Stewart: Do you say that banks never crash?

Hon. W. H. KITSON: No, I do not say that. We have seen that quite recently—not in Australia, but we have seen where certain fairly strong financial institutions have come to the ground.

Hon. J. Nicholson: It is not so very long since we had the experience in Australia.

Hon. W. H. KITSON: Yes, it is a long time now, fortunately. At present we are

dealing more particularly with the effect of the war in relation to Australia.

Hon. G. W. Miles: Can you not tell us something of the £18,000,000 your Government spent in so short a time?

Hon. W. H. KITSON: Yes, gladly. It stands to the credit of the late Government that they spent the money in the way in which they did. Only recently I read an article in which it was pointed out that if Western Australia was to progress, it could only progress by means of the prosperity of its primary industries; and that if our primary industries are to progress, they must be provided with adequate water supplies, they must have railways and roads, and all other necessary facilities, to enable them, not only to produce, but at the same time to reduce the cost of production. And out of that £18,000,000 I think the hon. member will find a very large proportion was spent in those directions. If only the present Government will spend a substantial proportion of their money in the same way, I will have no fault to find with them.

Hon. G. W. Miles: I hope they will not spend so much as a quarter of that sum in the brief time it took the Collier Government to spend it.

Hon. W. H. KITSON: Regarding the methods to be adopted in order to get us out of our difficulties, members here have said there is only one way. Mr. Miles said, "Suspend the Arbitration Act."

Hon. G. W. Miles: And a good thing it would be.

Hon. W. H. KITSON: He added we must amend the Workers' Compensation Act, must retrench in all Government departments, and must reduce wages and lengthen hours of work. He is what I would describe as a whole-hogger. Then, although I do not think it appears in "Hansard," he said, "Whatever you do, you must not touch interest." There must be no mention, no suggestion, of interfering with interest.

Hon. G. W. Miles: I have told you that interest has already been touched, and property taxed.

Hon. W. H. KITSON: Sir Edward Wittenoom, who was somewhat mild in his criticism, suggested things similar to those proposed by Mr. Miles, but he went one further and pointed out a way in which this State could economise. He said we had too many high schools, and were spending too much money on education, were

progressing too fast. I did not notice it at the time, but when I came to read his remarks I saw that apparently he had something in view for those people whom he represents, private people. He said there were five high schools in the State.

Hon. Sir Edward Wittenoom: No, I said seven.

Hon. W. H. KITSON: Well, seven high schools conducted by private enterprise, which he contended were quite sufficient.

Hon. Sir Edward Wittenoom: No, I meant seven Government schools.

Hon. W. H. KITSON: He was referring to high schools conducted by private enterprise, which he thought were quite capable of looking after the interests of all those children who could at least pay for their high school education. If we are to cut down high schools in order to balance the Budget, then we have come to a very serious pass indeed.

Hon. E. H. Harris: We have.

Hon. W. H. KITSON: Because if there is one thing to which the State must give attention, it is the education of our children. We should be prepared to give them every facility so that in years to come they may be able to use their own brains to help them rise superior to such difficulties as we are experiencing at present. I for one would not be a party to an economy of that kind, except in the last resort. I say we have not sufficient high schools in this State even now; that the more high schools we have, the more opportunities there are for our community to get education of that kind, the better for the State and for the Commonwealth. As to this suggestion that we reduce wages, the reduction of wages is not going to solve our troubles. Reducing the purchasing power of the people will not bring a solution of the problem.

Hon. G. W. Miles: Nobody wants to do that.

Hon. W. H. KITSON: The hon. member was so keen the other night—

Hon. G. W. Miles: I said that one would be able to buy as much with 10s. as he can now buy with 16s., if only the readjustment is made at once.

Hon. W. H. KITSON: Then it is readjustment the hon. member wants, and this readjustment, he opines, will get us out of our difficulty. He wants to get back to the 1914 conditions, the wages and prices of

1914. Then everything in the garden will be lovely. Let me point out to the hon. member, if he does not know it, that if we were back to that stage where wages and prices would be the same as they were in 1914, if there was not also some adjustment of interest, the standard of living would necessarily be lower.

Hon. G. W. Miles: Interest will come back when we get on to a sound basis and can pay our way.

Hon. W. H. KITSON: If we get back to the 1914 stage, and there be no alteration in the interest rates, we shall be a long way worse off than we are to-day.

Hon. G. W. Miles: I have already told you that you have to borrow at a low rate to pay your way.

Hon. W. H. KITSON: I may point out to the hon. member that it was Mr. McKenna, Chancellor of Exchequer of Great Britain, who is also chairman of one of the large banks of England, who said that if Great Britain did get back to the stage where wages and prices would be the same as they were in 1913, it would be necessary for the people of Great Britain to pay 8s. in the pound in income tax. I point out to members that if we should reach that stage here in Australia, the taxation required to allow us to balance our Budget would be on a somewhat similar scale.

Hon. G. W. Miles: And it will be carried by everybody, instead of by 10 per cent. of the people, as at present.

Hon. W. H. KITSON: In times gone by it was agreed by all that taxation should be paid by those best able to bear it. As a result of that principle we have made taxation exemptions from time to time, and I hope the time will not come when it will be necessary to remove all exemptions. It may be necessary to remove a few of them before we get out of our trouble. However, I think we can leave that for a little later in the piece. Members whom I have heard speak in the House, when talking of reduction of wages said they had no desire to reduce the cost of living. I think Mr. Nicholson made that particularly clear. I think also Mr. Miles—

Hon. G. W. Miles: Did you say no desire to reduce the cost of living?

Hon. W. H. KITSON: I meant the standard of living. Almost every so-

called expert whose view I have read in recent weeks has made the same statement. And we have heard members say that if we could reduce wages by 10 per cent. all round, from the highest to the lowest, everything would be quite all right and the standard of living would remain as it is to-day. I was interested to see in the newspaper on Monday night a paragraph dealing with the evidence given by the Professor of Economics at the Adelaide University, Professor Melville. He was giving evidence before the Board of Industry in Adelaide, during the hearing of the application by the employers for a reduction of the living wage. He expressed the opinion that a reduction of between 5 per cent. and 10 per cent. in real wages would be necessary to meet the altered conditions. I want members to mark that, "in real wages." The professor went on to say that unless there was an improvement in the present outlook, he considered 5 per cent. would not be sufficient. What the reduction in nominal wages would be, he said, would depend on the monetary policy which Australia adopted. He thought the period of dislocation that would follow reduction in wages would be past its worst in three months. I want to give the professor credit for being at least honest. He did not disguise the fact that what in his opinion was necessary was a reduction in the standard of living. He makes that very clear. He did not say that 10 per cent. in money wages would be sufficient. What was required, he said, was a 10 per cent. reduction in real wages, which of course may be 20 per cent. in money wages.

Hon. G. W. Miles: And do you support him?

Hon. W. H. KITSON: I support him to this extent, that the method being suggested are being suggested with the object of reducing the standard of living.

Hon. Sir William Lathlain: Did not Sir Otto Niemeyer say we could not afford our present standard of living?

Hon. W. H. KITSON: I don't care what he said. In Australia we have set up a standard of living which is not too high, and which has not been advancing during the last year or two. Rather has the tendency been the other way. The hon. member wants to know how we set it up. He

knows quite well that it has been determined over a period of years on the so-called cost of living, based on a certain number of items, which by no stretch of imagination can be held to cover the whole cost of living. The hon. member knows, too, that if those were the only items involved in the cost of living of an ordinary family, we would certainly be a long way better off than we are to-day. There are some essential items which are not taken into account, and there are other items which are not taken into account to the extent they ought to be. While we believe, as I believe, that our standard of living should be based on the cost of living, then we as a country cannot afford to have put into operation the methods which are being suggested by some people.

Hon. G. W. Miles: The standard of living should be based, not on the cost of living, but on production.

Hon. W. H. KITSON: And how is the hon. member going to apply that?

Hon. G. W. Miles: By means of payment by results.

Hon. W. H. KITSON: And how will the hon. member apply that?

Hon. G. W. Miles: We will have to apply it, for we cannot borrow any more money to keep us afloat.

Hon. W. H. KITSON: Quite a large percentage of our working population are employed in industrial avenues where they could not possibly be paid in that way.

Hon. C. B. Williams: Mr. Miles the other day was objecting to the piece-work miners at Collie being paid good money.

Hon. W. H. KITSON: I would agree with the hon. member if it were possible to bring all sections of the community within that same measure. For I think there are in the community some who could well be brought within the scope of that method without prejudice to themselves and with benefit to other people. For instance, there are the members of the several professions. Would the hon. member pay them by results?

Hon. G. W. Miles: They ought to come down.

Hon. W. H. KITSON: I believe the hon. member is right. I have not heard of any reduction in legal fees.

Hon. J. Nicholson: Have not they been reduced in England?

Hon. W. H. KITSON: Nor have I heard of any reduction in medical fees.

Hon. G. W. Miles: And insurance, too.

Hon. W. H. KITSON: There are many directions in which a reduction of costs ought to be made. Consequently, when we talk about introducing some system whereby everyone will be paid on results, we should be a little more specific. If the hon. member would be more specific, I would agree that there are quite a number of occupations in which it would be advisable to have payment by results, and others where that system could not possibly be adopted.

