

as would enable the country to bear the financial burden, and at the same time create such momentum as would maintain the volume of employment when expenditure ceased.

Non-reproductive works during a period of depression do exactly that. They meet the requirements laid down by Mr. Stanley Baldwin. The two examples I have given of Japan and Sweden contain ample proof that that is the correct policy to pursue. Public works are economically effective in combating depression only when accompanied by an expansionist monetary policy. I commend the following to the consideration of members:—

To attempt to increase the total volume of buying by promoting public works, while the means of payment are being restricted rather than increased, is a policy of self-contradiction.

If we attempt to remedy the depression by putting into operation works that are reproductive, we shall be doing that very thing. We shall be restricting the purchasing power of the people and thus nullifying any effort towards remedying the depression. Therefore works should be non-reproductive. It is true that we must have some other requirement which is that the work to be done, although it is non-reproductive, must be of real economic value.

Mr. North: Would you approve of the sewerage work?

Mr. TONKIN: That is a very necessary work, but a better time than the present can be found at which to undertake it. At Fremantle a new bridge is required. To construct it would be a large work and a national work. It would provide employment for a large number of men. It is a non-reproductive work. It is the very work to do at the present time. I have shown in theory and proved by practical example that the proper time in which to do work of a non-reproductive nature is when it can be done most cheaply with the greatest benefit to the country. That work can never be done more cheaply than at the present, because wages are low, money is cheap, and the cost of material is low. This important work, which Fremantle requires, and the State requires, can be done cheaply. Of course it is of a non-reproductive nature. Instead of that being a bar to its commencement it should be an incentive to the Government to put it into operation. I hope they will consider the arguments I have advanced upon this type of work. I do not flatter myself

that I have altered the views of many members on the subject of reproductive or non-reproductive works, but the argument is there all the same. If they can refute it I am prepared to listen to their side of the question, but my belief is backed up by the authority of Butler, who has some standing at Geneva and has made a great deal of research into the subject. I thoroughly agree with his conclusions. I hope that when the Government expend money in the future they will realise that the best way to do so is on works of a non-reproductive nature, and that it is in times of depression when such works should be undertaken. I compliment the member for South Fremantle (Mr. Fox) upon his maiden speech. I feel that we have another voice now to assist us to obtain for Fremantle that very necessary work for which we have been clamouring for some time.

On motion by Hon. N. Keenan, debate adjourned.

#### **BILL—BUNBURY RACECOURSE RAILWAY DISCONTINUANCE.**

Received from the Council and read a first time.

*House adjourned at 9.33 p.m.*

### **Legislative Assembly,**

*Thursday, 15th August, 1935.*

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

#### **QUESTION—MUNICIPAL CORPORATIONS ACT.**

Mr. DONEY asked the Minister for Works: Having regard to the inconveniences suffered by municipal bodies owing to the Municipal Corporations Act not

being up to date, will the Government give consideration to the introduction of a Bill to amend that Act?

The MINISTER FOR RAILWAYS (on behalf of the Minister for Works) replied: The attitude of the Government has not changed since the announcement made during last session.

### ADDRESS-IN-REPLY.

#### *Seventh Day.*

Debate resumed from the previous day.

**HON. N. KEENAN** (Nedlands) [433]: Before addressing myself to the subject matter of the motion before the House, I desire to join with other members, who have already spoken, in expressing sympathy with the Minister for Employment (Hon. J. J. Kenneally) in the very sudden and, I regret to learn, rather severe illness which has overtaken him. However bitter may be our political controversies and feelings, they absolutely cease in the face of human suffering. I would like the Minister to know that he has the sympathy of every part of this House in the physical trouble which, unfortunately, has come upon him. I would also like to join other members in congratulating the Premier on his restoration to health. We hope that the health he has been restored to will prove robust; but we do not hope that it will be what is sometimes an ardent wish, rude health, because that might possibly be construed as an invitation to those interjections which sometimes disturb the even tenor of our debates. I would also like to congratulate the member for Gascoyne (Hon. F. J. S. Wise) on his elevation to Ministerial rank. Mr. Wise comes of a family which has already made its mark in Australian political history, and I feel sure that he on his part will do nothing to derogate from the high place that family has occupied in the past. Lastly, I would like to welcome to our midst the two new members, one representing the Avon electorate (Mr. Boyle), the other representing South Fremantle (Mr. Fox), who have joined us since the last session of Parliament. Both these new members are men who have taken part in public life before entering this Assembly. I desire to assure them that this House will always listen to them

