Legislative Assembly.

Thursday, 24th August, 1939.

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

QUESTION—ELECTORAL, IRWIN-MOORE.

Mr. C. O. Barker's Resignation.

Mr. THORN asked the Premier: 1, Has his attention been drawn to an article which appeared in the "West Australian" of the 3rd August, 1939, in which Mr. Claude Osmonde Barker is reported to have stated that he was declared elected at the last general election as member for the Irwin-Moore district; that he had been accused of committing felony, and was wrongfully so accused? 2, Is the report of the "West Australian" of 2nd August, 1939, of an interview between himself and Mr. C. O. Barker substantially correct? 3, Was Mr. C. O. Barker's resignation discussed at that interview? 4, Is there, or has there ever been, any information in the possession of the Government, or any of the departments, indicating the disqualification of the said Mr. C. O. Barker (or any person of that name) as a member of the Legislative Assembly?

The PREMIER replied: Persons who call at the Premier's Office are not subject to surveillance nor can the object of their visit be subject to inquisitorial questioning.

Mr. Thorn: You are dodging the issue, aren't you?

The PREMIER: You have no right to ask the question.

Mr. Thorn: Of course I have.

Mr. SPEAKER: Order!

QUESTION—PRIVATE MEMBERS' BILLS.

Mr. WATTS asked the Premier: 1, Will the practice of forwarding private members' Bills to the Premier as soon as printed be discontinued? 2, If not, why not?

The PREMIER replied: 1 and 2, Private members have no authority for the printing of Bills until this is provided by the House after the first reading is passed. It is desirable that the existing practice be continued in order to ensure that the privilege of advance printing is not abused, with resulting unnecessary expenditure to the State.

ADDRESS-IN-REPLY.

Tenth Day.

Debate resumed from the previous day.

MR. STYANTS (Kalgoorlie) [4.33]: With other members, I wish to join in congratulating you, Mr. Speaker, upon your elevation to the Chair of this Assembly. I feel sure that you will uphold the traditions of the office, and carry out its duties with a high degree of efficiency and impartiality. I desire also to congratulate the member for Murchison (Mr. Marshall) on having attained the position of Chairman of Committees in this House. I do not know that the House could have made a better choice than the member for Murchison, who has always preserved the dignity of the Chamber by not interrupting when other members were on their feet. I have no doubt that he will prove a shining example to other members, and will be looked up to, honoured and respected, and implicitly obeyed. Further, I wish to join in the welcome that has been extended to new members, particularly those on this side of the Chamber, for while I do not consider that we need additional moral support, we can certainly do with some more oral support. If the standard of the opening addresses of these new members is an indication of their ability in that direction, they will undoubtedly prove acquisitions to our party.

The first subject I wish to deal with is the railway rates for wheat and super. During the discussion of the wheat position various members made reference to "high freights charged for wheat and fertiliser on the State railways." The Railway Department is blamed for many things, but assuredly it cannot be blamed for imposing high charges on wheat and fertiliser. Those rates are particularly low. In reply to a question I asked yesterday, the Minister for Railways informed me that the freight for petrol from Fremantle to Kalgoorlie, including the charge for returning the empty tanker to Fremantle, is 4½d. per gallon.

And yet in Kalgoorlie high-grade petrol is 9d. per gallon dearer than it is in Perth. This of course means that Kalgoorlie retailers are receiving 4½d. per gallon over and above the amount of profit allowed to Perth retailers; and this is in addition to the railway freight. The excuse offered when the high cost of petrol in Kalgoorlie is mentioned is that it is due to the railway freight. Naturally, the average person does not know that the railway freight on petrol to Kalgoorlie is only 4½d., and that he is charged an extra 4½d., making a total of 9d. per gallon.

Members who have an idea that the freights charged for wheat and super are excessive as compared with other freights, may be advised to refer to the report on the comparative results of the working of our railways for the past five years, which was placed in the possession of members recently. On looking at page 1 they will find that the average earnings from livestock and goods carried on the railways are 1.71d. per ton per mile. On turning to page 2 of the report they will find that the average earnings on wheat are 1.12d. per ton per mile, or about a halfpenny per ton per mile less than the earnings from goods and livestock. On referring to the item fertiliser, they will learn that the average earnings per ton per mile for fertiliser to-day are .47d. per ton per mile, or less than a halfpenny. As a goldfields representative I can affirm that if the cost of transporting foodstuffs to Kalgoorlie showed no higher freight charges than do the wheat and superphosphate rates, goldfields residents would consider themselves particularly fortunate. I realise that the farming industry is experiencing bad times. I also acknowledge that rates for the carriage of fertiliser should be cheap, so as to encourage the farmers to put in larger areas. That has applied until this season, when the tendency appears to be more in the direction of restriction of acreage.

There is one personal matter I wish to speak upon. My honesty and integrity have been questioned by the Leader of the Opposition in another place in relation to my actions as returning officer for the ballot to select a Labour candidate for the Mt. Magnet seat. The hon. gentleman made a most bitter and vindictive attack upon the Labour movement in Western Australia, and misrepresented the position to such an extent as to cause possibly irreparable harm to Western Australian industries in the eyes of the Eastern States. I feel sure that was not the intention of the hon. member, but, unfortunately, his words had that result. He represented the position to be that the whole of the industries of Western Australia were dominated by those associated with what he was pleased to refer to as the "Beaufort-street Citadel." If his statement had been in accordance with fact, his speech could be described as most indiscreet. On the contrary, we know that his assertion was without foundation. Western Australia has been particularly free from major industrial disputes. From time to time small sporadic outbursts occur such as the present trouble at Fremantle. At times employees of a particular firm go on strike because they are not satisfied with their conditions of employment. To my mind the industrial peace that obtains in this State is a credit to local industrialism. The "Beaufort-street Citadel," as the member of the Legislative Council described the Trades Hall——

Hon. P. Collier: Our opponents have also called it "Tammany Hall."

Mr. STYANTS: The "Beaufort-street Citadel" has been wholly responsible for the prevention or settlement of much industrial strife. To my knowledge, union officials have brought to a conclusion numerous strikes. When workers have eventually resorted to that course and have ceased work, the officials of the "Beaufort-street Citadel" have been the first to enter the breach in an endeavour to effect a peaceful settlement. Reverting to the Mt. Magnet selection ballot, the member of the Legislative Council to whom I refer, made certain veiled allegations in his speech regarding the results and adversely commented on the figures disclosed. He published those comments in the "Kalgoorlie Miner" during the election campaign. I entertain no hard feelings towards the hon. member. I feel very grateful to him because he was a valuable asset to us during the contest on the goldfields. If we had been consulted as to our wishes in the matter, our keenest desire would have been to secure the presence of the Leader of the Opposition in the Legislative Council because, and although he may be quite a

political force in the agricultural areas, he is known on the goldfields only by reason of his opposition to Labour legislation in the Legislative Council.

Mr. Warner: I thought that was supposed to be a non-party House.

Mr. STYANTS: I do not know about that; we do not claim that the Legislative Council is non-party. I appreciate the fact that a section of the members of that Chamber claims to be non-party, but I think that contention is extremely doubtful and the claim would be hard to establish. However, the hon. member is known on the goldfields only as the Leader of the Opposition in the Legislative Council, a Chamber that has defeated so many of the Government's measures that were submitted to alleviate the conditions of the workers in the mining industry and to secure for them consideration regarding fair rentals as well. However, we should be thankful to those responsible for sending the hon. gentleman to the goldfields. For my part, I believe he was genuinely misled. I think some of the boys pitched him a tale, which no doubt he honestly accepted as correct. He understood that something not fair or above board, something not at all on the level, was being put over the workers in the Mt. Magnet electorate, and this champion of democracy came to the rescue to upset the plans of those who had not given the workers a particularly fair deal.

Mr. Needham: He was not misled.

Mr. STYANTS: I would not say he was not misled, nor would I go so far as to agree with the statement made by a man who attended a meeting I addressed in Gwalia. That individual claimed that the hon. member was concerned only in an endeavour to create a difference of opinion between the workers for the purpose of furthering the interests of the Country Party candidate who was seeking election. I do not think that was quite right.

Hon. P. Collier: It was not far out.

Mr. STYANTS: He really thought something was wrong and endeavoured to get at the bottom of the problem.

Mr. Needham: Well, that is charitable!

Mr. STYANTS: He was an "innocent abroad."

Hon. P. Collier: He is a bit simple.

Mr. STYANTS: Wise men who live in the city think, when they go to country districts they will have a little fun with the boys of the village, but nowadays the boys of the villages in country districts are not quite such simpletons as they may have been before the era of motor cars, aeroplanes and wireless.

Mr. Patrick: They are not too simple nowadays.

Mr. STYANTS: I believe that someone told the hon. member of the Legislative Council a colourful tale and his endeavour to unearth some sinister plot resulted only in bringing to light "a mare's nest, naked and unashamed." In the course of the hon. member's speech, he said—

> The momentum of the Labour movement has pushed to the surface persons whose selfish interests have guided their actions and who have operated to the detriment of the same unionists and workers who were responsible for their elevation to political power. The stepping stone in this process of political climbing has almost invariably been the securing of a position as paid officer of a union. Then followed the discrediting of those who held responsible positions in the movement so as to pave the way for the aspirant's own selection as a political candidate. There was very clear evidence of this in the recent election, when candidates—other than union officials—contesting election ballots were easily defeated. Many good union members will not contest selection ballots, as they realise the hopelessness of opposing officials. A union secretary, after serving a lengthy period in that capacity, was shelved by the members. A rule of Labour is pre-selection of candidates, but as the person referred to had been relieved of official union duties by the members, the central body in Perth attempted to force him on the electors as their representative without a selection ballot—real Tammany methods.

I am just reaching the portion of the hon. member's speech upon which I specifically wish to comment. A little knowledge is dangerous. Anyone can go to the Trades Hall and, at the office of the State Executive of the A.L.P., can secure free copies of the Labour Party's constitution, its standing orders, its platform, and its policy. If a person has not 6d. with which to pay for these papers, he can secure them gratis. The facts are that we were faced with an extraordinary election occasioned by the appointment of Mr. Troy as Agent General. The election was sprung on the movement quite unexpectedly. The Mt. Magnet electorate is widespread and we realised that, with the time at our disposal, difficulty would be experienced in conducting a preselection ballot in an electorate of such an area and securing the selection of

a candidate in time to contest the election. The governing body of the movement, the State Executive, through its officers, made a recommendation to the State Executive, which comprises representatives of the industrial movement from every portion of the State, for the selection of a candidate. When the matter was being discussed by the State Executive, the governing body decided there would be sufficient time to conduct a selection ballot. The hon. gentleman continued—

> However, trouble came from representatives in that district and, as a consequence, the central body was compelled to hold a selection ballot.

No comment of that kind ever reached the State Executive from the unionists of the Mt. Magnet electorate. The rush selection was decided upon without pressure of any kind being brought to bear by those unionists. The hon. gentleman went on to say—

> Instead of holding it in the district concerned, it was controlled from Kalgoorlie—outside the district concerned.

If the hon. gentleman knew anything about the constitution of the Labour Party, he would know that the Kalgoorlie District Council of the Australian Labour Party controls at least half of the Mt. Magnet electorate, and that the Murchison District Council controls the remainder. It was at the request of those two councils that the State Executive undertook the task of conducting the selection ballot. I was appointed returning officer. It is not even in accordance with fact to say that the ballot was controlled from Kalgoorlie: it was controlled from the Trades Hall in Perth. I was conducting the election as returning officer. The hon. gentleman proceeded—

> The result was far from satisfactory, so far at least as a number of the members was concerned.

Of course, that is usually the case. Some people, even in sport, take up a "win, tie or wrangle" attitude. Probably some persons who supported an unsuccessful candidate were not as satisfied as they might have been had their candidate been selected. Then the hon. gentleman proceeded to say—

> In one portion of the electorate a sufficient number of ballot papers was not available, and in another portion many members had no notification of the closing date of the ballot.

That is one of those half truths which we regard as being the basis of falsehood. The actual fact was that I sent 100 ballot papers to Mt. Magnet. As that number was found to be insufficient, the deputy returning officer telegraphed me to despatch some more ballot papers, which I immediately did. Of the second 100 ballot papers that I sent to Mt. Magnet, only 17 were used. The others were returned. To say there were not sufficient ballot papers is therefore quite incorrect. As to the hon. gentleman's statement regarding notification of the closing day of the ballot, I cannot say whether his statement is true or not; but I did not receive any complaint whatever in connection with that matter. When the notices were first sent to the returning officers, I appointed a closing day for the ballot. I never had any complaint about the electors not being notified when the ballot was to close; and it was closed on the particular date fixed. The hon. gentleman proceeded—

> Further, a union organiser stated publicly that he had shown members whom to vote for—his friend, the ex-official.

The union organiser was present at that particular meeting and challenged the man who made the statement to prove it, but the man quietly slipped away. That shows how much truth there is in that assertion. The deputy returning officer at Gwalia, who was not a union organiser, said that no undue pressure had been brought to bear, nor had unfair tactics been used. He said he did not see anything of the kind occur, and I do not believe it did occur. This is simply one of those complaints that are usually made by a disgruntled supporter of a defeated candidate. The hon. gentleman continued—

> When the result of the ballot was announced, the bald statement was advertised that the ex-secretary was successful by a majority of 11 votes, instead of figures being published to show the results in the various districts.

As I have said, a little knowledge is dangerous. I made inquiries of men who have been in the Labour movement in Western Australia for the past 40 years, and they told me that to their knowledge details of the voting by any particular union in any particular district have never been advertised. The matter is certainly on record; but I think most members will realise there

is a sound objection to publishing such figures. They are, as I have said, on record at the Trades Hall. In Kalgoorlie, during the election campaign, the hon. member went further. He said, in the Kalgoorlie newspaper—

> Perhaps Mr. Styants will give us the true figures in connection with the result of the Mt. Magnet selection ballot.

My honesty having been impugned, I immediately sent to the "Kalgoorlie Miner" a challenge to the hon. gentleman to state publicly, without ambiguity, that the figures I had supplied were incorrect; but he, like the interjector at the meeting at Gwalia, just faded away and was not heard of again. I apologise to members for having taken up their time in making this explanation; but when the honesty of a member of Parliament is impugned, his duty is to stand up and defend himself. The hon. gentleman's version of this matter has appeared in "Hansard." I therefore am taking the opportunity of ensuring that the true facts of the case shall also appear in "Hansard."

Mr. SPEAKER: The hon. member is not in order in alluding to a debate in another place. I thought all this occurred at Kalgoorlie.

Mr. STYANTS: Some of the statements were made by the hon. gentleman in the Mt. Magnet electorate, and some were made by him in another place. If I am not permitted to answer something that has been said in another place, concerning the honesty and straightforwardness of a ballot of which I was the returning officer, of course I should refrain from doing so. I merely wish to add that I do not think the hon. gentleman was actuated by selfish motives.

Member: He is an innocent abroad.