Hon. C. B. Williams: I am afraid he would suffer a 50 per cent. reduction if paid by results.

Hon. W. H. KITSON: Reverting to the question of interest, I realise that since the war we have borrowed huge sums of money and, as regards this State, it has been borrowed principally for developmental work. Generally speaking, we can claim that, irrespective of Governments, the money has been expended wisely.

Hon. H. Seddon: Considering that we dropped half a million on group settlements?

Hon. W. H. KITSON: There are one or two exceptions, but generally speaking we can claim that the money has been wisely spent. I do not subscribe to that statement that the whole of the money written off group settlement has been lost. I believe that in years to come we shall reap a benefit from group settlement that cannot be estimated at the present time. Still, money has been spent on that scheme which could have been avoided. It is of no use trying to blame anybody in particular. We might blame the man who was responsible for selecting unsuitable land in the first place; we might blame the men responsible for the selection of the settlers, many of whom were unsuitable; there are many other ways in which we might excuse, if we so desired, the expenditure of a considerable proportion of the money that has been written off. The present Government desire to promote closer settlement in the Nornalup district. I suggest there are plenty of other places which should be tackled before the Nornalup district. I know the Nornalup country fairly well. I spent a few years down there and I know that some of the land is excellent, and there is some splendid timber country. I have done clearing work there for myself and on contract, and can speak with a certain

amount of knowledge of the district. The cost of clearing and of establishing inexperienced men on that country must be heavy. While the settlers might be successful, because the land is good and they will have an assured market for their dairy produce, the money which would have to be spent could be applied to other parts of the State with greater advantage and would give perhaps quicker returns.

Hon. G. W. Miles: That is right; use it to assist the farmers.

Hon. W. H. KITSON: Yes.

Hon. G. W. Miles: You have not yet told us how you are going to solve this problem.

Hon. W. H. KITSON: I have pointed out that the financial institutions have done well. There is a large section of the community who did remarkably well financially during the war period.

Hon. H. Seddon: In sheltered industries?

Hon. W. H. KITSON: Some in sheltered industries; some outside. I have suggested that there are people to whom we can reasonably and logically look for some assistance at a time like the present.

Hon. G. W. Miles: How do you propose to get it from them?

Hon. W. H. KITSON: What would be wrong with raising another loan, called a reconstruction loan?

Hon. H. Seddon: Free of interest?

Hon. W. H. KITSON: Or a readjustment loan?

Hon. H. Seddon: What about the interest?

Hon. G. W. Miles: Should not we try to live within our means and not borrow any more?

Hon. W. H. KITSON: What would be wrong with raising a reconstruction or readjustment loan?

Hon. G. W. Miles: That would be only shifting the load from one shoulder to the other.

Hon. W. H. KITSON: During the war we raised a tremendous amount of money; £213,000,000 was raised in Australia. Since then millions and millions have been raised for various activities. In order to raise money during the war, the banks put their heads together and made an offer to the public that if they would take up war bonds, the banks would advance 90 per cent. of the face value at an interest rate half per cent. below that of the bonds.

Hon. G. W. Miles: They appealed to the patriotism of the people.

Hon. W. H. KITSON: That is so.

Hon. G. W. Miles: And would you use the loan to liquidate some of our debts?

Hon. W. H. KITSON: I intend also to appeal to the patriotism of the people. My appeal will be directed to the banking institutions and to those people who did so well during the war. I appeal to them as patriots to do what the banks did then. Let it be a loan at a low rate of interest.

Hon. H. Seddon: What would you do with those patriots who did not subscribe?

Hon. W. H. KITSON: If it was fair to appeal to the patriotism of the people as a whole during the war crisis, it is equally fair to appeal to them during an economic crisis such as the present.

Hon. Sir William Lathlain: Do you think the money is available?

Hon. W. H. KITSON: Of course I do.

Hon. Sir William Lathlain: Where is it? Is it not all absorbed by Government loans?

Hon. W. H. KITSON: It is there at present, just as it was there at the beginning of the war.

Hon. A. Lovekin: Was it money or was it the pledging of credit?

Hon. W. H. KITSON: It was the pledging of credit, and that is the secret. We have to release the credit of the country. If possible, we have to take the power from the few people who to-day are restricting the credit of the Commonwealth. This leads me back again to a question asked a few minutes ago, whether the British Government were involved in this crisis. The British Government are not involved to any great extent. The British Government raised a few millions of money for us, and, I believe, treated us very well. A larger amount of money has been raised since then, but it was not raised or provided by the British Government; it was provided by other people. From an Australian point of view, the present crisis is just as serious as was that of 1914. If there is anything at all in patriotism, if there is any justification for some of the speeches that have been made in this House, there is no doubt what should be the outcome of an appeal such as I have suggested. Mr. Seddon asked what would be done with the people who would not subscribe to such a loan. I assume he means provided we knew they were possessed of money.

Hon. A. Lovekin: The difference is that we had the credit then and have exhausted it now.

Hon. W. H. KITSON: I do not believe we have exhausted our credit. The resources of Australia are as good now as they were in 1914. There is no question about that. The assets of Australia are much larger now than they were then.

Hon. J. Nicholson: But those assets are now limited in the amount they are capable of realising.

Hon. W. H. KITSON: The hon. member always returns to that one point. It has been questioned whether the people would subscribe to such a loan if a lower rate of interest were offered. That is really the same point as was raised by Mr. Seddon. I am not at present suggesting any steps in the shape of compulsion, but if the position becomes as serious as I can visualise its becoming during the next year or two years, I venture the opinion that some authority, Commonwealth or Imperial, will find it necessary to exert compulsion in directions that will produce the necessary credit.

Hon. J. Nicholson: Subject to Governments being less extravagant.

Hon. W. H. KITSON: That is a statement which requires to be qualified. Of the loan money expended by the Collier Government, a large proportion was devoted to developmental work. Is that extravagance?

Hon. Sir William Lathlain: Yes, when it is done by day labour.

Hon. J. Nicholson: It would depend upon the work that was done.

Hon. W. H. KITSON: Sir William Lathlain cannot get away from party politics.

Hon. H. Stewart: Was it efficiently spent?

Hon. W. H. KITSON: That is the point.

Hon. H. Stewart: Governments cannot spend money as efficiently as can private enterprise.

Hon. W. H. KITSON: The hon. member is not right. Against his statement may be quoted experience of building railways for the development of our agricultural areas, on which work day labour has been employed.

Hon. H. Stewart: And money has been lost on it.

Hon. W. H. KITSON: The hon. member knows that the facts and figures are against him.

Hon. H. Stewart: No.

Hon. W. H. KITSON: He knows that under the day labour system the cost of con-

structing those railways has been less than if undertaken by private enterprise.

Hon. H. Stewart: That is not so.

Hon. W. H. KITSON: I can only rely upon the departmental figures, and the hon. member cannot challenge them.

Hon. G. W. Miles: Do not you think the cost of Government is too high, and that we ought to bring it down?

Hon. W. H. KITSON: More than the cost of Government will come down before long.

Hon. J. Nicholson: You are right.

Hon. W. H. KITSON: If the suggestion is one that can reasonably be advanced—

Hon. G. W. Miles: As a last resort, and not until you start at the top.

Hon. W. H. KITSON: We are told we are in the throes of a crisis which is probably going to mean a more serious state of affairs for Australia, unless we can square our Budget and raise money.

Hon. G. W. Miles: It is most important that we cut down expenditure.

Hon. W. H. KITSON: The cutting down of expenditure alone will not cure the situation.

Hon. G. W. Miles: But it will help.

Hon. W. H. KITSON: As pointed out by Mr. Lovekin, a reduction in wages and in the purchasing power of people is not going to solve the problem.

Hon. G. W. Miles: But it will have a big effect upon it.

Hon. W. H. KITSON: There is a bigger problem than that to deal with. When we examine the position at all points, we come down to one solution, namely that we must release credit without delay.

Hon. G. W. Miles: We have no credit.

Hon. H. Stewart: How will that balance the ledger?

Hon. W. H. KITSON: We will balance the ledger all right.

Hon. H. Stewart: Our credit would be all right if we could balance the ledger.

Hon. W. H. KITSON: The hon. member likes to speak for the primary producers. Fully 75 per cent. of them are not producing all they should, because they cannot get the necessary credit.

Hon. H. Seddon: What do you mean by releasing credit?

Hon. W. H. KITSON: Mr. Stewart represents so many primary producers, who cannot to-day produce what they would like

because they cannot get the credit to enable them to do so.

Hon. H. Stewart: The trouble is they have received too freely of credit.

Hon. W. H. KITSON: I agree with that in some cases.

Hon. H. Stewart: Cheaper money is of vital importance to the agricultural industry.

Hon. W. H. KITSON: Members of the farming community for some time past in this State have had their credit restricted to such an extent that they can do no more developmental work. They require additional fencing, water supplies, and other improvements. There are private individuals with assets considerably in excess of their liabilities, and yet it is almost impossible for them to get any credit. If credit were released, and these people were allowed to carry on with the developments they desire to effect, they would be able to make a tremendous difference in the out-turn of our primary products.