when they lay before us their views on any matter of public importance. It is only by the interchange of ideas, by mutual tolerance, and by the educational effect of the comparison of divergent views that beneficial legislation can be enacted or any true progress made. I should like these newcomers to appreciate the fact that despite occasional lapses members of this House jealously guard its unique reputation as being a Chamber in which, no matter how strong may be our political opinions, we do not allow them to reach the stage of personal recrimination. And now I propose to deal with the matter which is before the House in the form of the Speech made to this Parliament by His Excellency the Lieutenant-Governor. I do not intend to cover at any length matters with which previous speakers have dealt, and therefore I do not propose to refer to the lamentable failure of the Executive to support the courts of this State in connection with the recent goldfields industrial disturbances; but I must point out that the question involved in those disturbances, or at any in the major one, had nothing whatever to do with the 44-hour week as against a 48-hour week. The question was entirely one as to the span over which the 44-hour week was to be worked out. It was claimed by the employers—possibly the claim was not justified—that in the terms of the award the span was a fortnight if they chose to avail themselves of that condition. As I state, it may be that the employers were wrong in their interpretation; but, if so, they asked that the Court of Arbitration should decide what the correct interpretation was. That, unquestionably, was within the authority of the Arbitration Court, and only of the Arbitration Court. It was not within the authority of any other tribunal that could be mentioned or suggested, and certainly not within the authority of the Executive: that is to say, if the principle of arbitration in our industrial matters is still to remain an effective law on our statute-book. But the men concerned were, unfortunately, advised in the matter to refuse to refer the question to the Arbitration Court. And so they did. They refused to allow the court to function; and the Executive, I regret to say, whose duty it always is to support the courts of the land, supported the men in flouting the authority of the Arbitration

Court. I do not wish to add any more, except to say that I await with interest what answer can be made to this charge of a grave dereliction of duty. Now I turn to the fact that the reference in the Lieutenant-Governor's Speech to the fate which was experienced by the petition of the people of Western Australia to sever from the Commonwealth of Australia was most scanty. In fact, it could scarcely have been more scanty. And yet this was one of the most momentous occurrences, if not the most momentous, that have taken place since the foundation of Western Australia. The finding of the joint committee of the two Houses of the Imperial Parliament that the petition of the people of Western Australia was not receivable was, to my mind, wholly inexplicable; and all the more so because, if we examine the words and the matter of that finding, we see that it was clearly laid down by the joint committee that the right to appeal to the Imperial Parliament for redress of grievances was an absolutely inherent right of British citizenship.

Mr. Moloney: That is not the present Government's fault.

Mr. SPEAKER: Order!

Hon. N. KEENAN: I do not think the hon. member means to interrupt, Sir.

Mr. Moloney: I want to help you.

Mr. SPEAKER: Order!

Hon. N. KEENAN: The hon. member, however, is not on the right track. I am explaining that the joint committee which made the decision refusing leave to present the petition, in the language of their finding clearly set out that it was an inalienable and inherent right of British citizenship for any distressed subject of the King to present a petition.

Hon. W. D. Johnson: That is right. The petition was presentable.

Mr. Moloney: Did not the Government present it?

Hon. N. KEENAN: I am not complaining.

Mr. SPEAKER: Order!