Mr. STYANTS: Yes, possibly. If an apology is due to him because of his having been told something by some of the men in the Mt. Magnet electorate, I am prepared to apologise on their behalf.

Another matter which affects me personally, and also affects every other member of this House, is the selection of seats in this House after an election has been held. When I became a member of Parliament, I read the Standing Orders. Standing Order 59, page 27, reads—

> Members shall be entitled to retain seats occupied by them at time of their taking their seat for the first time after the election, so long as they continue Members of the House.

I am giving that Standing Order its literal meaning—a meaning that I think 99 people out of a hundred would give it—namely that if a member desires to remain in the seat he claims after first entering Parliament, he is entitled to do so during the whole time he is a member.

Mr. Warner: Does that refer to the Government benches?

Mr. STYANTS: Of course, if there is a change of Government, it is understood that there is a change of seats; but even that is not compulsory under the Standing Order. There is no reason why the Leader of the Opposition, or any other member of the Country Party, should not sit on this side of the House.

Hon. C. G. Latham: There is a very good reason, from my point of view.

Mr. STYANTS: There is no Standing Order to prevent members opposite from sitting on the Government side of the House. When I arrived from Kalgoorlie after having contested the election, I found that my seat had been "jumped," and "jumping" a man's claim is a very serious matter in the district I represent. I took exception to what had happened.

Mr. SPEAKER: The hon. member must not reflect on the gentleman who took his seat.

Mr. STYANTS: I am not reflecting on him. I think a stretching of the imagination would be required to suggest that there is any reflection on the hon. member in the remarks I have actually made, just as I believe there is a considerable stretching of the imagination in a certain interpretation of this particular clause in the Standing Orders that holds that a man is not a member of Parliament from the time Parliament is dissolved in January until some time after the subsequent election. I do not think that interpretation was intended by the framers of the Standing Orders. I believe the intention was that when a member entered the House he should secure a seat and if he desired to retain that seat, he was entitled to do so during the time he was a member of the House. But I discover a very fine line of distinction being drawn. I find that a man is not supposed to be a member of Parliament from the time Parliament is dissolved until some time after a future election. The question arises:

when does a man again become a member of the House?

Member: When his salary is paid again.

Mr. STYANTS: His salary is never stopped.

Hon. C. G. Latham: The Parliamentary Allowances Act sets out the position.

Mr. STYANTS: I am doubtful about that. Two or three different ideas are held as to when a man becomes a member of the House after a general election. Some say he is a member from the time the returning officer declares him elected. If that is the case, this is the position that is created: Say that I am unopposed for the Kalgoorlie electorate at the next general elections. Let us suppose that I am the only unopposed member in the State. If the interpretation I have mentioned is accepted, I could come back here and take any man's seat with the exception of the seats occupied by Ministerial members. That means that if I am not opposed, I can jump the claim of any other member who may be hundreds of miles away in the country fighting an election.

Mr. Hughes: Even if you are unopposed, you are not elected until the writ has been returned.

Mr. STYANTS: Some members contend that in the event of there being only one nomination, the candidate is declared the elected member for the particular district under consideration. Then the question arises as to whether he is actually a member of the House until the writ is returned. I claim that he is not. If there were a by-election—say, for the electorate of Perth—and a certain candidate was declared elected at 11 o'clock to-morrow, then, assuming that the following day was one on which the House was sitting, that man would not be entitled to take a seat in the House if he came here at 4.30 unless the writ had been returned. Others contend that after a general election the writ is not produced and a man is not a member of the House until the opening day when he is sworn in. I think there is a lot in the contention that a man is not a member until the writ is returned and he is sworn in. The whole position seems to be altogether unsatisfactory. In order to save any heartburnings of this kind in future, it would be an excellent idea for the Standing Orders Committee to meet and review the position and come to a conclusion as to whether it was the intention of the original framers of the Act that a man was not a member of Parliament from the dissolution of the House until after a general election, or until the opening day, when the writ is returned and he is sworn in again as a member. In all sincerity I consider that the matter should be cleared up. The seat at present in dispute is not being contested on any of those grounds. I am approaching the matter by accepting the literal meaning of Standing Order 59. I do not want to appear selfish. I realise that this seat was occupied by a certain gentleman for a number of years previous to his being appointed to a particular office. Had he come to me after the election and said, "I should like my old seat back again," I would have said, "All right, the seat is yours." But I came back to the House and found that the seat had been tagged, in opposition to the Standing Orders, and I propose to contest the matter with a view to letting the House decide what actually is the interpretation to be placed on Standing Order 59. If the interpretation placed upon it by certain people is correct, namely that a man is not a member of Parliament, that he ceases to be a member of Parliament from the dissolution of Parliament until some future time after a general election, then every member of the Country Party and every member of the Labour Party who has to go out into the country to contest an election, can expect to find on his return to the House that some member of a metropolitan constituency has jumped his seat in his absence. Such a state of affairs is totally unsatisfactory.

Mr. Raphael: We do not want to go over to that side of the House, though.

Mr. Warner: But there is a chance of your doing it.

Mr. STYANTS: We do want to discover what are our rights in respect to seats in this House. If the House decides against the interpretation I have placed on the Standing Order I will have to give up the seat, but I think that my interpretation is in accordance with commonsense. The Standing Order reads—

> Members shall be entitled to retain seats occupied by them at time of taking their seat for the first time after their election, so long as they continue Members of the House.

I occupied a certain seat after my election to the House for the first time. There is nothing in the Standing Orders to say that

"tagging" of that seat by other members shall be permitted. Accepting the literal meaning of the Standing Order as the correct one I claim that the seat I occupied after my return to the House in the first instance is still mine. This is a matter that concerns every member of the House. I have noticed that the jumping of claims occurs on this side of the House only. Members on the other side of the House have observed the principle that a member is entitled to the seat he occupied in the previous Parliament. I was pleased to find that at least some of the parties in the House recognised the interpretation that I place on Standing Order 59, though on my own side there is a considerable amount of shuffling in the endeavour to get somebody else's seat.

Mr. Sampson: Shuffling?

Mr. STYANTS: There are two or three other matters with which I should like to deal. The member for Bunbury (Mr. Withers) mentioned yesterday that we were spending large sums of money in educating our young people to a high standard and then losing their services. A glaring case of this kind has been brought under my notice; provocation was given to certain highly skilled young men to leave the railway service. I understand that some little time ago the Railway Department imported under contract three draftsmen from England. They were employed in the Midland Junction Workshops, and placed ahead of certain local highly skilled young draftsmen already in the service. Because of this, one of the slighted men left the service and joined a Commonwealth department, where he is holding a much higher position than he had in the State railway service. I cannot say of my own knowledge whether that statement is correct, but if it is, it reveals short-sightedness in the policy of the Railway Department in not having trained enough draftsmen to carry on its work, thus necessitating the importation of men from overseas. When the committee appointed to inquire into the apprenticeship system and the provision of jobs for our young people begins its investigations, it should ensure that sufficient men are trained to fill the positions offering in the State, thus obviating the need for sending elsewhere for trained men.

Another matter on which I wish to touch concerns the fostering of local industry. I have followed with interest the working of the Diesel electric cars on the railways. I was invited to join the party that made the Ministerial trip to Pinjarra and back, and I heard many eulogies on the running of the car because it covered the distance, non-stop, in 1½ hours. As an ex-engine-driver I know that the department has at least eight classes of locomotives capable of doing the trip in the same time provided they are given a through run. Those engines are capable of pulling, not one coach as is the Diesel, but six coaches, and could make the run to Pinjarra in 1½ hours if given a clear run. I feel very doubtful whether we should proceed with the policy of buying Diesel electric cars, which require fuel produced outside of Australia. Those cars cost about £11,000 each. If there are not sufficient suitable types of light locomotives in the service to permit of light trains being utilised, instead of Diesel cars, we could produce a suitable type of engine at a cost of about £5,000, compared with £11,000 for a Diesel car, and such a light engine could pull three coaches and a brakevan and run to the same time as does the Diesel car.

The trouble with the management of the railways is that immediately a steam locomotive is employed, there is a desire to stop it and shunt at every siding. That is what causes the delays. Admittedly the Diesel cars are providing a good service for the people in the country areas, but I maintain that an equally good service could be performed by steam engines using native fuel. The money expended on their construction would be retained in the State and a service equal to that given by the Diesel car could be assured if only the same policy were adopted, namely, not stopping to shunt and do a lot of unnecessary roadside work. The department and the Minister in charge of local industries would be well advised to inquire into this matter.

I am aware that the running of a locomotive such as I have quoted would probably be a little more expensive than that of a Diesel coach, but the steam engine would have a greater earning capacity. A trailer is attached to a Diesel car, and when a heavy grade is being negotiated, one could run almost as fast as it travels, that is, when the Diesel and its trailer are loaded to capacity. If a locomotive of the type I have mentioned were used—and there is still a number in the service—it would haul

three coaches and a van, and consequently its earning power would be much greater than that of a Diesel coach and trailer.

Mr. McLarty: You would need the passengers to provide the traffic.

Mr. STYANTS: If there were not sufficient passengers for three coaches, 8-wheeled bogie vans could be attached for perishable goods, which return a high freight rate, and consequently the earning power of the locomotive would exceed that of a Diesel coach. I do not think that the use of locomotives would be detrimental to the people in the back areas now being served by Diesel coaches. Take the special train of the Commissioner of Railways returning to the city at the week-end. It consists of a T class engine, two or three coaches and a van, and its run on a 160-mile journey compares favourably with the performance of a Diesel coach. This bears out my contention that a locomotive, given a through run and facilities for handling the traffic, is capable of doing the trips as fast and giving a service as good as that provided by a Diesel coach. There would be many advantages in building the locomotives here as against sending about £66,000 out of the State for Diesel cars and then having to use fuel produced outside of Australia.

I agree with the member for Bunbury also regarding the suicidal policy being practised by the Railway Department in cancelling certain passenger trains, particularly on the suburban lines. I thought the department had learnt its lesson during the depression years of 1931, 1932 and 1933. I fully agree with the hon. member that the department must give a service in order to create passenger traffic. The suburban passenger trains now being cancelled will never be put on again because the people will patronise other forms of transport. Thus the railways are gradually losing their traffic. An outstanding example of the truth that the provision of a service will create patronage is supplied by the Diesel coach that was run from Perth to Midland Junction shortly after midnight on Saturdays. In a short space of time the patronage increased so greatly that a steam train drawing three or four coaches had to be used to accommodate the passengers. No better support could be found for the statement that by providing a service, traffic is created. We hear much about the building of a broad-gauge line from Kalgoorlie to Perth. Such an undertaking would provide a continuous stretch of broad-gauge both in this State and South Australia, but I regard the cost involved as prohibitive. The estimate is somewhere between £5,000,000 and £6,000,000, a sum that is certainly beyond the scope of the State Government.

Hon. C. G. Latham: The Commonwealth Government might consider the project.

Mr. STYANTS: If that amount of money could be found, it could be spent more profitably elsewhere than on such work.

Mr. Doney: The Federal authorities do not consider it to be an urgent work.

Mr. STYANTS: Not from the defence point of view. A military train will average only 12 or 14 miles an hour. In France during the last war the average speed of a munition train was estimated to be between 11 and 12 miles an hour. From the point of view of the military department, there appears to be no immediate urgency for this work. The expenditure of £1,000,000 on the rehabilitation of the existing 3ft. 6in. line would enable the Railway Department to give a good service to the public. It would be possible to improve the road, to replace the 60lb. to the yard rails by 80lb. rails, and six or eight up-to-date locomotives could be built that would relieve existing locomotives for work elsewhere in the State. In South Africa, Java, Japan and other parts of the world, where the 3ft. 6in. gauge is in use, trains are run at an average speed of 45 miles per hour, not at a maximum of 45 miles per hour as is the case here. It is a common thing over stretches of 10 to 20 miles for such trains to average 60 miles per hour. Our trains could not run at that speed on the existing roads and with the permanent way in its present condition. If £1,000,000 could be spent in the direction I have indicated, the time for the journey from Perth to Kalgoorlie could be reduced by four hours, namely from 14 to 10, with an average speed of 37 miles per hour. Trains run at a greater speed than that on the narrow gauges in South Africa, Java and Japan, and it is only a matter of giving our Railway Department the same facilities that are given in those countries for it to be able to provide the same service here. We must always have the best possible railway service between Perth and Kalgoorlie. The ex-

penditure of several millions on the construction of a broad-gauge line would not induce more traffic. Were it possible to raise money, or were the Commonwealth Government prepared to find a million pounds for the rehabilitation of the existing railway, a far better purpose would be served.

Unfortunately, unemployment has lately become more rife than it was some years ago. I realise the difficulty facing the Government in its efforts to find work for all the unemployed. Probably the condition of the wheat industry is responsible for much of the trouble and the lack of work. When we recall the poor price the wheat farmer gets for his product, and the fact that considerable quantities of wheat have not yet been sold, we must realise that between £3,000,000 and £4,000,000 less money is in circulation. This must greatly affect private employment. Everyone is complaining of the shortage of money. The removal from circulation of so large a sum is felt very keenly by a small population such as we have in this State. Private industries have had to put men out of employment, and those men have approached the Government for work. Seeing that the conditions appertaining to Government relief work have been made more attractive, little inducement is offered to a man with one, two or more children to look for employment in any other channel. A man with more than two children is employed on full time. He will not, therefore, look for private employment, which does not offer the same continuity of work. A man with two children, in Government employment, can work for seven weeks out of eight. That was more than was available for the average unskilled worker prior to the days of the depression. The Government is now finding it particularly hard to accommodate all those who are out of work. My sympathies go out especially to those men for whom work cannot be found, the people with two or three unit families. I do not know how they get on, or how they live on the rations supplied to them. Unfortunately, the number of men for whom work cannot be found is increasing to such an extent that it is greater to-day than it was at this time last year.

The position in the gold mining industry is not as good as it was 12 months or two years ago. The industry has carried the brunt of the depression for the last three or four years, and has found employment for thousands of men. People on the goldfields have now discovered there is a tendency to dispense with men from the mines instead of finding work for them. I hope that position will not become more pronounced as time goes on. Unemployed men on the goldfields are worse off than are their confreres in the metropolitan area. When the latter are out of work they receive sustenance and rations, but under the policy of the Government, men similarly situated in the country can get nothing. I hope the number of men who will have to apply to the Government for relief work in the country and on the goldfields will not increase.

Last year, when discussing the flour tax, we were told by the member for Greenough (Mr. Patrick) that there was little relationship between the price of bread and the price of wheat. He went to some length to explain the position. We who represent industrial centres were so unsophisticated that we believed that if a flour tax were imposed there would be no necessity to increase the price of bread. We were quickly disillusioned on that point.

Mr. Patrick: Flour is £7 10s. a ton dearer to-day.

Mr. STYANTS: I admit the hon. member put up a good case.

Hon. C. G. Latham: And a true one.