Hon. G. W. Miles: And sell them at a loss on the world's market.

Hon. W. H. KITSON: That is a point we must take some notice of. The drop in the world's prices of our products is a big item in our present position. When we talk about increasing production and reducing the cost of production we can look to our primary producers as much as to anyone else to do that, but, until we provide them with the necessary money, they remain handicapped.

Hon. H. Stewart: They are handicapped by the sheltered industries. Until they are disposed of they can do nothing.

Hon. W. H. KITSON: We will admit that, if the hon. member likes.

Hon. H. Stewart: That is the most important part of Sir Otto Niemeyer's statement.

Hon. W. H. KITSON: He says we must increase the volume of our primary products.

Hon. H. Stewart: They are paying toll to the sheltered industries, but no one seems to refer to that.

Hon. W. H. KITSON: Our wheat growers must find some means whereby they can increase production. They can do it by two methods. They can first of all increase the acreage under cultivation.

Hon. G. W. Miles: That is one of the main things.

Hon. W. H. KITSON: Unfortunately a large percentage of our producers went on the land with insufficient capital, and they found it impossible to do what they knew was necessary. How many men have gone on the land without capital?

Hon. G. W. Miles: Without capital and without experience.

Hon. W. H. KITSON: Yes, and we encouraged them. We said, "Go on the land, young man, and be successful." We took them to a certain stage and left them there. If the necessary money could be released, much good could be done. We have encouraged people to go on the land with insufficient capital. They have found themselves unable to improve their own places as they would like. If we could ensure an increase in the acreage under production that would go a long way towards relieving the situation. There is, however, another point. Our State average yield of wheat is under 12 bushels. It should be possible to increase that production per acre to upwards of 15 bushels, with very little trouble. That could be accomplished in several ways. I desire to compliment the Agricultural Department upon the establishment of the various experimental farms in different parts of the State. I hope that policy will be continued, because I believe it has served a very useful purpose. From my own observations I have come to the conclusion that far too many men, in their endeavour to make ends meet, have tried to cultivate too much land. Had they been content to crop a smaller area, and devoted more attention to it, and had promoted a few more side lines on their properties, they would have achieved much better results. Many of those people cannot increase the scope of their enterprise because their properties are not fenced, and are not properly equipped with water supplies. They have no money with which to do these things. Until they are equipped with finances, they will be unable to face the difficulty. When that position is overcome, we shall to some extent have solved our present problems.

Hon. J. Nicholson: And helped towards increasing production.

Hon. W. H. KITSON: The trouble can never be entirely overcome except by our producers getting a greater yield from the same acreage. Those who can do so will not feel the disabilities of the position nearly as much as the others.

Hon. H. Stewart: What about the implement makers and payment by results?

Hon. W. H. KITSON: Reference has been made to the cost of implements. The question of interest is not confined to Governments, banks, or other financial institutions. It permeates the whole system of society from the lowest to the highest. I am reminded that many of our farmers are in serious difficulties because they cannot meet their machinery payments.

Hon. H. Stewart: They would have had their machinery at a lower price if McKay had been allowed to come here.

Hon. W. H. KITSON: I wish the hon. member would get away from that red herring.

Hon. H. Stewart: But it was so.

Hon. W. H. KITSON: There was nothing to prevent Mr. McKay from establishing a factory here. These people are in difficulties to-day because of the high rate of interest they have to pay, not only on their machinery, but on almost everything they use. The farmer is not by himself. It would be a good thing if the present Government gave some attention to our various Acts of Parliament dealing with hire purchases and the time payment system.

Hon. H. Stewart: Hear, hear!

Hon. W. H. KITSON: Also with regard to money lenders. I venture to assert that 50 per cent. of our population to-day is feeling the effects of the interest that has to be paid in many directions. It does not matter what circle we choose as an example. We can take the humble labourer who buys a suit of clothes on the time payment system, and may be also his gramophone. Middle class people may be buying a house on time payment. The probabilities are, as Mr. Miles suggests, that these persons will shortly be unable to pay their instalments, and they will lose their homes. There are other people who are buying their motors, pianos, and wireless sets on time payment. In every instance people are paying a higher rate of interest than was formerly the case. It is the interest that kills. If we could only deal with that question we would have solved the principal part of our trouble.

Hon. H. Seddon: Will any interest be involved when you release credit?

Hon. W. H. KITSON: Of course! That reminds me of another point I should like to make. Mr. Miles and others talk about reducing prices, wages, etc., and suggested

we should revert to the position appertaining to 1914.

Hon. G. W. Miles: That is with the bonuses cut out.

Hon. W. H. KITSON: Great Britain has had a bad experience since the war. As pointed out by Mr. Lovekin, as a result of the drop in price levels, Great Britain has to provide the equivalent of £1,500,000,000 additional to go to the United States.

Hon. G. W. Miles: We have the same sort of trouble here.

Hon. W. H. KITSON: We shall have the same problems to deal with in Australia. In Great Britain wages and prices were cut and deflation was brought about. As deflation takes place in Australia the same thing will occur. The net result will be that assets in the form of bonds, etc., will appreciate in value instead of depreciate. Assets which to-day are in the hands of financial institutions will produce considerably more in those circumstances than they do to-day. If there is anything in what Mr. Miles says about an all round reduction of 10 per cent., let us have it on interest also. What would be wrong with that?

Hon. G. Fraser: Hands off interest.

Hon. W. H. KITSON: A 10 per cent. reduction in interest would mean a revenue of 5½ million pounds to the Commonwealth.

Hon. H. Seddon: Do you think that would tend to release credit?

Hon. W. H. KITSON: The hon. member's solution of the difficulty is a fallacy. There is nothing in it. It has been tried in Great Britain, and is costing that country the equivalent of £1,500,000,000 additional to the United States on her war commitments. What is there wrong in tackling this question of interest? Did not Great Britain do so? Has not Great Britain made arrangements with her creditors? Is she not getting a reduction in the original amount of interest that was payable?

Hon. Sir William Lathlain: Not from America.

Hon. W. H. KITSON: What is the average rate of interest Great Britain is paying?

Hon. Sir William Lathlain: She should not pay any to America.

Hon. W. H. KITSON: It is 3½ per cent.

Hon. Sir William Lathlain: She should not pay a bean. It was not her commitment.

Hon. W. H. KITSON: That is her position. She has to pay 3½ per cent. on this money, and is paying the equivalent of no

less than £1,500,000,000 additional to the United States on account of the reduction in the price levels.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. W. H. KITSON: Before the tea adjournment I made the statement that Great Britain had been called upon to pay the equivalent of at least £1,500,000,000 additional to the United States owing to the decrease in prices in Britain. Through the courtesy of Mr. Lovekin I have been supplied with a copy of "Stead's Review" for the 1st September, 1930, which makes reference to that particular phase. The article is of such great interest that I beg leave to quote from it. The article is headed "Gold and the Credit Collapse" and is written by Dr. G. L. Wood, M.A., of the School of Commerce, Melbourne University. The article starts with the following foreword:—

The world suffers from a maldistribution of gold, largely engineered by certain central banks which refuse to play the gold standard game according to the book of rules.

The next paragraphs I will quote are as follows:—

Judged by the controversies which have been provoked by our economic problems, nothing has become more certain than that people at large fail to realise the nature or the extent of the disaster which afflicts civilisation. Speaking in London last month Mr. J. M. Keynes was constrained to say that "the world has seen one of the biggest financial depressions in history. The fall in prices has been on a greater scale than has ever been known before in the recorded economic history of the world." It can scarcely be said that the people of the Commonwealth are any less conscious of the gravity of the situation than the inhabitants of other countries; but it is at least true that there is little real understanding of the issues involved, or of the inevitable social and economic reactions which it will provoke.

The root cause of the serious industrial position in Great Britain is fundamentally the same as that which has brought about such a critical position in Australia; and that, in the fewest possible words, is a more or less complete breakdown in the mechanism of international credit. It is as impossible to consider the British and the Australian situations apart as it is to separate a man from his shadow. The prime fact to be emphasised is the rise in the value of gold—that is, the fall in the value of commodities. The world, or rather the industrial groups which comprise the modern trading world, finds no great difficulty in adjusting its business to changes in price levels over a long period. But, in the words of Sir Josiah Stamp, "the evils arising in our very complex and international civilisation from

large changes in the purchasing power of money in short periods are now so important, and, indeed, so critical that we are forced to give serious consideration to them, whether we can ultimately prevent them or not." The fall of approximately 30 per cent. in world prices since the return to gold in 1925 has been without parallel in modern history; but the acceleration of the rate of fall since the end of 1929 has been somewhat of a business cataclysm.

Then the article goes on to deal with the amount of gold per head held in different countries and proceeds—

Price movements seriously alter the way in which the total national income is distributed among the different factors which produce that income. As between one and another, nations are all debtors or creditors; and their national obligations are measured in gold, but paid in goods. It is clear that if prices fall (i.e., if the value of gold rises) they must give more of their products to cancel their debts. These international debts, therefore, now press more heavily on all debtor countries than at the time when they were incurred. There is no provision in international loans by which the real burden of the debt (i.e., its value in goods) remains always the same. If, for example, Australia had to pay so many bales of wool, bushels of wheat, cases of fruit each year as interest on the overseas debt, her financial way would be plain. Through the fall in prices since 1925 the British debt to the United States increased in effect by £1,500,000,000. This represents wealth in excess of the real sum that was originally lent, or, in other words, the outgo in interest is a larger fraction of the national income than it was in 1925.