Hon. N. KEENAN: I hope the hon. member does not imagine I am complaining, at the moment, at anything the Government have done. I am dealing with facts of what happened in another place, and in a very distant place. I could have understood the position from my point of view, if it had been held that the petition was capable of

being presented and then, before even considering any remedy, the Imperial authorities had consulted with those representing the Commonwealth of Australia as to any remedy and the extent of such remedy. On the other hand, to refuse to hear the petition at all came as a great shock to all traditions of the British Constitution.

The Premier: Hear, hear!

Hon. N. KEENAN: How great a shock, Mr. Speaker, I am afraid is not appreciated by all. This present act of the Joint Committee of the two Houses of the Imperial Parliament has completely obliterated the proud boast of British citizenship. *Civis Britannicus*, which, I might venture to say, are words of another language expressing British citizenship, meant nothing unless it meant that any aggrieved British subject in any part of the British Empire had the right to go to the fountain-head of justice, to the King and Parliament at Westminster, and obtain redress if he could show a sufficiently good cause for redress.

Members: Hear, hear!

Hon. N. KEENAN: But the extraordinary decision that has been pronounced by the Joint Committee of both Houses of the Imperial Parliament means that there are no longer British subjects with the inherent rights of British citizenship, but merely subjects of a polyglot Empire of which they happen to be residents.

Mr. Moloney: That is treasonable.

Hon. N. KEENAN: No matter how unjustly they may have been treated or how unjustly they may consider themselves to have been dealt with, the Mother of all Parliaments confesses herself incapable of granting any remedy. She has washed her hands in her impotency, even as Pilate did. To steer clear of the embarrassment of doing her duty, she has turned renegade and denied what, in all her history, has been regarded as one of the greatest of her trusts. So it is that those who now live in distant parts of the Empire are no longer British subjects with the rights and privileges of British citizenship, but merely subjects of a local governing authority.

Hon. W. D. Johnson: Absolute nonsense!

Mr. Moloney: That is treason!

Hon. N. KEENAN: The member for Midland-Guildford (Hon. W. D. Johnson) is a past master in what is absolute non-

sense. On the present occasion, I am not prepared to accept his judgment.

Hon. W. D. Johnson: You know well—

Hon. N. KEENAN: Allow me! If I may ask for some slight indulgence, it is for two reasons. First of all, I wish to conclude my speech at the earliest possible moment, and, secondly, I do not happen to be very physically fit for the time being. So I hope I may appeal to the generosity of the member for Guildford-Midland in the matter of interruptions. I was about to say that no matter what those considerations may amount to, we must clearly accept the position as it stands. What then is to be done? When the decision of the Joint Committee of both Houses of the Imperial Parliament was communicated by cable message to the Premier, Mr. Collier was in Melbourne, and he was reported in the newspapers as having said, "That will not be the end." I should like to know, and I feel sure so would all the citizens of Western Australia like to know, what is the end that the Premier contemplates. It is conceded by those who are opposed to secession that this State suffers disabilities as a result of Federation that are so great as to imperil, in the highest degree, its future. That I understand to be the belief of most, if not all, anti-secessionists. There are those of us who believe that these disabilities are not merely so great as to imperil the future of this State, but are so great as to make that future an impossibility. But we may be wrong. If we are wrong, and if these disabilities can be removed within the Federation, then let me candidly state that I, for one, am prepared to work cordially with those who have that end in view. But what encouragement have we received for entertaining any hope that that end can be accomplished? No word has been said by the Federal Prime Minister that can be regarded as firm ground to justify such a hope. He has told us of many things by wire and by word of mouth. We have even learnt that he shaved, and the occasion that led to his being shaved, but never a word as to what, as a result of the petition not being heard, would be the attitude of his Government respecting the grievances of Western Australia. It is true that Dr. Earle Page, when he visited this State, indulged in a lot of vague suggestions, having the end in view to produce what he described as greater co-ordination. Ap-