Mr. STYANTS: I believe there is not a great deal of relationship between the price of wheat and the price of bread, that wheat can be fetching 5s. or 6s. a bushel and bread can still be sold at the same price as when wheat was worth only 2s. or 3s. a bushel. On that point, therefore, the hon. member established his case. It is the method of fixing the price of bread to which I so strongly object. The price of bread on the goldfields is 6½d. for cash or 7d. booked and those figures are made both the maximum and the minimum prices. A baker in Boulder who perhaps does the largest trade of any baker on the goldfields has always said that the people of the goldfields should pay ½d. per loaf less than was charged by the master bakers. He has been compelled to raise the price of the bread that he sells to that charged by the Master Bakers' Union. He objected to this and in a clear statement that he made he said that he did not want to do it. "I am making a reasonable profit" he declared, and added "I have always made a reasonable profit: I have not one of those mushroom businesses that are here to-day and then

fade away." This man has been in business on the goldfields for between 15 and 20 years and that would indicate to me that if he can sell bread at ½d. per loaf less than the price the board has fixed, then the board does not know its job. The usual argument that is advanced against the manufacturer who undersells is that he does not observe union conditions and does not pay union wages. This charge does not apply in the case of the baker to whom I am referring. I have made inquiries and have found that this man has never had an action of any kind taken against him and his men say that he is one of the best employers of labour on the goldfields.

Hon. C. G. Latham: Why is bread so expensive there?

Mr. STYANTS: I should say that flour is delivered on the goldfields just as cheaply as it is delivered in Perth. The goldfields bakers pay freight over the same distance as do the bakers in Perth. I think we are adopting the system that is followed by the petrol companies. In Kalgoorlie the price of petrol is 9d. a gallon dearer than it is in Perth and the freight to Kalgoorlie is 4½d. The retailers desired to reduce the price, but they were told by the petrol companies that if anyone attempted to undersell he would get no further supplies. It appears that this principle has been adopted in respect of bread. I agree that there should be a maximum price, but if a man is prepared to observe union conditions and pay fair wages he should be permitted to sell at any price he likes provided it is not over the maximum price. It is said that this has been done for the purpose of preventing a certain foreign element, conducting shops in the metropolitan area, from undermining union wages and conditions, but I say that that contention cannot be substantiated. The policing of the award prevents any employer from undercutting the price or undermining union conditions. If the foreign element were not paying union wages and were not observing union conditions prior to the increase in the price of bread, the fact that they are getting a halfpenny more will not compel them to do so. The employers, it has been alleged, pay the full amount of wages and get their employees to sign for that, and demand it back in the next week. The imposition of the additional halfpenny per loaf will not prevent that practice from being continued.

Mr. Warner: Is not what you say about the foreign element only the employer's bogey?

Mr. STYANTS: In the particular goldfields instance to which I have referred there has never been a charge laid against the baker of ever paying less than union wages, or for not observing the conditions of labour, in any shape or form. I know half a dozen of that man's employees and they say that he is a particularly good employer. I trust that something will be done in this respect. A rough estimate of what the additional ½d. is costing the workers of Kalgoorlie and Boulder, judging by this particular baker's turnover, and the turnover of other bakers—and the estimate I believe is fairly reliable—may be put down at £120 a week.

Mr. Warner: We know where the extra amount is going.

Mr. STYANTS: Into the pockets of the master bakers.

Mr. Warner: We should try to stop it from going there.

Mr. STYANTS: Yes, if the board did not maintain that the charges of 6½d. and 7d. were to be both maximum and minimum. So that in actual fact what the master bakers were not able to achieve in the last 15 years they have succeeded in doing now; they have driven this particular goldfields baker into the combine. I hope that something will be done in this direction. The payment of 7d. per loaf is a particularly high price when bread is delivered in thickly populated areas like Kalgoorlie and Boulder. In those places the cost of delivery is not any greater than it is in the metropolitan area. The Kalgoorlie and Boulder shopping districts extend over a distance of, I think, only eight miles from the Kalgoorlie and Boulder post offices. It is all a built up area, and perhaps a little extra cost may be involved over and above the cost of delivery on the coast.

With regard to the Workers' Homes Board's activities on the goldfields, and its policy of building 16 homes a year, the board demands the repayment of the whole of the principal and interest and all rates within a period of ten years. I know of a score or more of people on the goldfields who would enter into contracts with the board to pay as deposit twice the amount

demanded and they would guarantee to pay off all their liabilities in seven years. I hope therefore that the additional powers to borrow money granted to the board by this Chamber last session will be availed of and an effort made to increase the programme of building 16 homes a year in Kalgoorlie and Boulder. The provision of homes is one of the most crying needs on the goldfields, and I trust that something will be done to relieve the housing proposition there.

MR. J. H. SMITH (Nelson) [5.38]: I thank members for the congratulations they extended to myself and other new members on our election to the Chamber. I wish to add my congratulations to those that you, Mr. Speaker, have already received on your elevation to the post you now hold, though I might qualify that by saying that I would have preferred to see a member from this side of the House appointed to the Chair. I also wish to congratulate the member for Murchison on his appointment as Chairman of Committees. From what I have heard in the corridor and outside I imagine that he intends to be very harsh on members who do not strictly adhere to the Standing Orders.

Mr. SPEAKER: Order! That is a reflection on the Chairman of Committees.

Mr. J. H. SMITH: I would not in any circumstances reflect on the Chairman of Committees. However, let us hope that the Chairman will allow at least some latitude. I wish also to congratulate the two new Ministers. More especially do I desire to offer congratulations to the Minister for the North-West, the member for Kimberley. He is a Bridgetown boy. His mother and father, now in the vicinity of 80 years of age, are old pioneers of the district. They are highly proud, as is every resident of the Bridgetown area, of their son who has attained Cabinet rank.

Those are all the bouquets I intend to throw. I am heartily sick of hearing that everything the Government does is the right thing. I am heartily sick of the fact that every time a member on the Opposition side rises to speak, either on the Address-in-reply or any other subject, he is expected to apologise if he happens to say something which he sincerely believes to be true, but which does not please the Government. During all my previous years of Parliamentary life I have held that if one wants to call a spade a spade one may do so. I have also consistently held that as soon as members go into the corridor, all that has been said in the Chamber is forgotten and they continue good friends.

It is not so much what is contained in the Lieut.-Governor's Speech that I have to complain about, as what is not to be found in it. I see in it no promise of any legislation that will be of advantage to the people of Western Australia. The Bills foreshadowed are just the old stereotyped matter. The list of forthcoming measures is characterised by evasion of every description. No contentious subject whatever is even mentioned. There are only the same old things to be passed here and to go before another place in order to support the popular cry, "We cannot get legislation through for the advantage of the people because another place turns it down." It is the same cry as I have heard throughout the years I have spent in Parliament.

Next, I wish to refer to a painful subject, one which affects my district seriously. I refer to the terrible accident, reported in the "Daily News," in which Mr. William Purdon Scott, chairman of the Bridgetown Road Board and a very prominent and important man in the district, was unfortunately killed this morning. His death is a severe loss to the Bridgetown district. I know also how greatly the State will miss him, more especially in connection with the fruitgrowing industry.

Now as regards education. The need for education applies in the metropolitan area and the thickly-populated country districts, and also in the wide spaces of the South-West and the agricultural areas. Apparently, if one's district has a considerable population, one can get secondary schools and anything else that one wants; but the right of children in sparsely-settled, outback localities to be educated is denied. Take the case of Northcliffe, which once was a highly flourishing area with about 15 schools. To-day Northcliffe has only three or four schools. The most unfortunate feature of the situation is that where schools are being closed down five or six children remain. As that number is less than the departmental minimum of eight for a school, those remaining children receive no education. That applies throughout the State. The Government will say it is hard up. I shall show presently that it is not, or should not be, hard up.

There is urgent necessity to keep schools open by making a larger grant to the Education Department. Education is the greatest asset of any country. Let an ampler vote be made for educational purposes, and let the departmental officers be given greater control. Let them have more freedom of judgment. Those officers meet the wishes of the people in every way they can, and so does the Minister for Education. It is most unfortunate that educational facilities cannot be secured for outback children. Schools are being closed in my district, which I unhesitatingly declare to be the most prosperous district in Western Australia.

As regards the State railway system, I must join issue with my friend the member for Bunbury (Mr. Withers) in his remarks of last night concerning the railways and the Commissioner and the methods of the department. It is not the fault of the Minister for Railways, nor that of the Commissioner, that so much money is being lost by the Railway Department. It is the basic system that is at fault. Until we truly nationalise our railways by spreading their cost over the whole community, instead of trying to make the users of the railways bear the whole burden, we cannot expect them to pay. I have never heard this advocated by the member for Perth (Mr. Needham), but I have advocated it in season and out of season. The railways should be a common responsibility of the whole community. By the use of Diesel engines we should be able to recover the passenger traffic that the State system has lost. I think you, Mr. Speaker, have remarked on the fact of our having built bituminous King's highways throughout the country, so that instead of ten or 12 hours being needed for the journey from, say, Bridgetown to Perth, we can travel the distance by motor in two or three hours. Even now various Bridgetown people and other residents of the South-West come up to Perth by car every day of the week. And then we wonder why the railways do not pay! Some people suggest making the system more attractive by running more trains. How can that proposal be justified when we find the Railway Department losing money every year? The member for Bunbury says that a Diesel coach runs and that then the locomotive comes along just behind it. I agree with that hon. member, and with the member for Kalgoorlie (Mr. Styants), that under steam one can run a fast service; but we make our timetable to suit the dairying and fruit industries. The train comes along to a siding that has 50 or 60 cases of fruit to load and some cans of cream to pick up. The Commissioner, or whoever draws up the timetable, decides that ten minutes or a quarter of an hour or 20 minutes must be allowed at the siding for the guard to load the produce into the train and bring it along to the market. That is why the railway system is so slow and unattractive to users.

The port facilities at Bunbury are of vital importance to the export of products that are the lifeblood of the South-West. Year in, year out, conferences have been held at that port, and Ministers will confirm my statement that resolutions have been passed from time to time to impress various Governments with the importance of effecting improvements to the harbour. We do not seem to get any further. The member for Bunbury (Mr. Withers) has invited all members of Parliament representing South-West constituencies and delegates from various organisations, to meet the Premier with the object of ascertaining whether it is not possible for him to spend at least £1,000,000 on the deepening of the harbour.

Mr. Warner: Is that all?

Mr. J. H. SMITH: We require that amount for a start. We are not immodest in our request. For years the State deficit represented £1,000,000 or more, and now we ask for the expenditure of another £1,000,000 that will earn interest from the inception. Improvements to the harbour will obviate the necessity for producers in the South-West to send their fruit, fat lambs and other produce over a hundred miles to Fremantle. Under existing conditions, practically everything has to be despatched to the metropolitan area, which means an aggravation of the centralisation problem. If members realise the amount of money involved in the despatch of produce from the South-West to Fremantle, they will appreciate the fact that the interest on the expenditure of £1,000,000 will finance the expenditure over and over again.

Mr. Warner: Is the statement correct that the harbour is silting up?

Mr. J. H. SMITH: The Premier need only peruse statistics regarding the production of the South-West to know that my claim is perfectly valid. There is no possible chance of that expenditure being wasted. The requirements of the Bunbury harbour have

been discussed almost continuously in Parliament for years past. With all due respect to the member for Albany (Mr. Hill) and his claims respecting the Albany harbour, we in the South-West must continue to insist upon attention being paid to the Bunbury harbour.

Mr. Warner: You will require good eyesight to see £1,000,000 spent there.

Mr. J. H. SMITH: The producers are losing many millions of money, and I will touch on that phase at a later stage. We are told that £15,000,000 will be required to put the wheatgrowers on their feet. Why need we worry about that when we realise, as the member for Murchison (Mr. Marshall) pointed out, that money is merely something made out of nothing! What does it matter if we add another £1,000,000 to our national indebtedness?

Mr. Warner: What is money?

Mr. J. H. SMITH: What does it matter, so long as we establish something for posterity? It matters not a whit. War may break out to-morrow, and there will be no question about millions of pounds being made available to finance military operations. The Great War cost Australia £800,000,000 or more!

Touching upon forestry matters, members will realise what the timber industry means to the State as a whole. Every town in the South-West beyond Armadale was built up in the first instance by the timber trade. Although I do not desire to join issue with the Conservator of Forests, from time to time in this House I have asserted, and I make the statement again, that the policy pursued is entirely wrong. I agree with the Conservator that in our forests we have a heritage that should be handed down to our children and our children's children. On the other hand, hundreds of practical men know that much of our forest wealth is being destroyed year by year. If the Conservator of Forests would only modify his policy and allow the hewers to take out only the matured timber that is now going to waste annually, hundreds of thousands of pounds worth of timber could be utilised and employment provided for hundreds of men. At present matured trees are being ruined by borers, dry-rot or fires that may burn one side, leaving the other part fit for use. Much of the timber that could be utilised in this way grows along existing railways and roads. My statement can be amply borne out by practical men who know the South-West. I certainly do not like to see all that timber totally destroyed, when so much of it could be used.

In these days all eyes are on the South-West. Members will have a vivid recollection of the fights that used to proceed in this Chamber some years ago regarding the dairying industry. In those days butterfat brought 8d. a lb., and about 3,000 men and women, who were broken-hearted, left the group settlement areas. In those days Country Party members were accustomed to ask what was the use of operations in that part of the State. In fact, they referred to it as the "Sour West." Repeatedly I urged that the producers could not live on wheat alone. We must realise that prosperity affects various lines of production in cycles. To-day the price of wheat is at its lowest ebb, and we must do something to assist the growers. Before I conclude my remarks, I may make a suggestion or two with that end in view. In a year or two butterfat prices may be down to zero, and then the dairy farmers will be in exactly the same position as they were years ago. The fruitgrowing industry may suffer a setback, and may in turn require attention.

Mr. Warner: You are no prince of optimists!

Mr. J. H. SMITH: I am not an optimist; I neither cry nor squeal, but I realise that we must do something. What we should do —I believe members sitting on the Government side of the House will agree with my suggestion—is to legislate for the fixation of prices for all primary products. I am not advocating orderly marketing, but merely the fixation of minimum prices for all we produce on the land. By that means the producers would know what return they could expect.

Mr. J. Hegney: What about the secondary industries?

Mr. J. H. SMITH: Those industries enjoy fixed prices.

Member: Of course they do.

Mr. J. H. SMITH: Those industries are protected. Workers employed in our secondary industries are paid wages fixed by Arbitration Court awards. We do not require the establishment of boards. Of what use are they? We have our Government Statistician. The problem is simple. The Statistician can fix minimum prices to be paid for our wheat, wool and other primary

products—I have not in mind market gardening—and then the man on the land would know where he stood. Of course, he could not avoid the climatic conditions. That is a gamble. He would know, however, when he put in his crop that he would at least get some return for it.

Mr. Watts: He would get nothing out of a fixed price for wool.

Mr. J. H. SMITH: If there were a fixed price for wool, why would he not get some return? Secondary industries are bolstered up. The member for Katanning (Mr. Watts) is referring to export prices. I am suggesting that the Government fix a minimum price.

Mr. Watts: We do not use enough wool locally to make that worth while.