I believe that article puts in better language what I have been endeavouring to say. I quote those passages in order to have some authority for the statement made by Mr. Lovekin, which I repeat. It goes to show that in the process of deflation, which we all understand seems necessarily to be taking place, it must just as necessarily mean a reduction in the standard of living of the people, unless there is some radical alteration with reference to our interest obligations. In a leading article appearing in the "West Australian" a few days ago this point was also mentioned.

Hon. J. Nicholson: Are you referring to a leading article on "Real Wages"?

Hon. W. H. KITSON: No, but to the article on the unemployment position that appeared in the "West Australian" of the 12th September. In that article there was the following sentence:—

Everyone qualified to express an opinion is agreed that the trouble is ultimately due to a breakdown in the world's methods of exchanging its goods and services.

In other words, we are witnessing what we may describe as the breakdown of the capitalistic system. That applies not only to Australia, but to almost every country in the world. France is one of the few exceptions at the present time. It does not seem to me that the position will be greatly affected should wages be reduced or remain as they are. We have high-wage countries and low-wage countries, each suffering in the same way.

Hon. W. T. Glasheen: Particularly the low-wage countries.

Hon. W. H. KITSON: That is so. Nor is the position confined to any particular nation or colour. In a recent estimate furnished by some authority—I forget who it was for the moment—it was asserted that at present there were 25,000,000 people out of employment in different parts of the world. That connotes a serious state of affairs that every public man must at least take cognisance of. The position is such that it cannot carry on for any considerable length of time without some determined effort being made by that large number of unemployed to achieve some alteration in their favour.

Hon. J. Nicholson: How do you arrive at the conclusion that there has been a breakdown of the capitalistic system?

Hon. W. H. KITSON: Because that system is based on money.

Hon. J. Nicholson: How could you carry on without capital?

Hon. W. H. KITSON: We could not very well do so under our present system; but I do not desire to enter into an academic debate as to alternative systems. I merely assert that there appears to have been a breakdown in the capitalistic system.

Hon. J. Nicholson: Do not you think that is attributable rather to the mechanisation of the present age?

Hon. W. H. KITSON: That also has something to do with the situation. In fact, there are several causes.

Hon. J. Nicholson: That is why we have so many unemployed.

Hon. W. H. KITSON: Last session I pointed out in the course of a speech that the position was such that we could look upon unemployment as a permanent condition. Mr. Seddon mentioned that phase as well. Hon. members disagreed with me last year when I pointed out how that prob-

lem was growing year by year. When I quoted statistics and many instances to indicate how circumstances were operating, my words did not seem to cut much ice with at least some members of this Chamber. One member here said recently that we could do away with unemployment in Western Australia and that we could solve that difficult problem. I fail to see how we can do that as a State; the problem is too great altogether. Its ramifications cover too vast an area, and we must view it from an Australian rather than from a State point of view. From my studies of the question, I have come to the conclusion that Australia has every opportunity of recovering from the present position provided we do not get too panicky and are prepared to pull together as a whole.

Hon. J. Nicholson: Undoubtedly you are right there. We must pull together.

Hon. W. H. KITSON: I say to the Government that I am prepared to give them all possible assistance, consistent with the principles I hold. That is a pretty fair statement to make. I recognise the Government are up against extreme difficulties, which may not be overcome quickly. It will be necessary to take some steps to improve the financial position that will not be agreeable to all sections of the community. We must make up our minds when remedies are applied that most of us will have to accept a greater burden than we have carried hitherto.

Hon. J. Nicholson: Will you not admit that increased production will assist considerably towards alleviating the present position?

Hon. W. H. KITSON: Undoubtedly that will assist greatly in solving the problem.

Hon. W. T. Glasheen: What is the good of increased production if we cannot sell the goods we produce?

Hon. J. Nicholson: You will find a market all right.

Hon. W. H. KITSON: The production from Australia will have to be sold at world's parity, and the increased production I advocate is not necessarily per medium of an increased area under primary production.

Hon. J. Nicholson: That is quite sound.

Hon. W. H. KITSON: The increased production I advocate is from the area already under cultivation. Our experimental farms and experts have done well to date. I hope there will be no alteration in the

policy underlying that effort, and I trust every endeavour will be made to furnish primary producers with facilities that will enable them to increase their production from land already developed. The secondary industries also are showing increased production and an improvement in the methods of production. Of course our home market is very limited and it is very hard for us to compete with the larger concerns in bigger centres. If the secondary industries are to live it is necessary to bring them up to date in respect of their methods of production and, in addition, it is up to every member of the community to consume local products. There, again, we can help to improve the position. I should like to pay a compliment to the Western Australian Chamber of Manufactures for the campaign they inaugurated some time ago and which has been productive of good already. I sincerely hope, as a result of their efforts, they will be well rewarded, and it is up to the citizens of the State to assist that Chamber by becoming advocates of the consumption of local products. That will materially help to make the position easier for our own people than it is at the present time. Considering the finances of the State, it is admitted that the railways play a very important part. We have nothing to be ashamed of in regard to our railways. We can congratulate ourselves that they have been so successful in recent years. I do not think any service in Australia has a better record than that of the Western Australian railways, and that notwithstanding the difficulties existing here that are not to be found elsewhere. For instance, we have a huge territory and a small population. We have to build developmental lines costing a considerable amount of money in order to assist agricultural districts to get their produce to market. We have given concessions to various sections of the community and especially to the primary producer on a scale which I think is more liberal than is to be found in any other State in the Commonwealth. I do not say we should not have done it, but I merely mention the fact as one of the things we have done, and which we can say is responsible to a certain extent for the deficits shown on the working of the railways during the last two years. The Commissioner of Railways in his report does not blame that phase of the subject, but he says that motor competition

was almost wholly responsible for the decrease in the returns. There is no doubt that motor transport has had a big effect on the railway returns, but on the other hand, as I pointed out last year, while some members of this Chamber blamed the Labour Government for giving long-service leave to the employees, and concessions of that kind, they have never taken into account the cost of the concessions which have been granted to the primary producers in the way of railway freights, and so on. Again, as far as the primary producer is concerned, we also give him free wharfage for his wheat. No other State in the Commonwealth does that, and then he gets concessions in the way of reduced freights for wheat and fertilisers, and so on, concessions that are not granted in any other part of Australia.

Hon. J. Nicholson: Those concessions are necessary because of the high tariff.

Hon. W. H. KITSON: I do not know that I would blame the high tariff altogether; I would say that in view of the whole of the circumstances existing in this State, it is necessary, if we are desirous of developing our country, that we should give such concessions. The only complaint I have to make regarding any of those concessions is that there is a minority of primary producers who are really not entitled to concessions of that kind. While it is a fact that these concessions have cost such a large amount of money, and that we have built so many miles of railway, that we cannot expect will pay for years to come, the main reason for the deficit in railway working, to my way of thinking, is the question of interest. I was astounded to find, taking the railways of the Commonwealth as a whole—and the position in the other States is much worse than it is here—that the difference between the interest per mile paid in 1914 and in 1929 is 65 per cent. In 1924 the amount was £356 per mile open for traffic.

Hon. W. T. Glasheen: Over how many miles?

Hon. W. H. KITSON: I have not the mileage, but I am speaking about all the States, and in 1929 the figure increased to £587 per mile open for traffic.

Hon. V. Hamersley: The cost of construction has gone up enormously.

Hon. W. H. KITSON: Undoubtedly that is a fact, and that is the reason why we are having to face such a huge interest bill. I

am not advancing this argument to show that in all the States it has been necessary to increase the fares and freights to a great extent to try to make ends meet.

Hon. V. Hamersley: You are not saying that the concessions to farmers are to blame?

Hon. W. H. KITSON: I mention as a reason for the difficulty in making ends meet the fact that concessions have been granted; but the main reason, in my opinion, is the amount of interest that has to be found for the mileage of railways opened.

Hon. J. Nicholson: Does that not illustrate the vicious circle again?

Hon. W. H. KITSON: The figures for Western Australia are not quite so severe; let me put it that way. In Western Australia the cost of construction per mile is a long way lower than it is in any other State.

Hon. J. Nicholson: We have not the same difficulties here.

Hon. W. H. KITSON: We construct a different class of railway, we use lighter rails and we have no engineering difficulties. I have worked it out that the difference is something like this: In 1914 we had to find £187 per mile as against £231 at the present time. I mention this to show that it is no use blaming those people administering the service because they are up against problems that exist in every service throughout the world. While it is a fact that motor competition has made big inroads on railway earnings, that is not the sole reason for the difficulty. I know that the Government have introduced a Bill with regard to motor transport, and in that respect there is one point I should like to mention, and I trust the Minister will take a note of it; it is that there has been a big increase in motor traffic, not only in the metropolitan area but in the country areas, and that has had an effect in another way altogether quite apart from the railways; it has increased hospital costs to a considerable extent. All the hospital authorities agree that if they could only cut out the expenditure arising from motor accidents, they would have less difficulty in making ends meet. The trouble often arises because the man driving a car is not insured. The suggestion I make is that when the Traffic Act is being amended, there should be included a provision that it should be a condition before a license is issued, that a com-

prehensive insurance policy be taken out. That is essential and would save a lot of trouble. I would advocate that the cost of a comprehensive insurance policy be added to the license fee. Then, if necessary, I would utilise the State Insurance Office for the purpose. I do think there is room for something of that sort because of the serious inroads that have been made on the hospital finances as the result of increased motor traffic, and particularly in the metropolitan area.