parently this end, whatever it might mean, was to be achieved by bringing into existence some super Government or super Parliament. How this super Government or super Parliament was to be elected has never been in any way disclosed, nor yet how its resolutions were to be enforced. In that respect his proposals also remain entirely in the realm of unknown doubts. The only suggestion made by Dr. Earle Page was that it might be constructed on the lines of the Loan Council. Suppose for a moment that that were possible, what would be the result? It may not be appreciated by all that under the constitution of the Loan Council, if Victoria, New South Wales and the Commonwealth think alike, that settles the question, no matter whether four of the six States constituting the Commonwealth of Australia think otherwise. And this happens because Victoria and New South Wales each possess one vote, and the Commonwealth, two votes, making in all four votes, which is equivalent to the voting power of Western Australia, South Australia, Tasmania and Queensland, and, in the event of a tie, the Commonwealth has the casting vote. It so happens that this division of power has not resulted in any disastrous manner so far as the affairs dealt with by the Loan Council are concerned, and if for no other reason than this, that the interests of Victoria and New South Wales do not run alike in most matters dealt with by the Loan Council. But in matters to be dealt with by this super Parliament or super Government, if ever it comes into existence, New South Wales and Victoria will think alike, and if New South Wales and Victoria think alike, they control the Commonwealth. What would be the first and most pressing problem to be dealt with by this super Government? The first and foremost would be the evolution of some proper and efficient scheme to adjust equitably the gains and losses of Federation. We sometimes see tables of figures published which purport to show that the amount of money received by the Commonwealth from Western Australia is less than the amount of money which is spent by the Commonwealth in Western Australia. But apart from any error in the computation of those figures, they would be fallacious even if correct. That they are far from being correct it has been demonstrated again and again, but even if correct they present but half the picture. For in-

stance, Victoria and New South Wales are both States that are almost wholly, if not wholly, developed. For that reason, because they are wholly or almost wholly developed, they are not comparable with a State like Western Australia, which is only in the first chapter of her development. The vitally necessary services rendered in the one case and in the other are vitally different, and the returns obtained from the one set of services and the other are widely different, and the different cost of those services under the conditions brought into existence by Federation has to be allowed for and adjusted if that Federation is to work equitably amongst the partners. It is not enough that the Commonwealth should hand over—or hand back, rather—those revenue-producing avenues which it has lately assumed and which were formerly the province of the States. That would not be anything like enough. It would form a minor relief, yet what chance is there of that minor relief being conceded by the Commonwealth to Western Australia? There is no hope whatever. This super Government, put forward as a proposal to settle the difficulties of the smaller States, would have no power to grant any such concession. And without that power it would be perfectly futile. And even if we could grant it power, it would still be of small value in the evolution of a plan which would adjust the gains and losses of Federation. I have heard with admiration the Premier make a similar statement on one occasion, to the effect that the only cure, not only for Western Australia but for Federation, as well as for all the smaller States, was the evolution of a plan which would adjust the gains and losses that have arisen from Federation on an equitable basis. Under such a plan Melbourne and Sydney, which have profited to an wholly inestimable extent as the result of Federation, would have to bear some special burden, and the fruit of that burden would be used for the purpose of assisting distant States to bear the extra liabilities cast on them by Federation. And who is there who imagines that Victoria and New South Wales would consent to such a policy, or that the Commonwealth Government, or the Parliament which they control, would give effect to it? For my part, I doubt very much if ever a convention will be called to consider remedial measures of this character, still more do I doubt that they would adopt adequate measures to meet the requirements