Mr. J. H. SMITH: Does that make any difference? We grow wheat in this State and use it. We produce so much butter that we have to export it. We exported 1¼ million cases of fruit which we ourselves could not consume. What is the State living on? Hay street, or St. George's terrace? It is living on what our people are producing, namely wool, gold, timber, wheat and fruit. Every person will agree with me that our wealth originated from those products.

Several members interjected.

Mr. SPEAKER: Order!

Mr. J. H. SMITH: It is waste of time for members to advocate orderly marketing. What does orderly marketing mean? It has never yet been explained to me. I have yet to meet a man able to define what orderly marketing is.

Mr. Seward: Give us your definition.

Mr. J. H. SMITH: It is impossible to stabilise prices.

Mr. Seward: Educate us.

Mr. J. H. SMITH: Prices cannot be stabilised. But Parliament can, by legislation, fix a minimum price, so that a farmer will know when he puts in his crop that he will obtain some return.

Mr. Warner: If the grasshoppers do not get it.

Mr. J. H. SMITH: I do not know much about grasshoppers. Members were privileged in listening to the speech of the Minister for Lands the other evening. It was certainly a valuable contribution to an understanding of the position of our wheat industry. He referred during the course of his remarks to the lack of overseas markets for our wheat. We have a market for our wool, and also for our fruit. Western Australia's quota of fruit exports was fixed last year at three-quarters of a million cases.

Member: Was that orderly marketing?

Mr. J. H. SMITH: On account of bad seasons in the Eastern States, growers there were unable to ship the States' quotas. That enabled us to export 1¼ million cases of apples. Had that calamity not occurred in Eastern Australia, however, we should have had on our hands half a million cases of apples, for which we would not have had a market. Within a radius of 10 miles of Bridgetown, I think half a million cases of apples were grown; of these 300,000 cases were exported, and I think at least 200,000 were destroyed by hail and rotted on the ground. Here is a chance for the Minister for Industrial Development to establish another industry in the State, namely pulp apples and apple juice. I have read that Germany and other countries are making much use of apple juice. Unfortunately, we have not been able to establish that industry here. We did have a cider factory. The cider was very potent, too; I tried some of it. The factory was operating at the time the Armistice was signed. I think my friend the member for Bunbury (Mr. Withers) was present on that occasion, when young and old, men and women, went to the cider factory. I do not quite know what happened, but the cider seemed to get to their heads. Even if we did not meet with success in manufacturing cider, perhaps we can establish an industry in the South-West for the manufacture of apple juice.

I desire to say a few words with respect to our tobacco industry. Much publicity is given in the Press to this industry, which has only recently sprung into existence. We are growing tobacco of a wonderful quality in the Manjimup area. Our sales last year reached the high total of £50,000; and a sale is to be held to-morrow on the floor of Dalgety & Co.'s warehouse at Fremantle. Many people consider this to be a move in the right direction, that the trade will expand and the industry assume great proportions. I, for one, however, wish to see the people engaged in the industry get some return for their labour.

Members: Hear, hear!

Mr. J. H. SMITH: It is an absolute disgrace that able-bodied men are receiving

only 8s. a day for their work in the industry. I may be an extremist: but my desire is to see every person in full employment and receiving at least the basic wage in return for his labour.

Mr. Marshall: Quite right.

Mr. J. H. SMITH. Yet how is that to be accomplished? If an industry cannot pay adequate wages, what is the use of it, unless we subsidise it? We must do that if it is essential to the welfare of the State. The tobacco industry can be controlled by the Commonwealth imposing an excise duty on the product. In that way it could be made a payable proposition. We will have to approach another Parliament on that matter—a further example of the curse of centralisation. We are under the disadvantage of having to send our leaf over the railways from Manjimup down to the floors at Fremantle. To my mind the leaf should be sold on our own floors where it is grown. Buyers should go to our district instead of 10 or 12 of them coming from overseas and staying at the leading hotels in Perth—and some of them certainly do live on an elaborate scale. They should go where the leaf is grown and attend to their purchasing at that centre. I do not know whether members have received an invitation to visit the floors at Fremantle, but if they have not, I now invite as many as possible to do so to-morrow in order that they may see for themselves what can be done in the way of growing tobacco leaf in this State.

Mr. Lambert: What about woolgrowers going on to the stations and buying wool?

Mr. J. H. SMITH: That is a different proposition. The metropolitan area is the centre to which wool comes from all parts of the State, from north and south and from east and west, whereas tobacco leaf is grown only at Manjimup, in one portion of the State. It is not produced throughout the Great Southern or in the North-West or other parts, so that the argument of my friend does not carry much weight. But here is a fact that may appeal to the member for Yilgarn-Coolgardie: The hop industry has been established in my electorate. It is a growing industry and I am pleased to say that we have been successful in marketing, to the local breweries, all the hops that have been grown. I understand from the people in both places where the hops are grown that they are meeting with considerable success and are employing labour at the basic wage.

Mr. Marshall: What is the area under hops?

Mr. J. H. SMITH: Each centre has, I think, in the vicinity of from 15 to 20 acres. It is a real treat to see the hops growing so profusely and I understand it is wonderful stuff. I come now to a matter that affects the whole of Western Australia. I refer to the need for a redistribution of seats in this State.

Mr. Warner: You will get it all right next year.

Mr. J. H. SMITH: Some reasonable adjustment should be made. For the life of me I cannot perceive why the North-West portions of this State should be entitled to four members of Parliament, representing as they do approximately 1,000 electors each. There are only 4,000 electors in the whole of the North-West area and yet they send four members to this House.

Mr. Wilson: Four good men, too.

Mr. J. H. SMITH: And two of them are Ministers of the Crown.

Mr. J. Hegney: What is wrong with that?

Mr. J. H. SMITH: There is no doubt that the intelligentsia come from the North-West, though the population is small. But it is decidedly unfair.

Mr. Lambert: Your Government was responsible.

Mr. J. H. SMITH: It was done long before I came here.

Mr. Lambert: No.

Mr. J. H. SMITH: Yes, it was. Some may say that four members are elected to represent the North-West on account of the vast area of that portion of the State. I have been looking at some figures. In the Pilbara district there are 963 electors with five polling centres; in Roebourne district there are 677 electors and two polling places.

The Minister for Mines: How many postal votes are there?

Mr. J. H. SMITH: Not many, as the Minister would see if he consulted the list. I will tell the hon. member. I know that the number of postal votes is very small.

Mr. J. Hegney: Read them out.

Mr. J. H. SMITH: I will if I can find them.

Mr. J. Hegney: Read those for the Pilbara district.

Mr. J. H. SMITH: I cannot find them at the moment, but my friend the member for Subiaco (Mrs. Cardell-Oliver) is coming to my rescue and is going to give me the details. There was no election for the Kimberley electorate and I have not been able to look up the particulars of the polling places in that area. I do not know how many there are in the Gascoyne division either; but in the Kimberley electorate there are 958 electors and in the Gascoyne area 1,071. The point is that there are fewer than 4,000 electors in the whole four electorates. On the other hand, in the Nelson district there are 49 polling places and 5,796 electors. During my election campaign I travelled between 4,000 and 5,000 miles and addressed 56 meetings.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. J. H. SMITH: I was referring to redistribution and expressing the belief that the Government would introduce a measure during the life of this Parliament. I had directed attention to the North-West, which has four representatives in this House and three in another place. Let me now mention the electorates of Boulder, Brown Hill-Ivanhoe, Hannans and Kalgoorlie. There again we have four representatives for a district that might well be described as a metropolitan area. All possible facilities are provided in those electorates, and yet the quota in every instance is much below the quota for any agricultural constituency.

Mr. Styants: That is not right.

Mr. J. H. SMITH: Then I shall quote the figures to prove my statement. Boulder has 3,544 electors, Brown Hill-Ivanhoe 3,316, Hannans 2,991, and Kalgoorlie 4,429. The district of Nelson has no fewer than 5,700 electors.

Mr. Styants: A tremendous difference!

Mr. J. H. SMITH: The inequality is substantial when we consider the difference in the conditions prevailing in the two places. To traverse the goldfields electorates entails little more than a hop, skip and a jump, and a member might see everybody in his electorate in one day.

Mr. Styants: We give votes, not to ironstone hills, but to people.

Mr. J. H. SMITH: With due respect to goldfields members, I remind them that there might come a time, if America ceases to buy gold, when the goldmining areas will be confronted with difficulties just as great as those besetting the wheatgrowing areas at present. Members will recall when the Government had to assist the Sons of Gwalia mine and other mines to keep them working, just as it had to go to the rescue of other primary industries. Gold to-day is bringing more than double its former price, but there is no guarantee that that level will be maintained. The goldfields have reached the zenith of their population, and the area I have mentioned is represented by four members. Ninety per cent. of the people of this State cannot hope to prosper unless we populate our vast areas, but there seems to be a continuous drift towards the metropolitan area. Not many years ago the population of the metropolitan area and of the country districts was fifty-fifty; to-day the proportion for the country is less. If a redistribution of seats Bill is introduced, the subject should be considered in all its bearings, and a sounder system than that at present operating should be adopted.

The Speech informs us that the unemployment position is very much worse. His Excellency regretted to say that the number of unemployed had increased. This indicates where the Government has fallen down on its job. This is where the Government has broken its promise to the people. When the depression overtook the State, we passed the financial emergency legislation. I said at the time there was only one way to solve the unemployment problem and that was to make everybody contribute so that funds would be available to provide work for those in need of it. I am still of that opinion. The writing is on the wall for anyone to read that because of the low price ruling for wheat, we shall lose millions of money on this big primary industry. That alone will create a considerable amount of unemployment. The Government is desirous of abolishing the financial emergency tax which produced over £1,200,000 last year, and I naturally expected the Government to give some indication of what it proposed to do to keep people in work. On that point we have not heard a word.

Although I am merely a layman, a representative of one constituency, there is, in my opinion, only one way to keep people in work, and that is by providing funds through the imposition of a tax. When members recently went before the electors,

the Premier displayed considerable shrewdness by pledging himself to abolish the financial emergency tax. I recollect the member for Boulder (Hon. P. Collier), when he was head of the Government, making a similar promise. The Leader of the Opposition and the Leader of the National Party, however, maintained that the Premier, in giving such a pledge, was not doing right because he was really committing the next Parliament to definite action. The electors concluded that if there was a change of Government, the financial emergency tax would be continued, and so Labour was returned to power. The Premier, however, should not talk about having received a mandate to abolish the tax. What has the Government done with the proceeds of this tax? It certainly has broken its pledge to the people.

Mr. Cross: No.

Mr. J. H. SMITH: Is there any member who rings up the Minister for Labour more than does the member for Canning?

The Minister for Labour: Yes.

Mr. J. H. SMITH: When sitting in the members' room, I hear the telephone tinkling, and there is the member for Canning with a case to put before the Minister. Why should that be necessary? The financial emergency tax was authorised for one purpose. You, Mr. Speaker, will recall that when the Bill was introduced by the late Mr. Scaddan, you from your seat on the floor of the House opposed the measure.

Mr. J. Hegney: Why should not he oppose it now?

Mr. J. H. SMITH: I opposed it at the time because the member for Middle Swan (Mr. J. Hegney) for one had fallen down on his job. The member for Canning (Mr. Cross) will not always succeed in "getting away" with things as he is doing to-day, and you, Mr. Speaker, I believe, will also be taken to task. When I voted against the original measure, I was told that I could not do so because a party meeting had agreed to tax the people for the specific purpose of providing work for the unemployed. The financial emergency tax has been re-enacted year after year—and what has the Government to say? After having collected over £1,200,000 last year, the Government has the effrontery to tell us it regrets that the unemployment position is worse. Evidently the Premier considers that he can "get away" with anything. The situation is gradually becoming worse. Officially the number of unemployed is 7,000, but if we had a complete record I expect we would find the number was twice that figure.

Mr. Cross: In Sydney 70,000 people are unemployed.

Mr. J. H. SMITH: And that number may yet be unemployed here.

Hon. C. G. Latham: That may be so.

Mr. J. H. SMITH: I am not concerned about Sydney. Funds have been raised for a specific purpose, but not half the money was spent in providing employment for the people. We must do something to provide work for all. I do not know how the Premier proposes to raise the necessary money.

Mr. Needham: How would you do it?

Mr. J. H. SMITH: I would start with a tax of a penny in the pound upon every person in employment, and would gradually increase the amount until it reached 4s. in the pound.

Mr. J. Hegney: The people rejected that idea.

Mr. J. H. SMITH: They did not. In that way I would keep all the people in work. That is the only way in which it can be done. What has this miserable Government done?

Mr. Cross: What is that?

Mr. J. H. SMITH: Ministers say they possess in their systems the milk of human kindness, that they were elected by the people to uplift mankind, and that the working classes are their first consideration. What are they doing? They are practising conscription in its worst form.

Mr. Needham: That is an old story.

Mr. J. H. SMITH: It may be old, but it is true and cannot be denied. The single unemployed men call themselves the Lost Legion. They are stuck away in the bush, and all they get is sustenance on two days a week. They are isolated miles away from anywhere. This sort of thing has gone on for seven years, and may go on for another seven years. What does the Government care? It has fallen down on its trust. The big heads in the terrace and elsewhere are not concerned about those on the bottom rung of the ladder. Needless to say, I did not get their votes at the last election. I told the unemployed that if I got into Parliament I would fight for them, and do what I could for them. In many cases the single men I speak of do not receive help on even

two days a week. I have the greatest respect for the Minister concerned. He is a fine man and the most courteous member of Parliament. He is also the nicest man in Parliament, and yet he refused to meet a deputation representing those who wished to improve their conditions. He said, "Unless you have an accredited organisation behind you, I refuse to meet you." The accredited organisation then waited upon him. I am speaking about the men who have to subsist on sustenance for two days a week. They cannot get work unless they join the Australian Workers' Union, and in that way are conscripted into the organisation.

Members: That is wrong.

Mr. J. H. SMITH: It is right. I defy contradiction of the statement. The Minister himself will agree that it is true that this is the principle on which the Government works. The worst feature about the business is that although these men receive sustenance on two days a week, they still have to pay the full union dues.

The Minister for Mines: Nonsense!

Mr. J. H. SMITH: They have to pay just as much as do those men who are in full work.

Mr. Holman: You must have paid 2d. to read your newspaper.

Mr. J. H. SMITH: I do not have to read a newspaper to know that this is so.

Mr. Holman: Then you must have got the newspaper for nothing.

Mr. J. H. SMITH: The men to whom I refer are entitled to more than they are getting. The financial emergency tax was imposed for one purpose alone. If members will read "Hansard" of the period in question, they will agree that my statement is true.

The Premier: No!