Hon. W. T. Glasheen: Is it a fact that the State Insurance Office is doing the work at a cheaper rate than the insurance companies?

Hon. W. H. KITSON: I believe the State insurance rate is 20 per cent. lower than that of the companies. So far as I know, the State office has done very well, and it is able to offer the cheap rate because a lot of the overhead expenses which are usually associated with the private companies have been cut out by the State office. There is another point regarding motor competition, particularly in the metropolitan area, which I should like to mention, and it is that while the Commissioner of Railways blames motor transport for a big reduction in the railway earnings, there are other ways by which the State reaps a benefit from the motor vehicles. For example, there is the taxation in the first place, and the license in the second place; and then there is the petrol tax which yields so much to the Federal and State Governments. In many other ways also the State indirectly benefits. So that whilst we might be losing in one way, as far as the metropolitan area is concerned, we are to a certain extent gaining revenue which otherwise we would not get. Again, there are over 100 taxis engaged on the road between Perth and Fremantle. I do not know just what amount of license fee they have to pay, but it is a considerable sum, and supposing on the average the taxis are using six gallons of petrol a day, we have a total of 600 gallons being consumed. In various other ways the taxis have to foot their bills which return to the State a certain amount of money in an indirect way.

Hon. J. Nicholson: I think if you inquire into that matter, you will find that they are on the wrong side of the ledger.

Hon. W. H. KITSON: I am not saying for a moment that we can correct the error entirely. Numbers of improvements have been made during recent years, and the

State cannot be expected to stand still. I put forward my statement to show that it is not all loss by the Railway Department in decreased earnings from passenger fares. I advocate the tightening-up of legislation in regard to both motor buses and taxis. There is room for improvement, although the services now running give more satisfaction than was the case formerly. I observe that the argument has been put forward that the present damage to roads is not as great as that which used to arise from horse traffic. I do not profess to be an expert on the question, but from what I have seen of some large motor lorries carrying huge loads between Perth and Fremantle I doubt whether ever any horse-drawn vehicle in creation could do as much injury to any road as is done by those vehicles. In conclusion—

Hon. H. Seddon: Before you sit down, do you mind explaining just exactly how you propose to release credit?

Hon. W. H. KITSON: There is only one way in which I consider that can be done at present in Australia, and that is by the Commonwealth Bank associating with the private banks, under legislation initiated by the Commonwealth Government, to institute a central reserve. That seems to me necessary before the thing can be done properly.

Hon. H. Seddon: Will you explain how that will affect us?

Hon. W. H. KITSON: I do not propose to go into technical details on the subject, but I say it will be quite possible. Indeed, it would be quite possible for the Commonwealth Bank at the present time to improve the position. Our note issue is now some millions of pounds below normal.

Hon. H. Seddon: Do you think that would improve the position?

Hon. W. H. KITSON: Temporarily, yes.

Hon. A. Lovekin: The gold reserve, of course, is largely lost.

Hon. W. H. KITSON: Yes; and the gold standard is our standard. We have exported so large a quantity of gold recently that our position is affected in that respect. France, although she does not recognise the gold standard as we understand it, has increased her gold reserve by 100 per cent. Instead of having stood by the old standard of 100 francs to the ounce of gold, she now issues 500 francs to the ounce of gold.

Hon. J. Nicholson: Five or six hundred.

Hon. W. H. KITSON: I realise as well as anyone else does that we are faced with

the most serious position that has ever confronted Australia. Whether we shall come out in a few months, or whether it will take a few years, depends to a large extent upon ourselves. But in undertaking to balance the Commonwealth Budget within the current financial year, the Commonwealth Government have undertaken something that is almost impossible of accomplishment.

Hon. A. Lovekin: Hear, hear!

Hon. W. H. KITSON: It affects the Commonwealth Government more than the State Governments for the time being, but the same thing applies to the latter. There was some logic in the argument put forward by Mr. McCallum in another place, that instead of our credit having been cut off so suddenly as it was, a little notice might have been given, in which case adjustment could have been brought about more gradually, which would have been in the interests of all concerned.

Hon. A. Lovekin: A man, having been drunk for ten years, is expected to get sober in ten minutes.

Hon. W. H. KITSON: The position facing every Australian Government is such that all sections of the community must give them all possible assistance in their work. I am sure the members of this Chamber will be quite pleased to assist the present Government. The question of unemployment is serious. We have to find some way of dealing with it a little different from that which has been adopted up to the present time. In the matter of sustenance the Government have gone a long way towards meeting what most of us consider to be necessary. Still, there is room for improvement in that respect. I do not know whether the Government have the money—I suppose they have not—to do much better than they are doing at the present time. If I may make one parochial reference, it is that I consider the Government might have been a little more uniform in their treatment of single unemployed in different parts of the country. In the metropolitan area the single unemployed have been transferred to Blackboy Camp, where I understand they cost the Government 17s. 1d. per head per week. In Fremantle, only 12 miles away, we have been compelled until the last week or fortnight to look after the single unemployed there out of our own resources, plus the sum of £7 per week

granted by the Government. Only within the last fortnight, I believe, have any of the single unemployed at Fremantle been transferred to Blackboy. I understand the number transferred is 20. The people of Fremantle, and especially the tradespeople, have been doing excellent work in looking after the unemployed. I do not know how Mr. Seddon arrived at his conclusion with regard to Kalgoorlie, but thousands of employees in Fremantle have contributed every week to a fund established in the first place for the purpose of assisting the single unemployed for whom the Government were doing nothing. The Fremantle employees kept up their contributions fairly well until recently, when large numbers found themselves without occupation. For that reason contributions fell off, and now it is necessary for the Government to be a little more generous to Fremantle than they have been. We should have special legislation to deal with the question of unemployment. All sections of the community should contribute to the relief of unemployment, just as they should contribute to the upkeep of hospitals. I believe in that principle, and I do hope the Government will see their way again to bring in a Bill for the support of hospitals, with a view to lightening somewhat the efforts of people charged with hospital administration throughout the State. The Fremantle Hospital, unless the institution has a lot of luck, will show a deficit of close on £5,000 this year. Some avenues formerly open to the board of that hospital are now closed. The depression at the port means a loss of revenue which cannot be replaced by ordinary means. Startling figures have been supplied by the secretary of the institution as to the difference between last year's revenue and this year's, and as regards the number of inmates who are unable to pay anything towards their treatment.

Hon. A. Lovekin: We gave you an opportunity of passing the Hospitals Bill, but you would not take it.

Hon. W. H. KITSON: One of the conditions laid down was not acceptable.

Hon. A. Lovekin: Yes, it was.

Hon. W. H. KITSON: I hope the Government will reintroduce the Bill, in order that there may be a chance of doing something for those unable to help themselves.

Hon. W. T. Glasheen: Do you like the idea of premium bonds?

Hon. W. H. KITSON: I am not at all opposed to it, but it would take too long to raise the necessary sum by that means. There is a limit to the amount available for all those things. From what I can see, the whole of that amount, whatever it may be, is utilised practically every year. If premium bonds are to be a success, they can only be so at the expense of those other things. While it may be argued that we are sending out of Western Australia a fair amount of money to other States, the amount actually involved is so small that I am afraid it would not go far towards the success of premium bonds. I have no objection to a State lottery for hospital purposes. Even then, however, it is tapping the one source of income; and I do believe that at the present time 99 per cent. of the money available for purposes of that kind is being tapped. Before sitting down I feel that I must, in common with other members, express regret at the passing of my late colleague, the Hon. J. R. Brown, and also express my sympathy with his relatives. Mr. Brown was a wonderful man in many ways. Those who were privileged to know him more closely, during the last 12 or 15 years of his life particularly, realised with what fortitude he bore his afflictions. His point of view on some subjects was unique, and his method of expression was sometimes quite unusual though highly effective. I am sure the sympathy of every member goes out to Mr. Brown's relatives in their loss. I wish to congratulate you, Mr. President, on the honour which has been conferred upon you. I believe that you fully merit it, and I am sure that you will carry the honour with credit not only to yourself but to this House and to the State. I wish to congratulate Mr. Baxter on his elevation to Ministerial rank and to the Leadership of this House. Again let me say that if I can assist the hon. gentleman in any way, I shall be only too pleased to do so, consistent with the principles I hold. To the new members I desire to extend a welcome, at the same time expressing my regret that the fortunes of political war have rendered necessary the absence of one or two members whom we have had with us for some time. I trust that better fortune will attend them from now on, and that they will be prosperous in whatever avocations

they may be following away from this House. Finally, I wish to thank hon. members for the patient hearing accorded to me.