of Western Australia, and lastly, I cannot conceive how it would be possible to devise any method for enforcing any remedy which this hypothetical body might evolve. But, again, in holding those views I may be in error, and I am anxious to work in with all who wish to serve the interests of Western Australia. But this I want to know, and I think it is not unreasonable that I should ask for an answer: if the whole scheme or any other scheme substituted for it to obtain redress within the Federation fails, what then is to be the attitude of those advocating this course, and with whom, as I said, I am perfectly prepared to act? What, then, will they do? Will they then abandon the demand that the disabilities we suffer under shall be rectified? Will they be content to allow the people of this State to be slowly but surely crushed out of existence, or will they frankly state—as was stated by the Premier when he heard of the decision for the first time—that the fight must not end there, and that no path will be left unexplored which presents a possibility of lifting us out of our impossible position? That is the way I view the future in the light of the decision of the Imperial Parliament not to receive our petition. It may well be that others in the State take an entirely different view, but at least that is the view those of us take who are looking to the one great end to be accomplished, although it may be that some will be too weak to follow on the road to achieve that end.

Mr. Moloney: What do you suggest?

Hon. N. KEENAN: I suggest that we act together. I am quite prepared so to act, and only when that fails do I propose to consider following other measures. The industrial position as it presents itself to-day certainly warrants some congratulations. The cause for the amelioration in the industrial position is, firstly, the spending of about £3,000,000 of borrowed moneys annually. It would be wholly impossible to spend a sum of that magnitude amongst the small population of our State without producing conditions at least favourable for the time being.

Mr. Moloney interjected.

Mr. SPEAKER: Order!

Hon. N. KEENAN: If I may make a comparison, our borrowing of three millions of money, if we take into account the difference in population between our State and the United Kingdom, and the

difference between our resources and those of the United Kingdom, would approximate to the borrowing of 250 millions by the Imperial authorities, which is one of the proposals made by Mr. Lloyd George. But there is this essential difference, that the proposal of Mr. Lloyd George is to borrow that sum once and for all, whereas the borrowing by us of £3,000,000 per annum is, I regret to say, a hardy annual. Nevertheless the spending of this money has undoubtedly stimulated private employment, and the result would have been more marked had it not been for the fact that our unemployed were compelled to compete with the unemployed of the Eastern States for the work available. Particularly was that the case in the matter of the skilled trades, due not merely to the circumstance of the natural overflow of the working population from one State to another, but also due to the circumstance of our neglect to train apprentices in recent years.

Mr. Moloney: Whose fault was that?

Mr. SPEAKER: Order! The hon. member must keep order.

Hon. N. KEENAN: That has been the subject of comment recently by Mr. Lynch. In fact, if I understand the position correctly, it is that the youths or young men coming from the Eastern States, who may not have completed their period of apprenticeship, are eligible to attend the Technical School in Perth and thereby become qualified to carry out work requiring skilled knowledge, whereas our young men, unless they are apprentices or unless they have completed a period of apprenticeship, are debarred from that privilege.

Mr. Moloney: There is nothing at all that precludes them, and you know it, too.

Hon. N. KEENAN: This is a matter on which I have been informed.

The Premier: Ill-informed.

Hon. N. KEENAN: If it be correct, there is obviously a black outlook before our youth and the position should be rectified.

Mr. Moloney: You have been misinformed.

Hon. N. KEENAN: The second reason for the amelioration of our industrial outlook—although not nearly so widespread, is more important on account of its promise of continuity—and that is the increased activity and increased employment in the gold mining industry.

It is doubtful whether the beneficial effect of the increased activity in the gold mining industry has been properly realised. Perhaps the surest way of arriving at an appreciation of all that it means to us would be to imagine what would be our position if the industry did not exist. We would unquestionably have been completely prostrated in every way. But on account of an invasion of workers from the Eastern States, the unemployed of this State have been prevented from receiving the full benefit of the activity in the mining industry. Of course I am aware that it is utterly impossible to prevent such an influx, but the fact remains that that influx has, to a considerable extent, deprived our own people of employment, not only in the industry itself, but in all the surrounding industries.

Mr. Moloney: What do you suggest we do?

Mr. SPEAKER: Order! I hope I shall not have to warn the member for Subiaco again.