Mr. J. H. SMITH: I remember when the matter was first brought up. The member for Boulder (Hon. P. Collier) was Premier at the time. He will recall the occasion when the unemployed walked the streets because they could not get work. History is now repeating itself. We shall drift back into the same position unless something is done very quickly. The Premier himself realises that, and I am prepared to assist him in every way possible. We must fight against a situation of that sort. What does the Premier propose to do to get the people back into employment? Let me stress what is happening at Fremantle, and the attitude of the Minister for Labour. That hon. gentleman recently went to the Eastern States with a view to promoting secondary industries in this State. He has formed a committee of influential people, and we are all behind him in his endeavours. Until more industries are established here, our population is increased, and more work is found for everybody, the State will never advance. The member for Nedlands (Hon. N. Keenan) said the money will have to be found for this purpose. I remind the House that in 1928 the Labour Government gave away our borrowing powers to the Federal Government when it signed the Financial Agreement.

Mr. Needham: That is incorrect.

Mr. J. Hegney: The Premier of your party gave away the Savings Bank.

Mr. J. H. SMITH: What does the bank matter? Western Australia, as a State, did not concur in the business, but the people of Australia as a whole agreed to those powers being given to the Federal Government. We could have stood out of the Agreement, but had we done that we would have been unable to finance our own affairs. We have to borrow through the Federal Government. It was impossible for us to raise enough money to eke out our own destinies and prevent outside manufacturing interests from affecting the welfare of our own industries.

Mr. Needham: In what way can we overcome the difficulty?

Mr. J. H. SMITH: Whilst that is going on the Government of the State is closing its eyes to other things. The employees of Mills and Ware Ltd., one of our important factories, are on strike, and the Government is allowing them to remain on strike. This is the fifth week of the dispute, and 260 people are out of work. I do not know what the conditions are for those concerned, but I do know that an award of the Arbitration Court is being flouted.

Mr. Wilson: That is not so.

Mr. J. H. SMITH: The court should be upheld.

Mr. Holman: It is not an award, but an agreement.

Mr. J. H. SMITH: Mr. Mann said that the Employers' Federation refused to meet his people, and would not agree to a round-table conference. If he wished to do so, the Minister could bring the court together to-morrow, and settle the

whole thing by arbitration in two minutes. But neither side will give way. Both sides are, of course, in the right. Never in my life did I know a strike to do any good. However, that is the attitude adopted. If an award made by the Arbitration Court to govern an industry does not suit the employees, they do not accept it but go out on strike, and the Government in power allows that to continue! I wonder what would happen if the wheatgrowers pursued a similar course? Absolutely hopeless their position is to-day. They have no chance whatever unless their mortgages can be suspended for five years. If the wheatgrowers came down to Perth en masse and declared themselves bankrupt, where would this country be? They should do it, because unless the necessary funds can be obtained from the Commonwealth they have nothing whatever ahead of them. The other evening the Minister for Lands said that the wheat farmers have mortgages and second mortgages. With the world price of wheat as it is to-day, there is no outlook for them. We must do something for the wheatgrowers and the unemployed. Every member must strive to the utmost of his strength to remedy a position which is much more acute than the man in the street knows, but which you, Mr. Speaker, and I appreciate. The position is getting worse and worse. Take our various industries. There is wheat and there is wool. We know the position in those respects. Not one of our industries, except perhaps gold, is paying. The dairying industry is at present giving a return, but its future is on the lap of the gods. The price may be 1s. or 1s. 3d. to-day, and may fall at any time to 8d. or 10d. Then the dairying industry will find itself in exactly the same position as the wheat industry. These industries must be placed on a proper basis. The Premier and Treasurer has a task ahead of him. I should like to know his views as to the raising of money. However, that is impossible. I have my ideas as to how things should be done. Anything I can do, I shall do. I shall always raise my voice against injustice, and I consider that the country people and the unemployed are suffering grave injustice at the hands of the present Government. The Minister for Industrial Development says he is doing all that can be done. I reply emphatically that that is not so, and reiterate that in my opinion Ministers have completely fallen down on their jobs.

MR. PATRICK (Greenough) [7.54]: May I be permitted, Mr. Speaker, to offer my congratulations to you and also to the member for Murchison and further may I express the hope that to the Standing Orders you, Sir, will give a broad and kindly interpretation. Further, I wish to congratulate the new Ministers. I feel sure that one of these days the member for Yilgarn-Coolgardie (Mr. Lambert) will be pleased to see the Minister for the North-West lay on the Table of the House what may be termed a perfect set of regulations. I desire also to congratulate the new members not only on their entrance into this Chamber but also on their highly interesting and informative contributions to the discussion.

In my opinion we are back again just where we were in 1930, and probably worse off in respect of the primary industries. From the aspect of the State as a whole, the position is to some extent mitigated by the fact that whereas in 1930 the price of gold was £4 per oz., it is now about £9 5s. in Australian currency. Reference has been made to the question of unemployment. The Premier has stated that the amount to be allotted to the wheat industry cannot be too great, as a large sum is needed for the relief of unemployment. However, as the wheat industry is starved for want of funds, so will the unemployment problem increase. Already in my electorate there are numerous cases of men with large families being forced to leave their farms and join the ranks of the unemployed. The member for Perth (Mr. Needham) referred, as also did the member for Kalgoorlie (Mr. Styants), to the price of a loaf of bread; and the member for Perth said he would not be a party to the granting of any assistance to the wheat industry if that course was going to result in an increase in the price of the loaf. However, as I have previously pointed out here, we farmers have very little indeed to do with the price of the loaf. To-night I will give only one illustration in support of that statement. In 1921 flour was £19 17s. 8d. per ton, nearly £20, whereas to-day it is £12 13s. 9d. Until recently the price was £12 11s. 9d. And bread is the same price to-day as it was in 1921! It will be seen, therefore, that the farmer has little to do with the price of bread. A qualified commission might well be appointed to ascertain

how that position has arisen, how there can be a reduction in the price of flour of over 50 per cent. as compared with the 1921 price, while bread remains at exactly the same price.

I compliment the Minister for Lands on the most interesting and informative speech he made on Tuesday evening, although many of the facts he stated were already known to members of the Country Party. What we contend, and the Minister for Lands and the Premier contend, is that the responsibility is a national responsibility, and should be a matter entirely for the Commonwealth Government. That has been the view adopted in other countries. In the United States of America—a federation almost similar to our own; in fact, our Constitution is practically based on that of the United States—the Federal Government has accepted full responsibility for the wheat industry. Only the other day Congress decided to pay an export bonus on wheat of 35 cents per bushel, or 1s. 10½d. per bushel in Australian currency. The proposed Australian plan, so far as I see, will pay only about 10d. per bushel bonus. Members will appreciate the type of competition we had to encounter. Our farmers had to accept a bonus of 10d. a bushel and were expected to compete against the producers of another country where the bonus was 1s. 10½d. a bushel. I agree with the Premier of Victoria, Mr. Dunstan, that this is a Commonwealth responsibility, but I entirely part company with him in his other contentions. Mr. Dunstan stated recently in the Victorian Parliament that the Commonwealth had enunciated a definite policy of restriction on production, which was a policy of despair. I believe the Leader of the Opposition in the House of Representatives, Mr. John Curtin, said at a meeting in Perth the other afternoon that it was a policy of suicide. The policy may be one of despair, but there is no doubt, in view of the statement to us by the Minister for Lands that it is inevitable. Mr. Dunstan also said he could not agree to any international agreement because that was not practicable. In my opinion, such an agreement is practicable and represents the only way by which we can emerge from our troubles.

Mr. Lambert: It has been done with zinc, tin and rubber.

Mr. PATRICK: That course has been resorted to with sugar, and 20 different countries have subscribed to such an agreement. The sugar problem is by no means small and Australia depends on the international agreement to dispose of a large proportion of her crop. The same principle has been applied to rubber.

Mr. Lambert: And tin and zinc.

Mr. PATRICK: As the member for Yilgarn-Coolgardie (Mr. Lambert) has pointed out, it has also been applied to base metals. There can be no doubt that some form of restriction is inevitable.

The Premier: Yes, some control.

Mr. PATRICK: Control and restriction. When we have 1,000,000,000 bushels of wheat with which to supply a 500,000,000 bushel demand, someone has to give way. As I pointed out regarding the measures adopted by the United States of America, if the problem resolves itself into an "all-in contest," Australia will go down. Members will agree that a small crop that can be disposed of at a profit is far better than growing a large crop that has to be given away at a loss. Take the price of wheat for two decades. From 1911 to 1920 our wheat averaged 5s. a bushel at port, and from 1921 to 1930 it averaged 5s. 8d. a bushel. During that period the Labour Government occupied the Treasury bench and money was plentiful. During the last ten years the Wheat Pool average—it was a little higher than the general market average—has been 2s. 10½d. at sidings. Members will appreciate the enormous drop in the price of wheat and how almost impossible it has been for the farmers to build up any reserves to tide them over a crisis such as we are experiencing to-day.

Another interesting phase concerns the possibility of Australia competing in an "all-in contest." Figures taken from the report on grain issued by the Imperial Economic Institute show that from the end of the war to 1931-32, the world area under wheat increased by 20 per cent. and then declined to a smaller acreage in 1936-37, while last year, 1938-39, it increased to its peak. On the other hand the acreage in Australia declined from 18.16 millions in 1930-31 to 13.81 millions in 1937-38, or a decline of nearly 25 per cent. That is to say, while the world acreage under wheat increased by over 20 per cent., the area in Australia has actually declined during that period by over 25 per cent. Western Australia, in the peak year, had nearly

4,000,000 acres under wheat, but that area dropped to 2,500,000 acres in 1936-37 and rose to 3,300,000 acres in 1938. During his speech the other evening, the Minister for Lands attributed this decline in area under wheat to the policy of the Agricultural Bank. That is nonsense. The reason for the decrease—and that reason applied all over Australia—was that it became an economic necessity.

Mr. F. C. L. Smith: Then what caused it to increase again?

Mr. PATRICK: The price of wheat went up. The year before last the Wheat Pool paid 5s. 0½d. at sidings on a 4d. freight basis, and naturally the farmers were encouraged to increase their areas under wheat.

The Premier: They had bad luck because of the drought.

Mr. PATRICK: Yes, but that encouraged them to plant again in the following year. The point I am attempting to make is that while in the years from 1931-32, which was the beginning of the slump, to last year, the world acreage actually increased, the Australian acreage under wheat declined by 25 per cent. In Canada the growers are back to the acreage under crop at that time; the Argentine is back and the United States of America, despite the restriction on areas sown, actually had last year 2,000,000 acres more than during its former peak period. Thus, when it comes to a show-down, Australia has already been beaten in the acreage race.

As we know—the fact has repeatedly been pointed out—the policy of nationalism has destroyed our markets. Great Britain is still a big importing country and imports 200,000,000 bushels of wheat, but Continental Europe as a whole is in a different category. While in the years from 1926 to 1931, those countries imported an average of about 400,000,000 bushels a year, from 1933 to 1936 they imported an average of 135,000,000 bushels a year. Australia has been very slow to realise the change in economic conditions. For instance, in 1930 our farmers were advised to grow more wheat and they responded to the appeal in noble fashion. In that year we had our biggest acreage under crop and the largest crop on record. Although our farmers were advised to grow more wheat that year, at that very time the growers in the United States of America were advised to reduce their acreage by ten per cent. So members will appreciate the fact that Australia was very slow to realise the change in the situation. We had writers like Mr. Bath, who, in a book entitled "This Worry of Wheat," pointed out the trend of events and advised a restriction of acreage under crop; yet at the same time the Australian Government advised the farmers to grow more wheat.

Reference was made by the member for Bunbury (Mr. Withers) to a scheme put up by Mr. Parker Moloney, who was Minister for Markets in the Scullin Government. There is no doubt that Mr. Parker Moloney, or Mr. Scullin, began to get alarmed at the beginning of 1930 at the drop in price. It actually dropped to 3s. 9d. and 3s. 10d. per bushel. However, the scheme was introduced. I would advise the member for Bunbury, when looking into matters of this sort, to make a proper study of them, and not read propaganda articles from the "West Australian."

Mr. Withers: Read the reports of debates in the Federal House that we have here.

Mr. PATRICK: The hon. member should not read propaganda articles—

Mr. Withers: "Hansard" will tell you.

Mr. SPEAKER: Order!

Mr. PATRICK: — which do not in any way disclose the true position. I have drawn attention to this matter before. At the beginning of 1930, Mr. Parker Moloney introduced a Bill—wheat was then 3s. 9d. per bushel at the siding—under which he proposed to guarantee the farmers 4s. per bushel, provided the States went fifty-fifty with him in the responsibility. The member for Boulder (Hon. P. Collier) was then Premier of the State. He was asked in the country whether his Government would be prepared to accept half of that responsibility, and replied, "Certainly not, the Government cannot afford it." Sir James Mitchell, then Leader of the Opposition, was asked the same question. His reply was, "Certainly not." Other State Governments took the same stand. As a matter of fact, that was the condition on which the guarantee was offered; because an amendment was brought forward to give any State which could not pay its proportion the opportunity to accept the balance of the money from the Federal Government. However, the Com-

monwealth declined to initiate the scheme on that basis. It must be borne in mind that at that time there were no signs of a collapse, and that the amount involved was only £300,000. What happened in the final issue? Wheat then commenced to fall and, by the time it was harvested, our 50 per cent. of the proposed guarantee would have involved the State in an expenditure of not less than £2,500,000, or 2s. per bushel on 50,000,000 bushels. Members will realise what chance we had of accepting a proposition of that kind. Evidently, the member for Boulder was wise in his generation in anticipating that the scheme might cost the State much more than was apparent at the time; because while the State might have scrambled through and found £300,000, it certainly could not have found £2,500,000 in 1930.

To show how the position changed, and how it was viewed by the Scullin Government later in the same year, after the price of wheat had fallen, Mr. Scullin brought down another Bill which proposed to guarantee the farmers 3s., not at the siding, but at the port, a sum equivalent to 2s. 4d. to 2s. 5d. per bushel at the siding. The Bill was passed unanimously by both Houses of the Federal Parliament, but the guarantee was never given effect to because the money could not be found to pay it. Presumably, the amount was to be payable by an instalment of 2s. per bushel at the port, less freight on delivery, and by further instalments spread over such periods as were prescribed. Members will realise, therefore, that even if the scheme had proved successful, even if the States had accepted the responsibility, the farmers would not have collected the money, because later on the Federal Government could not find even 3s. at the port, which would be a matter of 2s. 4d. to 2s. 5d. at the siding.

We have heard many arguments in regard to surplus wheat. We are told there are starving millions in the world to be fed. Probably there are, but how are we to force our wheat on a country like Germany, which imposes a customs duty—as the Minister for Lands has pointed out—of 19s. a bushel? I suppose many people in Germany would be glad to get our wheat to-day, but how can we force them to take it? There is another aspect of this question. While wheat is the staple food in some countries, it is not so in all countries. Russia, Poland, Sweden, Esthonia, Finland and even Germany consume rye, and not wheat, as their chief food. In Japan, China, the Philippines, India, Indo-China and Cuba, rice is the main cereal used. In Rumania, Egypt, South Africa and Brazil, maize figures more than wheat in the national diet. The only way I can see in which these countries can be induced to change to wheat would be to sell it to them at a price cheaper than that at which they can purchase other cereals.