HON. J. M. DREW (Central) [8.15]: I do not propose to make a lengthy speech. I intend to deal briefly with two or three questions that have been discussed during the course of the debate. I wish to offer you, Sir, my congratulations on the distinction which has been conferred upon you by His Majesty the King. It is generally regarded as a merited recognition of your great and lengthy services to Western Australia. With others I join in expressing regret at the illness of Mr. Cornell, the Chairman of Committees, and of Mr. Parker, the Clerk of Parliament. I hope both will enjoy a speedy restoration to health. I have also to congratulate Mr. Baxter on his elevation to the leadership of this Chamber. It is to me a pleasant memory that during my term of office as Leader of the House Mr. Baxter was most generous in his treatment of me. I may have to criticise the Government from time to time; indeed I shall have to criticise them, but I hope that any remarks I may have to make will not be taken by Mr. Baxter as applying personally to himself. I know that he is far too experienced a Minister to come to any such conclusion. Unfortunately, my first few remarks are in the nature of criticism. In one respect I do not think the Government have played the game. I am referring to their attitude towards their own employees. Undoubtedly the present Premier, during the general elections gave the impression that if he were returned to office the existing industrial conditions would be preserved. There is but little doubt about that. Some of the supporters of the Collier Government challenged the Premier on that point. Sir James, in the course of an interview with the "West Australian" just prior to polling day, made a statement for the public's information. It is a clear and concise statement and leaves nothing at all in doubt. Sir James said—

A statement is being sedulously circulated by some supporters of Labour that if the National Party is returned to power it will reduce wages. That is pure invention for electioneering purposes.

While Mr. Kitson was speaking Mr. Stewart interjected that Sir James Mitchell was simply expressing his own particular views. That is not so. It was not a statement made

from the public platform during a heated discussion of some controversial subject. It was a statement written by Sir James Mitchell and handed to the Press, not merely as representing his own particular view, but as representing the views of the National Party. So there is no doubt whatever that the views expressed by Sir James Mitchell were expressed by him as Leader of the National Party. But even if they were expressed by him purely as Sir James Mitchell, when he became Premier, when he decided to form the coalition Government and when the arrangements were being made; when he sounded the views of those whom he proposed to take into the Cabinet and when he found those views differed to a large extent from his own; when those views, if he were to adopt them, would force him into breaking his pledge, he should have handed back his commission to the Governor before deciding to form the Cabinet. What does that statement of Sir James Mitchell's mean? It means only one thing; it means that if the National Party were returned to power there would be no interference whatever with the conditions of the workers. Yet what do we find? That scarcely before the seats of his Cabinet had been warmed he decided to approach the Arbitration Court in order to interfere with the industrial conditions of the workers. Take the 44 hour week. Any increase in that means in effect a reduction in wages—to which the Nationalist Party, through Sir James Mitchell, declared they were opposed.

Hon. G. W. Miles: Your Government decreased the hours without going to the court at all.

Hon. J. M. DREW: We will keep to the point. If you agree to pay a man £4 7s. per week—which I think is the basic wage for a week of 44 hours—and if afterwards you force him to work 48 hours, you are paying him less per hour for the period he works during the week. There is no getting away from that.

Hon. G. W. Miles: You gave him the same money for working the shorter period.

Hon. J. M. DREW: It does not matter. I am speaking of a public pledge given by a public man on a great occasion in the name of a great party. I am well aware that the present Premier strongly criticised the Collier Government for granting a 44 hour week. If he had persevered in that

stand, or even if he had not mentioned the subject at all during the course of the general election, he would have been given credit for shewing consistency. But strange to say, right through the general election campaign, so far as I have been able to investigate, he was entirely silent on the question and only gave voice to his views and to the views of the Nationalist Party when he wrote that statement for publication in the "West Australian" on the 29th of last March.

Hon. J. Nicholson: He did that under a certain assumption.

Hon. J. M. DREW: I am coming to that. I will deal with it. Worse still than the attempted abolition of the 44 hour week per medium of the Arbitration Court, is the contemplated review of the district allowances. Those allowances, as has been said during the course of the discussion, date from 1895. And they have been granted to Government employees because those employees have been forced to live under conditions foreign to those enjoyed by persons residing in the metropolitan area. No matter what may be said, no matter how arguments may be twisted until they become grotesque in an endeavour to justify the action of the Government in regard to the 44 hour week, there is no doubt whatever that the abolition of the district allowances will mean a reduction in wages. Some of the officials concerned are now getting from £20 to £40 per annum as district allowances, and no one can argue if those district allowances are withdrawn it is not a reduction of wages—against which Sir James Mitchell was pledged. It is said by supporters of the Government that the step was warranted by the financial stringency afflicting the State. But if there is financial stringency—and there is; there can be no doubt about that—one section of the community, Government employees, should certainly not be singled out to bear the burden; the burden should be distributed over the whole of the community, as was suggested by Mr. Lovekin.

Hon. J. Nicholson: Is not that going to be done?

Hon. J. M. DREW: But another of the Premier's election promises stood in the way of his carrying out any scheme of that character. He had pledged himself to reduce taxation, both land taxation and in-

come taxation, and in view of that pledge it would be rather difficult for him, after stepping down from the hustings and entering the Cabinet Chamber, to start, not reducing taxation, but increasing taxation. So there was considerable difficulty in the way of the Premier carrying out any action in that direction. He was in a very awkward position. He had the choice of breaking either the one or the other pledge, and he decided to break the pledge he had given to the workers of Western Australia. Again, some of the Premier's friends say he was not aware of the state of the finances when he made that statement in the Press. That contention will not hold water for a single moment. It is inconceivable that the Leader of the Opposition as he then was, a man who had been associated with politics for many years, who had had long ministerial experience, who had been Treasurer of the State—it would be entirely mysterious indeed if he were not aware of the financial condition of the country. And I can prove that he was aware of it. The full position was laid bare before another place in October of last year, when the then Premier, Mr. Collier, was introducing the Loan Estimates. As will be found on page 1193 of "Hansard" of the 29th October, 1929, Mr. Collier said—

I am afraid that with the reduced amount that will be available this year we shall be forced to go right up to the limit of the amount forthcoming for the estimated expenditure this year.

Hon. Sir James Mitchell: If you can get the money.

The PREMIER: That is, of course, quite uncertain.

Subsequently Mr. Collier said—

If the position should not improve, especially on the London money market, we shall find very great difficulty in obtaining sufficient money to carry on the programme of works we have in hand.

Again, on page 1189 of "Hansard" of the same date it will be found that Mr. Collier said—

Our last loan was raised in April, 1928. In the meantime we have relied on bankers for overdrafts both here and in London.

Nothing is hidden. The Government were carrying on on an overdraft in London. Again, Mr. Collier said—

Our overdraft at the London and Westminster Bank reached very substantial proportions, and amounted to £1,295,000 on the 30th June last.

Sir James Mitchell: And, naturally, it is much more since then.

The Premier: The position has been relieved by our share of the five million pounds. . . . In addition to our overdraft in London, on the 30th June, we were indebted to the Commonwealth to the extent of £400,000 for temporary advances. Of course, those advances will have to be cleared from future loans. That was on the 30th June last, and to that amount has to be added £300,000 advanced since that date, making a total advance in Australia, to be cleared out of the next loan, £700,000. Once we clear our overdraft in London we can start again. That is the general method by which we do finance, but in the past it has not been carried to the extent that it has been this year.

Sir James Mitchell, fully realising the position, in the course of his reply made these remarks:—

Mr. Collier has had a comparatively tight time during the last 12 months in consequence of the difficulty experienced in borrowing in London. His difficulties for the ensuing 12 months will, I fancy, be greater than those experienced during the last financial year. He has exhausted all sorts of funds that were at his disposal in his endeavour to meet his loan expenditure, and those funds considerably eased the position.

After that statement made by Mr. Collier in October of last year and after the statement of the then Leader of the Opposition, Sir James Mitchell, can anyone suggest that he was in ignorance of the state of the finances of Western Australia when he approached the electors in March last? It had been clearly shown that in addition to drawing upon the overdraft in London to an amount in excess of £1,200,000, which was subsequently reduced by £600,000, the Government of the day had to rely upon doles from the Commonwealth Government which aggregated £700,000.

Hon. G. W. Miles: I am glad you say they were doles.

Hon. J. M. DREW: I regret to have to speak in this strain. I have a great personal regard for the Premier. I believe that, in his official capacity and also in his private capacity, he is guided by honesty of purpose and inspired by patriotic motives. Apart from that, the present is not the time when party feeling should be introduced into discussions, except with good reason. In any comments which I have made or which I may make in future, I trust I shall not be accused of taking any unfair advantage of the Government. At the same time I regret to say that the Federal Government have not had displayed towards them a similar generous spirit by those op-

posed to them in politics. I have been following the Federal Government's career pretty closely since they assumed the reins of power, and I really do not think they have received a fair deal all round. No Australian Government ever faced such difficulties as the Scullin Ministry had to face towards the end of last year. What was the position? There were Commonwealth and State loans maturing in 1930 to the extent of £120,000,000, and there was an interest bill of £36,000,000 to meet during the year. None of the trouble was of Mr. Scullin's making, although he had to shoulder the responsibility for it. But he faced the responsibility, and was able to meet the bulk of those conversion loans. He did not approach the London market for any more money, but he was satisfied he would be able to meet the balance, which falls due towards the end of the year. I understand that something like £42,000,000 has yet to be met. However, there is one bright spot. My references to the very unfair deal meted out to the Scullin Government has reference to politicians and the Press. One bright spot is the way the wealthy people of the Commonwealth and the poorer and thrifty sections have rallied around him when he has attempted to raise loans. Even the insurance companies, which occasionally come in for criticism, rallied to his aid.