Hon. N. KEENAN: Had this invasion not taken place, it is absolutely certain that a very much larger number of our own unemployed would have found work in the mining industry. Still, in spite of the fact that the scope of its usefulness has been diminished to some extent, nevertheless it has proved a most welcome and most potent influence in reducing our unemployment. As I said, it possesses this one admirable feature, that it presents promise of continuity, at any rate, for some considerable time. Whether that promise will be realised or not depends upon three factors. The first factor is whether the price of gold remains at the figure which it now commands in the market. I venture to say there is very little doubt that it will remain at that figure and possibly even advance to a higher figure. The second factor is whether the developments of our gold mining deposits are favourable. That, of course, must be a matter very largely of conjecture, but again all the signs point to continued development of gold-bearing ore of a payable character in the known and worked areas, and of course there is always a possibility of new discoveries being made. The third factor, which is perhaps the most important of all, is the continued financial support of the industry by the public at large. We sometimes hear statements made regarding the supreme importance of enlist-

ing the support of what are referred to as the financial interests, but those who control the financial interests would be the last to make their support available for the development of the mining industry if they were not assured of the possibility of passing on the propositions they develop to the public at large. Hence it is a fact that if the public are favourable to investment in mining ventures, this financial assistance will always be available. I greatly fear, however, that the present methods of offering actually worthless propositions to the public may lead to the creation of such a volume of doubt and mistrust as seriously to endanger even genuine propositions receiving public support. I have had experience of the mining industry as long as and possibly even longer than that of any member of this House, and I cannot recall anything in all its history more calculated to sow doubt and mistrust than many of the flotations that have taken place in the last two years.

The Premier: Hear, hear! I agree with that.

Hon. N. KEENAN: Not only have so-called mines, in which no exploratory work of any dimensions has been carried out and in which no body of payable ore of any tonnage has been discovered, been offered to the public, but mere options to acquire areas in their virgin state of bush without the surface having been scratched, have been offered to the public. No doubt those options were originally obtained for a mere song. I know of my own experience of the goldfields that options were obtainable easily for a shilling. And why? Because the vendor was only too delighted to enlist the services of anyone who could find a buyer for such a property. Yet we find that the gentry who obtained those options at a mere nominal figure have rushed into the market to sell them at colossal sums. When people subscribe to those propositions offered to them on the public market, what they get is not a parcel of land that may or may not contain a payable gold-bearing deposit, but the mere right to buy a parcel of land, and the astonishing feature has been that those people have been able to enlist the interest and obtain the use of the names of reputable persons to assist them in passing off their flotations. Of course those reputable people had nothing whatever to do with the plunder obtained out of the options. No doubt they acted

from a sense of public duty in the belief that their aid would assist the State. After all, can it assist the State when the main result, the only result, will be to bring absolute discredit on the State and disgust to mining investors?

Mr. Marshall: That is the sad aspect of it all.

The Premier: It is all true.

Hon. N. KEENAN: For instance, I have seen a prospectus, not offering the public a number of prospecting areas, but offering the public an option over prospecting areas, and asking the people to pay for the right of acquiring the option something in excess of £15,000. It is unknown what the cost of the first option was for the first holder, or if there was a chain of holders what the cost was for the second or the third holder. Of course that is unknown. I happened to see a good many of those particular areas on the goldfields. No prospecting work had been done on them. They were not in any position to warrant a hope that any ore channel would reach them, and they were for all practical purposes worthless. I have learnt since that the company which was floated and took over those areas, abandoned them. That is only one of many cases, and by no means the worst case. It is not a question of the exploitation of the public for the benefit of the mining industry—and I do not think even that could be excused—but a question of exploiting the public for the benefit of certain exploiters of the industry.

Mr. Marshall: That is the point.

Hon. N. KEENAN: Such exploitation can lead to only one result, namely the disgust of the investing public, thus driving them out of the mining market. It has happened before.

Mr. Marshall: That is it.