Mr. Cross: Two crops of wheat are grown a year in Egypt.

Mr. PATRICK: I do not know whether that is so.

Mr. Cross: It is so.

Mr. PATRICK: I do not know whether two crops a year are grown there. There is another point regarding the wheat industry, and that is the unfortunate tendency of the white world to consume less cereals year by year, even when the prices are low. Recently, a Californian professor of economics pointed out that, per capita, the United States has fallen in 50 years from 360 lbs. of grain to 235 lbs. If to-day the United States were consuming as much grain per capita as it did 50 years ago, then, instead of exporting wheat, it would be consuming all the wheat it could produce and probably importing several hundred million bushels. This reduction in consumption is not due to starving millions. It is due, as the professor said, to a diversification of diet. Wheat has been replaced by sugar, eggs, dairy produce, fruit and vegetables. No amount of propaganda can alter that state of affairs.

So we have to face facts, as the Minister for Lands said. It is only necessary to draw attention to the fact that after four years of drought in two of the greatest wheat-producing countries in the world—Canada and the United States—there is no shortage of wheat in the world. That shows restriction of output is inevitable. We have heard a great deal about the report of the Royal Commission on wheat. That report stated that some restriction of production was inevitable.

We come now to the point, if there is to be an open go, as to whether Australia can produce wheat cheaper than any other country in the world. We have frequently been told that Australia can do so. The question is answered by Professor Perkins, who has

lately retired from the position of Director of Agriculture in South Australia. In a paper on the wheat position which he wrote a few years ago, Professor Perkins said—

> We are sometimes told that wheat can be grown cheaper in Australia than elsewhere in the world. If we place no money value on the labour and sweat of farmers and their families; if we overlook the tariff and other obstacles that hamper the primary producers throughout the Commonwealth, the theory of cheapness of local primary production would be true; but not otherwise.

As I have already indicated, that is obvious, because we have already lost acreage to our opponents, the countries against which we must compete. In spite of the low price of wheat, those countries have maintained their acreages, while ours has been reduced in the last few years by not less than 25 per cent.

A statement was made by Mr. Menzies the other day to the effect that the primary producers of Australia were last year bonused to the extent of £37,000,000. I have tried, with the aid of the Commonwealth Year Book, to work out where this £37,000,000 comes from, but I have reached the conclusion that his remark was simply a piece of stupid nonsense. He did not dissect the figures except to mention the petrol money for road grants as a bonus to primary production. Of course that is a very easy way of building up the amount. In 1930 I pointed out in this House that at that time—it was before the slump started—wheat and wool were the only two competitive industries that had not been bonused to some extent. Butter and dried fruits and other commodities were the subjects of a scheme, but there is no doubt that up to that period those two primary industries—wheat and wool—carried the sheltered industries of Australia and had carried them for a very long period. But even at that time the question of the rising tide of costs was beginning to affect those industries, and a committee of experts was set up by the Commonwealth Government, a committee on which primary producers had no representation, which estimated that the burden on primary industries then was £13,500,000 per annum, and that, of course, as I have stated, had been going on for a very long period. The Commonwealth policy has been entirely responsible for the increased costs, and the Commonwealth should therefore provide the whole of any assistance necessary to place the wheat industry on a sound basis. That industry, together with the wool industry, had for a considerable time to carry other industries while they were being built up, and it is not too much therefore to ask that the industries so supported should now come to the assistance of what might be termed the essential industries of this country. Even the woolgrowers to-day are forced to ask for a bonus, with wool at a little under 10d. a lb. Yet the pastoral industry in Australia was built up with wool at 7d., 8d. or 9d. a lb. To-day experts declare that wool cannot be produced under 1s. a lb. That will give members some idea of how costs have risen since those days, and there is no doubt that the rising costs have been entirely due to Commonwealth policy. To-day the war danger has been used as an excuse in Australia to introduce even more uneconomic industries, and so further add to the rising tide of costs. The Minister for Lands was very pessimistic the other night in his review of the wheat industry, and I may be somewhat pessimistic, too. But there can be no doubt that the policy of economic nationalism cannot last for ever. One day it is certain to break down. It may take a great number of years to do so, but eventually, when the world returns to sanity, wheat will again come into its own. We have heard a good deal about disarmament, but one of the main requirements of the world to-day is economic disarmament, and unless we have economic disarmament, war, in my opinion, will always be inevitable. The Minister for Lands also had much to say about propaganda in the country in respect of the demands of farmers. Those of us on this side of the House could, of course, have indulged in a good deal of propaganda in the country.

Mr. Warner: We were too moderate.

Mr. PATRICK: As the member for Mt. Marshall (Mr. Warner) said, we were too moderate. We attempted to take a sane view of the position, but such was not the attitude adopted by supporters of members on the opposite side of the House. Three Labour Senators have travelled through the country addressing mass meetings of farmers, and submitting various schemes. I think one plan was called the Cunningham scheme, and it was propounded by Senator Cunningham, who was once a genial member of this House. He suggested that under his scheme a price of 4s. a bushel at sidings or something like that, could be guaranteed. But we

had a very solid argument submitted the other night by the Minister for Lands to demonstrate that any such proposition was absolutely impossible. We even had Sir Hal Colebatch, one of the big guns in the National Party, making a speech the other night—I think the Minister for Mines heard it—in which he asserted that the scheme put up by the Premiers was paltry in the extreme. Later than that—only recently as a matter of fact—the Leader of the Opposition in the Federal Parliament declared that if he were in power he would be prepared to find no less a sum than £15,000,000 or £16,000,000 for farmers, and that he would be prepared to use every resource to implement the plan suggested by the Royal Commission on Wheat to provide for a price of 3s. 10½d. a bushel at sidings. The Leader of the Federal Opposition would require a much larger sum than £15,000,000 to do that. Still, he said he was prepared to adopt that scheme, and he was opposed to any reduction in acreage. Well, if the Leader of the Federal Opposition ever occupies the office of Prime Minister of this Commonwealth and gives a guarantee of that sort without any reduction in acreage, I am afraid he is likely to have some extremely bad dreams, because he will be snowed up with a quantity of wheat that he will not be able to sell, or even give away. That is the sort of propaganda that is being indulged in, and so desperate is the condition of the wheatgrowers of this State, and of Australia, that if Mr. Curtin gives an absolute guarantee that he can provide 3s. 10½d. at sidings, I suggest that the Country Party put him in office and let him have a try.

Leaving the question of wheat, I should like to compliment the member for Mt. Magnet (Mr Triat) on the remarks he made on the necessity for amendments to the Companies Act. There is no doubt that Act is entirely out-of-date, and a new one has been long overdue. As I have frequently pointed out —and as he indicated—under the present Act a tremendous amount of harm—almost incalculable harm—has been done to the mining industry. I have frequently given instances of this in the House. Particulars relating to the closing down of one particular mine appeared in the "West Australian." This mine closed down, according to the figures submitted, after £208,000 of shareholders' money, raised in London, had been spent. Of that amount £130,000 went to the vendors who sold the mine to the mug shareholders. Actually, therefore, only £78,000 was spent on the mine.

Mr. Lambert: Who is the person concerned?

Mr. PATRICK: The hon. member knows who he is. I have mentioned his name before. Of the £70,000 odd, according to what I have learnt by talking to men who have been working on the mine, a considerable sum was used not in development, but in installing very secondhand machinery which, in some instances, did not do a great deal of work. The mining industry of this State has reached the stage when it is impossible to raise sixpence worth of new capital in London, and that is on account of the way some of the companies have been floated. There is another phase of the matter. A year or two ago the member for North-East Fremantle (Mr. Tonkin) secured the appointment of a select committee to inquire into the affairs of an investment and security company and a Mr. Alcorn. Nothing has been done to amend the Companies Act since the report of that select committee was presented. A similar company is operating in the city to-day, employing like methods only on a much larger scale.

I should like to congratulate the member for Murchison (Mr. Marshall) on the result of his efforts to secure the removal of mining reservations. The hon. member battled hard over the years until finally he was successful in getting a measure passed by Parliament. One of the largest reservations —the member for Mt. Magnet (Mr. Triat) will know it—was at Lennonville on the Murchison. We were told that if that reservation were thrown open, none of the prospectors would go on to it as they did not want it. I am pleased to say that there are numerous prospectors at Lennonville to-day and some of them are doing well.

The Premier: On that reservation?

Mr. PATRICK: On country that had been locked up for years under a reservation.

Mr. Lambert: By your people?

Mr. PATRICK: What does the hon. member mean by "my people"? I had nothing to do with the mining reservations. He is probably referring to some other

type of reservation. I was interested to hear the Leader of the National Party refer to the question of leasing land. Although the freehold security of land is one of the planks of my party's platform, undoubtedly a considerable amount of sentiment is attached to freehold. Every Government, by taxation, has the power to take from the land just as much as it likes. It would be possible to take even to the extent of the freehold.

Hon. C. G. Latham: Give that power to this Government and it will take a tremendous lot.

Mr. PATRICK: Some of our marginal and light lands might well be leased at practically nominal rentals. In my young days in South Australia I remember hearing of a powerful organisation called the Land Nationalisation League. That had nothing to do with another organisation known as the Henry George League. The Land Nationalisation League was inaugurated to secure the nationalisation of land. Its policy was to sell no more Crown land and as opportunity occurred, to buy back the land that had already been sold. This would have been a good policy had it been put into operation at the time, because the Government would now have been reaping a tremendous benefit from the unearned increment.

Mr. Lambert: Do you subscribe to that theory?

Mr. PATRICK: To subscribe to that theory to-day would be difficult because of the large sum of money that would be needed—more than the Government has—to repurchase the freehold land in the city of Perth. I was amused to hear the applause from Government supporters when the Leader of the National Party put up his argument. A year or two ago they were actually prepared to sell valuable city land belonging to the Government. No doubt that was a penny-wise-pound-foolish policy to get money temporarily required to erect public buildings, but it would have meant a tremendous loss to the State in the shape of the unearned increment that will accrue in the years ahead.

The Premier interjected.

Mr. PATRICK: Government-owned land is in a central position. This reminds me of a story—a true story this time—of a happening many years ago. A Labour selection ballot was imminent and all the candidates appeared in the old A.W.U. hall to give their views. The man finally selected became a member of this House. Questions were asked, one being whether the candidates favoured the taxing of Crown land. The candidate who was ultimately successful replied "Certainly; why should not Crown lands be taxed, just as well as any other land?" I do not know whether the Premier is working on that basis.

Let me congratulate the Minister for Industrial Development upon having discarded what might be termed an unpopular department for one that is non-contentious and to a certain extent necessary. At the same time I should like to extend my sympathy to the gentleman who may be termed the innocent Mr. Gray on his taking over that very unpopular department.

The Minister for Labour: He is quite happy in it.

Mr. PATRICK: Probably he will not feel quite so happy in a month or two. We all recognise the necessity for endeavouring to secure new industries in this State. We have only to look at the figures showing the growing public debt and the stationary population. In 1928 the public debt amounted to £166.36 per head of the population and in 1938 it was £203.23. If that condition continues, there must be higher taxation, and higher taxation inevitably leads to higher costs. So, the longer this goes on, the more difficult will be the task of establishing new industries. The amount of taxation per head is as follows: —

	£	s.	d.
Western Australia	7	4	9
South Australia	6	15	4
Victoria	6	5	2

People in other States are aware that heavier taxation is imposed here. I believe it was Mr. Holden, head of a big manufacturing concern in South Australia, who mentioned this factor when he was here some time ago. He said that the companies tax in this State was considerably higher than the Australian average, that wharfage rates were higher, and that electric power cost 12½ to 15 per cent. more than in South Australia. That is a matter calling for investigation. It seems extraordinary that electric power in this State should cost so much more than in South Australia, which has to import all its coal from New South Wales, whereas we are able to use local coal.

The Minister for Works: In South Australia current is sold for 9d. a unit outside.

Mr. PATRICK: Mr. Holden was speaking from the point of view of the manufacturer, and he would know what he paid for current there.

Mr. Lambert: I shall give you the figures presently.

Mr. PATRICK: The premiums charged in Western Australia for workers' compensation are said to have staggered a member of the Grants Commission when he compared them with the premiums paid in Victoria. The Minister has to face these facts when he speaks of introducing new industries. Australian manufacturers as a whole are protected by high duties against outside competition, but we in this State have no protection against the manufacturers in the Eastern States. If I went on to state a certain fact, members might point out that I was doing something entirely wrong, and attempting to interfere with the basic wage in this State. I am going to quote again, as I did before, the remarks of the late Mr. McCallum when introducing the Industrial Arbitration Bill. He realised all these facts—the competition we had to face with Eastern States manufacturers. When introducing the Bill he advocated "a supreme Commonwealth jurisdiction, with subsidiary State courts, leaving the State courts to state that owing to interstate competition a Federal award is desirable." He was quite correct. What would it profit a worker in this State to receive a high arbitration award when no work was available for him? Some years ago the member for Albany referred to the selling methods of some of our manufacturers. He was dealing particularly with the Albany woollen mills, and quoted the price at mills compared with the price to the consumer. Is it necessary for the Albany woollen mills to have in Perth a sort of general agent who disposes of the goods to a wholesale house, which in turn sells them to retailers? Why should there be these different costs coming in between the manufacturer and the retailer? Surely something could be done about that.

As pointed out by the member for Nedlands (Hon. N. Keenan), sentiment with respect to locally manufactured goods is not enough. We can advocate to the fullest extent that people should use locally made goods. The buyers chiefly responsible for the purchase of goods on the women's side of their establishments will buy those goods that will enable the consumer's money to go as far as possible. A certain amount only is available, and the buyers endeavour to make it go as far as they can. I had that experience myself when selling goods in Cue some years ago. I was selling in a drapery store on the men's side and had no difficulty in disposing of goods to male customers. It was necessary only to put the goods before a man for him to buy them, no matter what the price was. When a woman came into the store probably all the goods on the shelves would be pulled down before she was satisfied. Sentiment does not enter so much into this question. Probably the hon. member was right in suggesting that some method of assisting manufacturers was necessary.

Mr. Holman: What is the difference between paying a bonus to assist local industries and paying a bonus on wheat?

Mr. PATRICK: Under the Commonwealth Constitution we have no power to bonus local industries. The Minister will confirm that.

Mr. Holman: Where does the loyalty come in?

Mr. PATRICK: In one case the bonus is paid all over Australia by the Commonwealth Government. In the other case a bonus would be paid on locally manufactured goods to enable them to compete against the goods of another State. Under the Constitution that is not allowable. There are other indirect methods of doing the same thing. If the Minister who interjected is correct, it is being done in South Australia by means of cheaper electric power.

The Minister for Labour: It has been done here.

Mr. PATRICK: Local concerns have been assisted by the Industries Assistance Board, and the Council of Industrial Development.

The Minister for Labour: It could be done by means of railway freights.