Hon. H. Seddon: Do you think the proposal to reduce interest rates will encourage them?

Hon. J. M. DREW: Before expressing an opinion, I should like to study that subject much more deeply than I have had an opportunity to do. Then the Scullin Government had to face the question of the adverse balance of trade. Australia had been going to the bad for years. As Mr. Scullin pointed out in one of his speeches, during the previous 6½ years, there had been an adverse balance of trade of no less than £65,000,000, and in view of the drop in the prices of wheat and wool, there was an anticipated adverse balance this year of something like £40,000,000. To put the position clearly, Australia was on the verge of bankruptcy. We could not pay our way. Mr. Harris referred yesterday to a statement by Mr. Collier that we had been paying interest out of loan money. During the last two or three years our interest has been paid by the Commonwealth under the Financial Agreement. If we had had an excess of exports over imports, we would have been paying our in-

terest with goods, but supposing we were paying our interest with loan money, is there any objection to that? It is the natural course if we have not gold and goods to export, to utilise the loan money in London and recoup in Western Australia.

Hon. G. W. Miles: You did not recoup.

Hon. J. M. DREW: We certainly did. All the interest that was owing last year and the year before was debited in the financial returns. The Scullin Government took very drastic action. They decided to impose extremely high Customs duties, and to prohibit importations in certain directions. A hue and cry was raised throughout the Commonwealth by those opposed to Labour and by the Press who were also in opposition to him, and endeavours were made to stir up propaganda against the Government. But critics could not suggest any alternative. The adverse balance had to be removed. Critics said, "Increase production." Was it possible to increase production in 48 hours? There was no time for delay, and the first necessary step was taken in order to check importations and restore the trade balance. In my opinion, the prohibition should have gone much further in regard to luxuries. There is no possibility of Australia recovering its financial position until the balance of trade has been restored, and is favourable to us. Not only must exports balance imports, but we must have a sufficient excess of exports to pay our interest bill in London. I remember hearing a speech made by Mr. Scullin in the Perth Town Hall about four years ago. He then pointed out the financial position of Australia clearly, and gave other advice. He referred to the adverse trade balance, and said we were heading for bankruptcy. Still, decisive action was not taken by the then Government, except in one respect, and that was in the direction of getting the States to accept the Financial Agreement. I consider that Mr. Bruce rendered a great service to the Commonwealth in preparing the Financial Agreement as it was prepared, which made it acceptable to all the States of Australia, and largely helped eventually to bring about the financial salvation of the Commonwealth by restricting borrowing, and insisting upon the Commonwealth paying its way. Again, Mr. Scullin imposed a sales tax. Owing to the falling off of importations, there would be a deficiency of revenue, and this had to be met. Mr. Scullin's remedy created indignation everywhere. A sales tax was no innovation so far as the British Empire

was concerned. It had been tried in Canada with success. It seems to be operating satisfactorily now, although we were told it was impracticable. At any rate it is the kind of tax asked for by this Chamber from time to time—a tax distributed over all classes of the community, rich and poor. There has been a recent discovery. The falling off of Customs revenue during the last two months reveals that the year's receipts will be £10,000,000 less than the estimate. That created something like a panic amongst political opponents of the Scullin Government. At any rate, they pretended to be panicky. They said that Mr. Scullin should be cabled to return to Australia; that such a falling off of revenue was an awful state of affairs. The fact that there will be a decrease of revenue means that importations will heavily decrease, and Mr. Scullin's object may be attained. I do not know whether he will succeed this year, but by next year he may be able to overcome the trade balance.

Hon. G. W. Miles: And he is killing exports.

Hon. J. M. DREW: If £10,000,000 less revenue is received by the Commonwealth per medium of the Customs, there is £10,000,000 more money in the pockets of the people.

Hon. G. W. Miles: And there is a further tax on the primary producer, too.

Hon. J. M. DREW: The deficiency in revenue must be met, and it will be for those in charge of the administration of the Commonwealth to devise means for meeting it. I should like to hear some sound suggestion as to what alternative could have been adopted in the circumstances.

Hon. G. W. Miles: The object is to increase secondary industries.

Hon. J. M. DREW: I admit that it should be only a temporary expedient. The sure remedy lies in increasing exports, and there is considerable difficulty in that respect owing to the low prices of our principal products. I am glad to notice that imports into Western Australia have been substantially reduced during the last two months. The "Daily News" of yesterday published the following paragraph:—

The Premier, Sir James Mitchell, drew attention to-day to the heavy falling-off in imports at the present time. He said that for the first two months of the financial year 1929-30 the total imports into Western Australia were valued at £3,222,983, whereas for the first two months of the current financial year the total value of imports was £2,036,435, or a reduction of £1,186,553.

That is cheerful reading. I hope imports will continue to diminish, and that not only shall we be getting less from the Old Country, but less from the Eastern States. We should all combine to concentrate upon the goods produced within the State. There is another way in which the Scullin Government has been hampered, and that is by systematic Press propaganda.

Hon. G. W. Miles: They have been hampered by some of their own supporters.

Hon. J. M. DREW: The Press have been utilised to the full. What has purported to be an outline of Cabinet discussions has been published from time to time as though such discussions were open to the Press. I saw in one paper about a fortnight ago half a column of matter purporting to reveal what had occurred in Cabinet, and setting out the attitude of this Minister and that Minister. Every public man at any rate knows that the proceedings in Cabinet are secret and confidential and that no Minister would reveal them.

Hon. J. Nicholson: Some one has evidently let the cat out of the bag.

Hon. J. M. DREW: Country newspapers have written leading articles on these fictitious statements, and anonymous letters have appeared in the Press following upon them.

Hon. G. W. Miles: Some of the Federal Ministers could not have been loyal to their Leader.

The PRESIDENT: Order!

Hon. J. Nicholson: We have noticed some adverse criticism by some other members of the party.

Hon. J. M. DREW: Criticisms are still being made, based not upon what occurred in Cabinet meetings but upon what these imaginative newspaper reporters prepared for publication.

Hon. E. H. Harris: Some of them are very astute in extracting information.

Hon. J. M. DREW: Mr. Miles criticised certain contracts for the supply of coal to the Railway Department, and quoted from a file dealing with one that was entered into by the Collier Government last year for the supply of Collie coal. Anyone who heard Mr. Miles would come to the conclusion that the procedure adopted was unparalleled in the history of local railway administration. He said the Commissioner of Railways was practically in the hands of the Trades Hall, that the unions were consulted on the mat-

ter, and that they in conjunction with the then Minister (Mr. Willcock), arrived at the conclusion that the contracts should be signed. The facts are that the Collier Ministry merely followed the procedure initiated by the Mitchell Government in 1921.

Hon. G. W. Miles: I said that in reply to an interjection from you.

Hon. J. M. DREW: Yes, but I want to emphasise it. The hon. member's clear exposition of the position was not given full publicity in the Press.

Hon. G. W. Miles: But it is in "Hansard."

Hon. J. M. DREW: "Hansard" will not suit me. In 1923 the same procedure was followed in carrying on the negotiations.

Hon. H. Stewart: It is time the whole thing was shown up.

Hon. J. M. DREW: On both occasions the trade unions were brought into the business.

Hon. G. W. Miles: It is time it was altered.

Hon. J. M. DREW: Moreover, it was provided for in an agreement framed during the Mitchell regime. It was provided that when a renewal was under consideration the unions would be brought into it to assist. The impression would probably be created, and seems to have been created by the remarks of Mr. Miles as published in the Press, that there was a Labour Government in power at the time when the agreement came up for consideration, and that Trades Hall was brought into the business in order that it might be consulted as to what should be done. I know the hon. member did not desire to convey that impression, but I assure him it is the impression that was conveyed to the general public.

Hon. G. W. Miles: I quoted what you have said yourself. The whole thing requires an investigation. I was not referring to one Government more than to another.

Hon. J. M. DREW: A Nationalist Government initiated the system under which two unions, and the State executive of the Labour movement, were brought into the business to determine whether a contract should or should not be made.

Hon. G. W. Miles: Two wrongs do not make a right. It is time the matter was inquired into.

Hon. J. M. DREW: I am pleased the hon. member thinks so much of the previous Government as to conclude that what

was done in the past, although wrong, should have been righted by the last Administration.

Hon. G. W. Miles: It should have been but it was not righted.