Hon. N. KEENAN: When that happens it will be goodbye to any big financial house taking an interest in any mining proposition in Western Australia. As soon as they appreciate the fact that the public will not come forward to subscribe to what they offer, whether it be a developed or semi-developed proposition, that will be an end to their interest in the mining industry.

Mr. Marshall: And Western Australia.

Hon. N. KEENAN: If this exploitation can be regulated and kept within bounds, it is essential for the industry that this should be accomplished. I have given the matter the gravest possible consideration. It seems to me feasible to accomplish this result by empowering the Minister for Mines to refuse to register the transfer of any mining tenement until certain prescribed conditions have been complied with. Amongst such prescribed conditions would be one which would require the names of all the parties who at any time had any interest in the mining tenement, the price for which they had acquired an interest, and the price at which they were passing it on to some other holder. Another condition would be that such particulars, which otherwise would be confidential and only known to the Minister would be published if any venture was made to place that mine or proposition on the market, and the public were invited to subscribe capital for its working.

The Premier: That would be a great power to give a Minister.

Hon. N. KEENAN: I venture to say that such disclosure would have put a summary end to many of the propositions which have been worked off in the last few years. It would be desirable, if it were at all practicable, that a scientific examination should be made of the mine to determine its real prospects.

Mr. Marshall: Or possibilities.

Hon. N. KEENAN: I admit that is wholly impracticable for one reason, if for no other, a reason that is well within my own experience, and must be within the experience of others who have lived any length of time on our goldfields. That reason is that a mine which to-day, if it is examined, may seem almost worthless, may as a result of a few weeks' work, develop into a very valuable property. On the other hand, all of us know, and some to our sorrow, that a mine which presented a most favourable appearance, and was thought to be the source of the greatest riches, as a result of a very short period of working, has proved to be worthless. I question therefore if it would be practicable to have any examination of a mining proposition as a compulsory condition before it was offered to the public. If only the public were possessed of the knowledge of the plunder which the intermediate

traffickers were pocketing, this knowledge would serve as a most potent deterrent to the flotation of many of the wild-cat propositions which have been passed off during the last two years. Another feature which possesses the seeds of grave abuse is the fact that mineral lands are tied up as the result of two different causes. The first cause is that of the organised abuse of the rights which are conferred under the Mining Act. The result of this organised abuse is that a large part of the mineral-bearing surface of the State, outside temporary reserves with which I shall presently deal, is closed to real prospecting. That is brought about by the system of pegging and the method of application for gold mining leases. This ties up the land until 14 days after the date of the recommendation for the lease, and where the site of the proposed lease is in the backblocks, that means an interval of a considerable time. Unless there is any chance of selling that lease, or putting it on the market, and inducing some of the public to subscribe capital for it, no work is done upon it. The risk of forfeiture for non-compliance with the labour conditions is taken. If that risk becomes too great, arrangements are made for an application for forfeiture. That again ties up the lease, because, by the regulations, all goldmining leases subject to an application for forfeiture are freed from the burden of compliance with the labour conditions until the application is heard. On the hearing of the application the warden, if he comes to the conclusion that it is made with a view to avoiding the conditions attached to a goldmining lease, is empowered to take action. What action he can take the Act does not define. It is not possible, on reading the Act, to define what action he can take. He is instructed that he may take action, and that is all. He is left without any possible direction as to the nature of the action he is entitled to take. The difficulty of proving that the application is not a genuine one is easily surmounted. Unless some person is opposing the application, it is always difficult to discover the real facts. A recommendation for forfeiture is then made. That again ties up the lease, because the warden has no power to decree forfeiture himself, but must send a report to the Minister and recommend the course he thinks should be adopted. An immense interval of time again



occurs, and ultimately, I assume, the application for forfeiture is upheld. All that the successful applicant has to do is to incur an expense amounting to £2, and pay out also the sum of 5s. per acre, which is a very small sum if the person is engaged in tying up possibly valuable ground without any intent to work it. All the happenings I have detailed cover many months, and unavoidably so. It means that during the whole period the land is tied up. It is not merely upon this account that the land is tied up; much more is it tied up because the prospector in the bush knows nothing of what is happening.