Mr. PATRICK: Yes, and by other methods. If anything is done in respect to local industries I hope we shall endeavour to decentralise industry as much as possible. To-day the concentration of the population of Australia in a few big cities is menacing the welfare of the country from the point of view of defence and other aspects. Russia may not be a popular country to-day, but the Government in power there has decided against huge industrial plants, and against further plants being placed in large cities.

The policy is a good one. Cheaper power could be produced at the source from which the fuel is drawn, say at Collie. The wrong policy was adopted when the Government power station was erected at East Perth.

The Premier: Do you think so?

Mr. PATRICK: The power station should have been erected at Collie and the power transmitted from that town. In Victoria that system has been found to be the most economical way of transmitting power. Industries, too, should be established at those places where the cheapest power is available.

The member for Avon (Mr. Boyle) dealt with marginal lands. I hope the Government will beware of undue optimism concerning those areas, seeing that they are now enjoying a particularly good season. The member for Mt. Marshall (Mr. Warner) read an interview with the chairman of the Agricultural Bank Commissioners, Mr. Donovan, who painted a glowing picture of that part of the State. We must be careful not to capitalise those lands on another run of good seasons. Probably when they were first thrown open for settlement the season was a good one. If we went through the rainfall records of a centre like Southern Cross for a number of years we might see the danger of putting too much faith in a return to a run of good seasons. In my electorate a large area of country is now being reclassified. The Surveyor-General's chart reveals the weakness in those parts and shows the finishing rainfall taken over 20 years. In many instances the falls in August, September and October during that entire period have been almost negligible. All the marginal lands should be reclassified and revalued on their sheep grazing capacity only. The Government will lose a lot of money there. In one part of my electorate a man took over a property on which £300 was owing to the Agricultural Bank. He spent thousands of pounds in fencing, wells, etc., and last year told the bank it could have the property back for the £300 that was owing. The land is now lying idle although thousands of pounds have been spent on it. If we are going to deal with this land we must do so from the point of view of its value for sheep-grazing purposes, and the improvements must be written down to an amount that will enable the land to be put to that use. I do not want to detain the House longer, but in conclusion I should like to urge on members the need for lifting some of the burdens weighing on our essential industries. Professor Perkins says—

> It is an unfortunate fact, but nevertheless a well-established historical fact, that the isolated food-producers of the world have always paid tribute to the organised fighters and urban communities who have found something more profitable to do than primary production.

Dealing with that statement, I may say that that isolation has largely gone, owing to modern systems of transport. Urban and rural areas have been brought into closer touch with each other, and the result is that to-day we find the younger generation leaving the farms. In some parts of my electorate all the men remaining on the farms are getting elderly; the younger men have gone off to the goldfields, or some other place where prospects are better.

Mr. Lambert: You left and came here.

Mr. PATRICK: No. I still have my farm. It is something that has been going on in other countries also. In England to-day a great deal is being done for the rural industries, and on that point I should like to quote—and therewith I finish—a statement made by a well-known English agricultural writer. He says—

> Before the younger generation will look with favour on farm work, agriculture will have to be able to give its workers conditions of life just as good as, and in some ways preferable to, those enjoyed by the skilled workers in the towns. This requires a prosperous agriculture in which both farmer and farm worker can find a decent living. Many useful measures have been adopted; but more is required to ensure that agriculture can again take its place in the nation's life, not as a suppliant living on doles, but as a vital force among the country's industries and an essential balance to the forces of industrialism.

MR. TONKIN (North-East Fremantle) [8.53]: The plight of the farmers, it was to be expected, I suppose, would loom large in members' speeches during this session; but it was interesting to listen to speeches of members opposite last evening when dealing with the amendment to the motion for the adoption of the Address-in-reply, and also to their speeches to-night. The wheat farmers now find themselves in much the same position as wage-earners have been in all their lives. In the past we of the Labour Party have not received much assistance from the representatives of wheat farmers when we have en-

deavoured to obtain a reasonable standard of living for people on the starvation level. But now that the farmers are on the starvation level and are struggling to escape extinction, we find their representatives here advocating all sorts of things, irrespective of incidental results, to ensure that the farmers receive a reasonable standard of living.

Hon. C. G. Latham: We do not go as far as Mr. Curtin does, though.

Mr. TONKIN: Farmers are entitled to a reasonable standard of living, because they are human beings and are workers; but these happenings do show that we now can get a better realisation of the position in which working men have been all their lives. A good deal of last night's discussion was on the adequacy of the provision made by the Premiers' Conference. Hon. members on the Opposition side, when discussing the adequacy of the provision, had no regard to any other circumstances, but simply considered the amount of money that was to be made available. We of this party have for years pointed out that farm labourers have been receiving a mere pittance. Nobody could say that their wage was adequate. The representatives of the farmers, however, have said the wage was adequate having regard to the circumstances of the farmers.

Mr. Wilson: Not all the farmers.

Mr. TONKIN: The wage was so low that the Leader of the Opposition feared lest the low standard being offered to relief workers would cause farm labourers to leave their work. And yet, despite the low wage farmers have been paying, hon. members opposite have looked upon that wage as adequate having regard to the circumstances of the farmers.

Several Opposition members interjected.

Mr. TONKIN: What I am asking the representatives of the farmers to do is to regard the provision made by the Premiers and the Prime Minister in the same light as they viewed the wage the farmers paid to their labourers; that is to say, the best that could be done in the circumstances. That has been their argument. Do they believe that under the existing social system they will be able to obtain sufficient money to provide the standard they desire for farmers? It simply cannot be done. In my opinion we can confidently look forward to receiving considerable support now from farmers' representatives when we go forward towards a nationalisation of banking and similar schemes; because that is about the only method that can be adopted to provide the money that will be needed to do what members opposite desire. I want to see the farmers get a living standard, and more than a living standard, because they are entitled to share in the benefits that science has conferred on civilisation. The farmers and the workers have been denied those benefits up to the present. Now, when there is a possibility of getting organisation amongst primary producers, if we can combine their organisation with the workers' organisation, we might be able to obtain a better distribution of wealth than is the case at the present time. I propose to quote some figures from the "International Review" which is issued from the International Office, Geneva. The figures deal with distribution of income in the United States of America, the place where the average income per worker is the highest in the world. I propose to show, by comparison with other countries, what a low standard thousands of people are on at the present time. The figures appear on page 261 of the Review for February, 1939. The heading is "Distribution of Family Income in the United States for the Years 1935 and 1936."

An estimate of the distribution of family incomes in the United States in 1935 and 1936 has recently been published by the National Resources Committee. This is of particular interest, since it is the first estimate of family incomes and their distribution in the United States to be published by a Government source, and is the most comprehensive estimate of its kind available for any country. The methods of estimates are explained in detail in an appendix to the report. The distribution of the incomes of families and single persons, together with the total income in each income class, is shown in Table 1, while Table 2 gives the distribution for families and persons living alone, in separate columns.

The average income of families and single individuals was 1,502 dollars, while the median income was 1,070 dollars—that is, half had incomes above and half had incomes below this sum. The average is greatly influenced by the large amounts of income received by a small number of families at the upper end of the scale. The highest one per cent. of the families and single individuals received 14 per cent. of the total income.

Mr. Hughes: They would be the movie actresses.

Mr. TONKIN: I hardly think there would be that number of movie actresses in America.

Mr. Hughes: But the few there are require a lot of money.

Mr. TONKIN: At any rate the report proceeds—

> The highest 5 per cent., including all with incomes over 3,400 dollars or over, received 27 per cent. of the total income. At the other end of the scale, the lowest 40 per cent. received only 14 per cent. of the income, while the lowest 60 per cent. received only about 27 per cent. of the income. The tenth with the lowest incomes received less than 2 per cent.

Summarised, we have this result: The highest one-tenth in America received 36.2 per cent of the national income, and the lowest seven-tenths received scarcely more, 37.8 per cent. of the national income. What an extraordinary position! The highest one-tenth stratum of the income groups received as much as the bottom seven-tenths. Members can imagine what a low standard of living is experienced by those on the lowest stratum.

Mr. North: And that is after four years of Roosevelt's regime!

Mr. TONKIN: I have quoted those figures because they illustrate the position in a country that enjoys the highest standard of living in the world. Professor Colin Clark, who was at one time in Western Australia, endeavoured to collate data to show the comparative position in various countries. He did not have the same statistics at his disposal, so his results cannot be considered in the same light as those I have quoted. His results were arrived at by what I shall term "enlightened guesses." He had to use the material available and guess the results as he thought they would be. That was the best he could do, there being insufficient reliable data obtainable in other countries. Professor Clark's review covers the years from 1925 to 1934. He worked out that the average income in the United States of America was 1,400 dollars, and he compared that result with the wages in various countries, taking food prices at the same as those operating in the United States. In those circumstances, his figures are quite comparable. Taking 1,400 dollars as the average income for the United States of America, he worked out the average for Great Britain, Sweden and New Zealand at 1,000 dollars. The average for other countries he worked out as follows:—Netherlands and Ireland, 885 dollars and 770 dollars respectively; Sweden, France, Denmark and Germany, 700 to 600 dollars; Ireland and Japan, 400 to 300 dollars; Soviet Russia, 350 dollars; and China, only 120 dollars. Because those figures are not altogether reliable, we cannot arrive at any scientific conclusion upon them, but, at the same time, certain inferences are inescapable. If there is a submerged tenth or fifth of the people in the United States of America who are terribly poor—the figures I quote prove that they must suffer from that disability—what about the unfortunate people in countries where the average income is only one-half, one-quarter, or even one-tenth of that paid in the United States of America?

Mrs. Cardell-Oliver: What about the cost of living?

Mr. TONKIN: These calculations have regard to the cost of living. The figures I have quoted show a comparison between the United States of America and other countries, making allowances for differences in the cost of living in the various countries. The figures are equated, so that they are perfectly comparable. They are worked out with the cost prices of goods and services at the same figure. These show that the average income, to quote some of the details again, in Great Britain is 1,000 dollars, whereas in the United States of America it is 1,400 dollars. That is the result after making due allowance for the difference in the cost of living in those two countries, and bringing those costs to a common figure or, as we would say in the schools, by applying the same common denominator. Upon what does the income of the individual depend? What governs the amount of income he can receive? It depends upon the national income of the country and its distribution.

Mr. Hughes: And its circulation.

Mr. TONKIN: If we seek to effect any improvement, and naturally we do, we must endeavour to bring about an increase in the national income and a levelling up of the average income, together with a more equal distribution of wealth. We must endeavour to ensure that a large proportion of the national wealth does not go to the people at the top of the scale. What are the possibilities of being able to effect some improvement in that direction? Before I can deal with that phase I must draw atten-

tion to the system under which we operate to-day. We have an abundance of goods. Nature has been kind to us, and we have experienced good seasons. Men have worked hard and machines have kept going, with the result that we have a surplus of goods. In such circumstances we experience our greatest troubles. When we face a catastrophe, as witness the present position in the wheatgrowing industry—that is when, as the result of production we have so much wheat in the world—all the wheatgrowing countries find themselves in difficulties. On the other hand, a disastrous famine somewhere else is a boon to us. The member for Mt. Marshall (Mr. Warner) said the other evening that the only glimmer of hope was that there might be a drought somewhere, and then our wheat farmers would come into their own. That is what we have come to. Under our economic system we look for a catastrophe to help us out of our troubles.

Mr. Needham: Or a terrible war.

Mr. TONKIN: That is what we have to look for. As the result of fires in Victoria, that State suffered a shortage of poultry, eggs and vegetables, and the prices of those commodities consequently rose. The Victorian disaster has therefore proved a boon to other people. It is such disasters that we must keep looking for under our social system. When things are going swimmingly, when nature is kind, when production is bountiful, we experience our greatest trouble. When nature is unkind to us, when we find difficulty in producing, then the outlook is rosiest. So the whole thing appears to be upside down. We endeavour to improve the standard of living of people. To do that, we must increase the national income. When we increase the national income too much, we find ourself up against it. That is the position we are in. It reminds me of the governor on a steam engine, the mechanical device used to prevent the engine from running too fast. Hon. members know how it works. To me it seems that we have a similar governor on our productive system. When our factories are turning out ample supplies of goods, and our farmers are producing large quantities of primary products and we produce beyond a certain figure, the surplus acts as a kind of governor to slacken down the pace. Men are thrown out of employment, and our production is lessened. How can we improve the standard of living of the people of the world under such a system!

So there can be no solution of our difficulties short of such an organisation as will make the fullest use of the productive capacity of mankind. We cannot operate efficiently under a system which, when it gets under way, throws men out of employment to allow of the slowing-down of production. We must have a system that encourages us to continue to produce, so that the more we produce the more we shall be able to produce again. Under the present system that is impossible. I suppose if I quote Russia as an example, I will be told again to go there.

Mr. Hughes: You will have to wear a swastika.

Mr. TONKIN: I am prepared to quote any example, provided it illustrates my point; whether the example be Russia, China or Germany makes no difference to me, provided I observe something operating in those countries which I think is worth imitating. I therefore propose to inform hon. members what is being done in Russia to-day, where a system prevails which is the opposite of ours and which has not the drawbacks that ours has. Russia is not faced with trouble owing to surplus production or to vast armies of unemployed men. Russia's trouble is that she cannot produce enough. She has no more men to employ. The only chance she has of increasing her national wealth is to increase the productivity of labour. To do that, she needs more mechanisation, more instruction and more skilled workers. There is no limit to the progress that can be made in Russia under that system. I admit quite frankly that the standard of living of her people to-day is much below ours. The figures I quoted show that the average income in Russia in 1935 was only the equivalent of 350 dollars, whereas in America it was 1,400 dollars. That must be admitted. But whereas Russia's standard is year by year becoming higher, because no bar to improvement exists, our standard cannot increase because of the absurd system under which we live.

The Soviet Republic has, as hon. members know, from time to time mapped out five-year plans. It has succeeded—perhaps I should say more or less—in carrying those plans to fruition. The latest plan is designed to cover the five-year period, 1938-42. Here I would interpolate that I obtained this information from the most authentic source

possible, the International Labour Organisation. During that five-year period, Russia plans to intensify investment in plant. An annual average increase in production of 14 per cent. is the aim, to be made up of an increase of 15.7 per cent. in production or capital goods—factories and machinery—and 11.5 per cent. in consumption goods. So that Russia is still in this position: more than half its national income is to be put back into industry in order to provide the production goods necessary to increase the national income. While for the time being Russia is obliged to withhold from her people many goods which ordinarily they would be able to obtain if the country were properly equipped, she is faced with the necessity of increasing the number of her factories and providing additional machinery. Russia has to appropriate more than half her national income each year for capital goods, so that eventually her output of goods must be tremendous, and then the people will reap the benefit.

Russia hopes—and there is not much comfort in this for our wheat growers—by increased mechanisation and improved technique to increase her agricultural production by 52 per cent.

Hon. C. G. Latham: The people there will then perhaps be up to their old standard, because that has receded.

Mr. TONKIN: No. Russia hopes during the period 1938 to 1942, when her secondary industry programme will be operating, to effect by means of increased mechanisation an improvement of 50 per cent. in agricultural production.

Hon. C. G. Latham: Russia's output in 1914 was very much higher than it was last year. That applies also to sheep.