Hon. J. M. DREW: Unfortunately! The whole procedure is set forth in the report of the Commissioner of Railways for the year ended the 30th June, 1930, on page 18 of which we find—

In accordance with the provisions of an agreement between the Colliery Miners' Union, the Locomotive Engine-drivers, Firemen's, and Cleaners' Union, the State Executive of the Australian Labour Party, and the Railway Department, a conference was convened at this office on the 1st November last, at which representatives of the parties named endeavoured to come to an agreement as to the percentage of orders which should be allotted under the new contract to the different mines. This system of allocating orders at a round-table conference had its origin in 1921, when representatives of the parties above-mentioned met at Collie and discussed the possibility of insuring continuity of supplies to the department, whilst at the same time assisting the Collie coal industry by the exclusion of imported coal from participation in departmental requirements. An agreement was arrived at, and certain definite advantages gained by the industry and by the Railway Department—chief amongst the latter being a guarantee from the Miners' Union that the department should have first call on all coal supplies and a limitation of the amount of soft coal which the department would be compelled to take. The Miners' Union also undertook to use every effort to ensure the supply of clean coal. The agreement, which was for three years, was renewed in 1923 and again in 1926. One of its provisions made it incumbent on the Commissioner three months prior to the termination of any coal contract to notify the parties to the agreement of such impending termination and, if desired, to convene a conference which, when assembled, would endeavour to arrive at an agreement suitable to all parties concerned in regard to the allocation of orders under the new contract.

If the Collier Government did wrong in following the example of the Mitchell Ministry, Mr. Miles is to a certain extent to blame. He has been in Parliament since 1921. This agreement was discussed publicly and commented upon in the Press in 1921, and subsequently; and yet the hon. member remained silent in his seat during the whole of that time, so far as I can discover, and offered no adverse comment upon the matter.

Hon. G. W. Miles: I did not know anything about it but I have brought it up now.

A Royal Commission should be appointed to inquire into the whole system.

Hon. H. Stewart: The Griffin Colliery was not in operation then.

Hon. J. M. DREW: I know that his action was taken really in the interests of the taxpayers of the State. If by a Royal Commission it can be proved that coal can be secured at cheaper rates in the future, so much the better for the State.

Hon. G. W. Miles: I did not bring any accusation against the Collier Government any more than I did against another Government.

Hon. J. M. DREW: Let me give a brief history of the contracts. Prior to 1909 the coal supplied to the Railway Department from the Collie mines was of an inferior character. That was not in dispute. The engineers complained that they were not showing results, and eventually, after much protest, they threatened to refuse to take the coal. A serious dislocation of traffic was imminent. Two unions were at variance, the Engine-drivers' Union and the Colliery Miners' Union. In consequence of the threatened trouble, the State Executive of the Australian Labour Party, in accordance with their usual practice, stepped in to prevent a dislocation of the industry.

Hon. G. W. Miles: What was the price of coal then?

Hon. J. M. DREW: Those bodies met in conference. The locomotive men supported the Government of the day, because they were after good coal. The Collie miners had some other object in view. Eventually, as the result of a round-table conference, what was looked upon as a very satisfactory agreement was arrived at. One of the conditions of the agreement was that continuity of supply should be guaranteed. The Collie miners guaranteed there would be no disturbance of the industrial conditions, and surely that was something worth taking into consideration.

Hon. G. W. Miles: It was at a price.

Hon. J. M. DREW: Especially in view of what has been experienced in the Eastern States, where strikes or lockouts have paralysed industry, particularly in New South Wales.

Hon. G. W. Miles: Do you think we are paying a reasonable price for our coal today?

Hon. J. M. DREW: I am not qualified to express an opinion. It is not correct, as

Mr. Miles said, that we are paying 19s. a ton for Collie coal.

Hon. G. W. Miles: I quoted the highest price we are paying here and the highest price in New South Wales.

Hon. J. M. DREW: The coal in New South Wales cost 17s. 1d. per ton, and we are paying 19s. per 10,000 British thermal units.

Hon. G. W. Miles: For the highest quality coal. I quoted only the highest priced coal.

Hon. J. M. DREW: This works out at 18s. 4½d. a ton. It is laughable for the hon. member to suggest, as he did, that we could make a contract with the collieries of New South Wales.

Hon. G. W. Miles: I did not suggest that at all.

Hon. J. M. DREW: I came to that conclusion after reading the report of his speech.

Hon. G. W. Miles: I referred to the cost of Newcastle coal compared with that of Collie.

Hon. J. M. DREW: What was the use of quoting the cost of Newcastle coal when we cannot get it?

Hon. G. W. Miles: We could get Collie coal at a lower price if we opened up other mines.

Hon. J. M. DREW: Can the hon. member rely upon getting Newcastle coal?

Hon. G. W. Miles: We can appoint a Royal Commission.

Hon. J. M. DREW: Whilst the negotiations for this agreement were going on, there was a strike of 11 months' duration in New South Wales, and it lasted for another two months. The hon. member talked about making contracts with the collieries of New South Wales.

Hon. G. W. Miles interjected.

The PRESIDENT: Order! I must ask Mr. Miles to cease interjecting.

Hon. J. M. DREW: The Newcastle collieries have been the hotbed of strikes and lockouts for years past.

Hon. E. M. Harris: If they had had the conditions in New South Wales that appertain at Collie there would have been no strikes.

Hon. J. M. DREW: That is justification for the action taken.

Hon. E. H. Harris: I do not know that it is justification. There is the price, you know.

Hon. H. Stewart: It is a different psychology.

Hon. J. M. DREW: Mr. Miles said that the previous Government forced the Commissioner of Railways to make a three-years contract before coal prices were settled in New South Wales. As I stated before, the New South Wales industry was nearly settled at the time of these negotiations.

Hon. G. W. Miles: Before allowing him to make the tests he wanted to make.

Hon. J. M. DREW: The Commissioner was quite prepared to make a contract for three years, but was not prepared to include the Stockton and Griffin mines until proper tests had been made. Tests were made accordingly, and Stockton was found to be satisfactory and Griffin not.

Hon. G. W. Miles: Who said that?

Hon. J. M. DREW: It says so in the Commissioner's report.

Hon. H. Stewart: Letters in the Press say Griffin is a high-class coal.

Hon. J. M. DREW: Mr. Miles said it was not right the department should pay 20 per cent. more for Griffin coal than for other coal.

Hon. G. W. Miles: That is according to the report.

Hon. J. M. DREW: Let me inform the hon. member that the Collier Government did not interfere in any way whatever with the Commissioner of Railways in regard to Griffin coal.

Hon. G. W. Miles: I have not said that they did.

Hon. J. M. DREW: No; but the impression created by what has appeared in the Press is that the previous Government commanded the Commissioner of Railways to take Griffin coal.

Hon. J. Ewing: So he did take it.

Hon. J. M. DREW: Who did?

Hon. J. Ewing: The Commissioner himself agreed to do so after inquiry.

Hon. J. M. DREW: I see by the report that 400 tons per week of Griffin coal is being consumed by the Railway Department.

Hon. G. W. Miles: That wants to be inquired into also.

Hon. J. M. DREW: Probably the Commissioner has come to the conclusion that Griffin coal is suitable for consumption during the winter months. I want to make it clear that the previous Government did not

interfere in any way with the Commissioner as to what coal he should take or not take.

Hon. G. W. Miles: The unions told him, though.

Hon. J. M. DREW: If they did, the Commissioner was not obliged to adopt their opinions. The unions had no power in that respect.

Hon. G. W. Miles: Of course they had.

The PRESIDENT: Order! I must ask the hon. member to refrain from interjecting.

Hon. J. M. DREW: As regards the loan made to the Griffin mine, it was made by the Government through the Council of Industrial Development. The Government hold proper security, and can enforce payment under the terms of the agreement. There is no doubt about that.

Hon. H. Stewart: Is that security better than the security the Government have as regards the Horseshoe manganese railway?

Hon. J. M. DREW: There are many other questions I should like to touch upon, but no doubt I shall have opportunities of doing so at later stages. Despite the fact that from time to time I may criticise the Government's actions and comment adversely on some of the Bills submitted, I shall endeavour not to be in any way wanton in my criticism, but to do my best to advance the interests of the State.

On motion by the Minister for Country Water Supplies, debate adjourned.

BILL—INDUSTRIES ASSISTANCE ACT CONTINUANCE.

Received from the Assembly, and read a first time.

House adjourned at 9.5 p.m.

Legislative Assembly,

Wednesday, 17th September, 1930.

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

QUESTION—WATER SUPPLY, METERS.

Mr. PANTON asked the Minister for Works: 1, Is he aware that a Mr. Dillon had to pay £4 15s. 3d. for excess water on a meter that had never been on his premises? 2, Was the same Mr. Dillon charged £6 10s. 7d. for excess water on a meter that had been over-read? 3, Is it a fact that reports of meters under-read are received at the head office whilst meters that have been over-read are not so received?

The MINISTER FOR WORKS replied: 1, No, but the matter is being investigated. 2, Answered by No. 1. 3, All meter registrations, whether under-read or over-read, are dealt with at head office.

QUESTION—STATE SHIPPING SERVICE.

Mr. SLEEMAN asked the Chief Secretary: What amount of money has been paid into Consolidated Revenue from the State Shipping Service since its inception?

The CHIEF SECRETARY replied: The total amount paid into Consolidated Revenue by the State Shipping Service since its inception, is £211,000. This amount was earned by the m.v. "Kangaroo" prior to 1920.