Mr. TONKIN: That is so, owing to a breakdown in the collective farming system. Russia is endeavouring to educate her workers to look more favourably upon the schemes initiated to increase production. As a matter of fact, ideas have altered considerably in Russia. Stalin now tells the Russians that it is necessary to have an intelligentsia, men to whom workers can look up and who are entitled to higher recompense than is the ordinary worker in the field. Stalin realises that what is holding Russia back is lack of skilled workmen and insufficient production of goods. Russia must use every endeavour possible to increase her productive capacity. She cannot employ more workers; all she can do is to increase the efficiency of each individual worker, and that she is attempting to do. I wish we were in a similar position. I wish that was all we had to do—increase the efficiency of our workmen, instead of having to endeavour to find employment for thousands that are out of work to-day and the thousands more that will be unemployed in years to come under this system. I may be a visionary, but I believe the day will come when the countries that we know as capitalistic countries to-day will be producing under a system somewhat similar to that operating in Russia.

Mrs. Cardell-Oliver: Russia is becoming capitalistic again, is it not?

Mr. TONKIN: No, it is not. I do not think the time has arrived yet when that change-over will take place. I feel certain that it will occur, but people set their faces against all revolutionary changes in the early stages and will not accept them until force of circumstances obliges them to take the plunge. Just as the terrible conditions that existed in Russia as the result of the Czarist autocracy—and not the spreading of propaganda by a handful of revolutionaries—were responsible for bringing about the Russian revolution, so it may be that owing to our failure properly to operate our system of government, people will welcome some alteration.

Mrs. Cardell-Oliver: A revolution.

Mr. TONKIN: Of course, all change is revolutionary. There can be bloodless revolutions just as there can be revolutions of the type that occurred in Russia. It is unnecessary for people to put rifles on their shoulders and fight in order to produce a revolution. Any big change is revolutionary. I hope that we will not find it necessary to have bloodshed. I am not a bloodthirsty individual and have no desire to shoot anybody, but I have a desire to see a workable economy. I desire to have all the thousands of men who cannot obtain work to-day profitably employed, comfortably housed, and living under decent conditions.

Mrs. Cardell-Oliver: We all want that.

Mr. TONKIN: That is not possible in a capitalistic country. If we want to have these changed conditions we must alter the system under which we are operating. However, it is useless to adopt the attitude that,

as the change I have suggested will be a long time coming, we must be content to sit back and wait for it to come. I do not intend to take that attitude, but rather to see whether I can suggest some means whereby we can improve conditions under the existing system. I believe such means can be adopted. Since the war there has undoubtedly been an improvement in the standard of living of the people, due to the mechanisation of industry and to technological improvements. If it had not been for the unemployment that technological improvement occasioned, the improvement in the standard of living would have been ever so much higher than it is. Unfortunately mechanisation does bring unemployment in its train. When a man in industry makes up his mind to introduce a machine he does not do so until he has had demonstrated to him the fact that the use of the machine will put further wealth in his pocket. It is therefore safe to say that the introduction of machines in industry will always mean additional wealth to somebody. But if it means additional wealth to somebody, it also results in unemployment to a lot more. The fact that when machines are introduced into industry unemployment in that industry is caused has been proved beyond doubt. I will admit that employment is created elsewhere through the necessity to manufacture the machines and service them and to provide the other commodities required for their production. All that I will admit, but taking it all into consideration, the fact still remains that the introduction of machines causes unemployment within the industry. Apparently it is nobody's business how many men are thrown out of work by the installation of a machine. What becomes of those men when they are unemployed nobody cares a jot. If to-morrow the biggest factory owner in the country were to introduce a machine that resulted in the dismissal of 200 men, there would be nobody to calculate how many of those men could be employed again. If they had saved a little money they would not, having lost their employment, be able to go to the relief department and obtain work, but would be obliged to endeavour to pick up employment somewhere else. If they could not—and the odds would be against them—they would have to be maintained by their families, and nobody would care. There should be some authority in the country whose business it is to keep an eye on the introduction of machines in all industry, to calculate the probable unemployment that would be caused as a result of the innovation and to make provision for the absorption in other avenues of employment of the men thrown out. A fund should be established out of which those men could be paid during their time of unemployment. Probably the re-training of the unemployed would be necessary in order that ultimately they might be re-absorbed elsewhere. But it is nobody's business to train them to-day.

Mrs. Cardell-Oliver: It is the Government's business.

Mr. TONKIN: All right; it is the Government's business. It is everybody's business and therefore nobody's business. There is no such authority in Australia. There may be in other parts of the world—I do not know. But there is certainly no authority in this country that calculates from time to time the number of men that will be thrown out of employment or that makes any endeavour to have them re-absorbed in industry. I advocate that some levy should be made upon industry—it should be spread over all industries—to provide a fund for this purpose. The Government should be under an obligation to contribute to the fund. In that way money could be provided and an authority could be appointed that would be charged with the responsibility of noting the effect on industry of the introduction of machinery and of making provision for the placing in other employment of the men rendered workless. I do not think that is impossible and I submit the project as one means by which we might combat the unemployment resulting from technological improvements. It is strange but nevertheless true that within an industry the most meticulous care is exercised to prevent wastage. Employers have the prevention of wastage down to a fine art. For instance, certain girls are engaged in handling paper and they have calculated that if the paper is of a certain thickness the girls can turn over only a certain number of pages per hour. If the thickness is altered more pages per hour can be turned over. This sort of thing is given consideration in industry in order that there shall be the least possible wastage and the maximum output. If so much care is exercised within the industry, is it not ridiculous that after machines are introduced and men

are thrown out of work we are not concerned as to whether the men are idle for days or years? That is economic waste. We are striving all the time to increase the national wealth so that everybody may have a greater income and yet when men are thrown out of employment we are not concerned as to whether they remain workless for a week, a fortnight, a month or a year. That is where the wastage occurs, and if we could only give the people on the lower strata a better living by increasing the national income, we must ensure that there is no wastage anywhere but that every able person is put to work in order to get the maximum production.

I submit it is possible to counteract the effect of technological improvement by a wise public investment. The Commonwealth Bank could issue additional money in proportion to the extra goods produced as a result of the introduction of machines. The bank could issue sufficient money to keep constant the ratio between the money and credit in circulation and the goods produced, and no inflation would result. If, as a result of the introduction of a machine, the output of a certain industry was increased 10 per cent., no inflation would ensue if the Government issued sufficient money to bring about an increase of 10 per cent. in the money in circulation, because the same ratio would still exist between the money and credit in circulation and the goods produced by the industry. That could easily be done. Something of the kind has been done by the Commonwealth Government quite recently. Between the spring of 1937 and December, 1938, there was a fall of 34 per cent. in the value of Australia's exports. To counteract the fall in the national income and to maintain the reserve of foreign exchange, the Commonwealth Bank purchased securities such as Government bonds on the open market. That was a simple method of issuing new credit to maintain the reserve at a certain level. If such was possible in that instance, it could be done in connection with the increased production of goods as a result of technological improvement.

I believe our fixed basic wage is another hindrance to an improvement in the general standard of living. The basic wage is so fixed that if the cost of living falls, the wage falls, and the real wage does not alter though the nominal wage might alter. We are told that the main object of introducing improved machines in industry is to cheapen the cost of the article so that more goods might be produced at a cheaper cost, and thus create a wider market. The effect of that is lost under our system of wage fixation, because immediately the cost of articles is cheapened as a result of greater production, the basic wage is reduced accordingly, and the worker is able to buy no more afterwards than before. Had the wage remained constant, despite the fall in the price of the commodity, his buying power would have been immediately enlarged because he would have had more real wages.

On the level of most primary poverty, if an increase of wages is granted, the major proportion will be spent in purchasing food, but on every other level when an increase of wages is granted the greater part of the increase will be spent, not in buying food, but in buying a diversity of other products and services. If we could adopt some means of increasing the wage paid to workers, such a fillip would immediately be given to secondary production because of the wider market that additional men could be employed. As we nullify every move for improvement by reducing the wage when prices fall, we cannot get the benefit that mechanisation of industry ought to confer on the people. Therefore I advocate that where the cost of living falls because of the cheapening of goods as a result of mechanisation, the basic wage should not fall with it. I would have no fault to find with reducing the basic wage when the price of primary commodities falls, because then we would not be nullifying any good effect, but when a man deliberately introduces a machine to cheapen the price of a commodity in order to sell more of it, we are foolish to prevent the benefit that would accrue from the reduced price by bringing the wage back so that the worker is not able to buy more than before. That is the weakness of our wage fixation system.

As we have progressed with our system of production, we have created new problems. One of the legacies of the depression is that we now have a group of youths between the ages of 18 and 25 who cannot find employment. They are the real victims of the depression.

Also, owing to changed conditions in industry, we have a group of men between the ages of 45 and 65 who find it difficult to obtain employment. Men outside those age limits have less trouble in getting work. Therefore it seems essential, not only in this State but in every country, that some special provision should be made for men in the age groups between 18 and 25 years and between 45 and 65 years. After the war, a system of repatriation was introduced under which the soldiers were trained for new avocations. I see no reason why the State cannot take the youths who lost their opportunity during the depression and specially train them under a sort of industrial repatriation system for absorption in certain places in industry. But for the men between 45 and 65 years, I am afraid I have not a sufficiently fertile imagination to conjure up a scheme. Seemingly they can be provided for only by ordinary Government work such as relief work, because they are too old to train for new jobs and such training, if given, would be more or less an economic waste. Apparently they would have to form the bulk of the casual labourers of the future until they got beyond the age for work. That is unfortunate; nevertheless it is the position. But we should not take that view with the men of 18 to 25 who are still young enough to learn, and still have long years of useful life ahead. We should take care that their lives are not devoted to casual labour so that they may be knocked from pillar to post. We should endeavour to train them specially, just as we trained the soldiers when they returned from the war, and just as we will endeavour to train them again if there is another war. We shall feel it incumbent upon us to do so. It is just as much incumbent upon us to provide for the victims of the depression as it was for us to provide for the returned soldiers. As a result of that assistance those people would doubtless be absorbed into industry. One of our difficulties is a lack of skilled labour within the Commonwealth.

Mr. Holman: Oh no!

Mr. TONKIN: If in any one group of industries a serious shortage of skilled labour exists, no matter how large the surplus of skilled workers elsewhere may be, the whole business is held up. Skilled labour in plenty may be available in the printing industry, in the bricklaying or carpentry trades, but if somewhere in the whole economy there is a shortage of skilled men, and that part of the business is being held up, everyone else is thrown out of work. I would illustrate what I mean. Suppose we have a munition factory in operation, employing technicians, fitters, turners, etc. In that factory two highly skilled engineers may be engaged, and their business may be carefully to adjust the most important machinery. Should they die, and it be impossible to obtain equally skilled engineers from elsewhere, the whole factory will be held up.

Mr. Holman: That is *not* so.

Mr. TONKIN: It is.

Mr. Thorn: Put the cane on him.

Mr. TONKIN: Sweet persuasion would be better.

Mr. Thorn: I would put the cane on him if I were you.

Mr. TONKIN: Professor Colin Clark made investigations into this question the year before last. As a result of his research he stated definitely that there was a shortage of skilled labour within the Commonwealth. If that is not the case the Professor is wrong; not I.

Mr. Thorn: Perhaps you are both wrong.

The Minister for Labour: Both may be right.

Mr. TONKIN: It is a basic principle of social justice that no poor child shall be handicapped in after life as the result of bad nutrition in his or her early youth. Whatever we may think about systems and methods of economy, we all agree that we should do our best to guard against that sort of thing. We should adopt any scheme that will prevent such ill-nourishment, no matter what its origin may be. I understand that in Sweden and the United States the authorities are examining the possibilities of bulk purchasing. The member for Mt. Marshall (Mr. Warner) said the other evening in a jocular way that the Premier might purchase 100 tons of wheat, grist it, and distribute it to the unemployed. The possibilities of such a procedure are now being explored in the countries I have mentioned. It is there called internal dumping. The idea is that the Government shall make large purchases of commodities when they are cheap, and sell them out more cheaply to those who would otherwise be unable to purchase them. I have no information that this has actually been done, but I know the possibilities are being explored. If such a

scheme can be carried out in Sweden and the United States we can do the same here.

Mr. North: Congress is doing it already.

Mr. TONKIN: It is also necessary to disseminate proper dietary habits amongst the people. I am reminded that Roosevelt said, "All the lectures on nutrition will avail nothing unless there is food for the child to eat." That is true. We know that many families, while spending sufficient on their food, are ill-nourished, because the money is not spent on the right article. That has been proved over and over again. Here is a field in which we can spread knowledge of the best way to spend the money that is available. In Great Britain the authorities have launched a scheme called "Milk in Industry." The latest figures I have show that in 7,000 factories, covering 2¼ million workers, milk is distributed regularly, and the consumption of that commodity in Great Britain has doubled. The scheme has had no adverse effect on retailers who depend upon their sales for a livelihood. All that it has done is to double the consumption and provide an additional market for milk. During my researches I came upon a very interesting fact, although the case may be an isolated one. The principle could well be extended to other places. I discovered that at Oslo, the capital of Norway—it was once known as Christiana—the authorities, with the consent of the parents, give children a free breakfast. The meal consists of one-third of a litre of milk—a litre is equal to a pint and three-quarters—butter, wholemeal bread, cheese, half an orange, half an apple, or a raw carrot. It seems that the diet has been worked out to contain the right proportions of vitamins and carbohydrates. From September to March to the meal is added a ration of cod-liver oil. So that the Norwegian people are to be congratulated on the step they have taken to ensure that at least the children who attend their schools shall get one decent meal a day. They are doing what they can to assist handicapped children.

I think I have detained the House sufficiently, but I hope that I have been able to offer a suggestion or two which may possibly be acted upon. Perhaps that is taking an optimistic view of things, but if only a portion of a suggestion finds some practical outlet my time will have been well spent. I believe it is possible to do much more than is already being done, and I say to those who represent the farming districts that if as the result of a changed method we can improve the standard of living of the working people and get the right outlook, then of a certainty shall we improve the standard of living of those engaged in the primary industries. As I said at the outset, for me there is no difference between a worker in the mines, a worker on the wharf, and a worker on the farm, even though for the time the last-named happens to be the nominal proprietor.

Mrs. Cardell-Oliver: There is a difference in the work.

Mr. TONKIN: Yes, possibly in favour of the farmer; but despite that, whether there is difference in the work or not, they are all workers at the present time on the very lowest stratum, and our job is to lift them up so that during their sojourn on this earth they shall at least enjoy the maximum standard of living that science enables us to provide.

On motion by Mr. Hughes, debate adjourned.

House adjourned at 9.53 p.m.

Legislative Council,

Tuesday, 29th August, 1939.

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

QUESTION—BULK HANDLING OF WHEAT.

Facilities for 3,500 Farms Scheme.

Hon. J. CORNELL asked the Chief Secretary: Can either the Government or Co-operative Bulk Handling, Ltd., lawfully