Mr. Marshall: Not a bit.

Hon. N. KEENAN: The nearest warden's office may be many scores of miles away. The prospector may find out, when he gets there, that the lease was under exemption, or may discover that a claim for forfeiture has already been lodged. Because he knows the possibilities, and that as a result of the possibilities, his time may be wholly wasted, he does nothing. I have learnt of these happenings from old prospectors whom I knew on the Eastern Goldfields, and who have been attempting to carry on their avocations and found themselves handicapped to an extent that made it almost impossible for them to follow their avocations.

Mr. Marshall: It is nothing new; it has been going on for many years.

Hon. N. KEENAN: I am aware of that. It is possible that we might to some extent by two methods make it more difficult for this course to be pursued, one of which would be to give the warden power to inflict the severest penalty possible, say £100 on the parties, if he found that they had acted collusively to obtain forfeiture, or give the warden power to grant forfeiture at once and compel the person who was successful to take up the ground at once. All these delays which are unavoidable under the Mining Act mean that for a small sum of money a speculator in St. George's Terrace can tie up hundreds of acres of land in the interior without any intention of developing it or spending anything on it. I admit it is difficult to find a solution of this problem, but although a remedy for this state of affairs does not readily present itself, some effort should be made to cure at the very core of the mining industry what is a great evil. It may be that the time

has arrived for us to consider how far our existing mining laws are assisting the development of the industry, and to what extent the alteration of those laws is necessary. I turn now to the second cause of the tying up of mineral lands. The ordinary prospector always has been and always will be the main agency for making the discoveries which are so absolutely essential in the case of an industry that is so self exhausting. I am prepared to admit the advantages that are to be obtained from aerial surveys, but they do not compare in the long result with the work of the man on foot who examines the ground and follows up over so many acres indications which would not be observed unless he were on the surface, and who has been the means of discovering all that has been unearthed in Western Australia. Have aerial surveys discovered any goldfields in Western Australia? The ordinary prospector is hampered not only by what I have related, but he is also hampered by the authority that is given the Minister to create temporary reserves. I wish to make it clear that I appreciate the desire of the Minister to attract both local and foreign capital into the industry, by offering special inducements. Nor have I any doubt whatever that the offering of special reserves acts as a part of the inducement.

Mr. Marshall: Those who get them only hawk them round.

Hon. N. KEENAN: I have no doubt about that. I have indeed grave doubt as to the authority of the Minister to grant reserves and impose the conditions that he has done regarding the right of the person to whom the reservation has been granted to carry on mining on that reservation, and in some instances to carry on exclusive mining there. Once Crown lands are declared to be a reserve the Governor, and the Governor alone, can throw the land open for mining, and that can only be done by declaring in the "Government Gazette" that the land that formerly constituted that reserve was open for mining, and not by giving mining rights in the land to any one particular person. That is so clear in the statute that I propose to read the section dealing with it. Section 296 sets out—

The Governor may, by notice in the "Government Gazette," declare any reserve to be open for mining, and thereupon, and until such notice is revoked such reserve shall be deemed a Crown land within the meaning of this Act.

So really all the power is given there, and the land that is declared open for mining is by a notice in the "Government Gazette" thrown open to all the world and not merely for one man or one corporation to work. It is open to everybody to work it. The Minister under the next section can give authority to any person temporarily to occupy land which he has temporarily reserved from occupation, but not the exclusive right to carry on mining operations. To get that right we must go back to the other sections of the Act. Nevertheless, although I have these doubts I am not questioning the Minister's good faith in the matter or the expediency of his acts to attract foreign capital into the industry. But I fear that the reserves are far too great and too extensive in area. I greatly fear that these large reserves have placed on ordinary prospecting such severe handicaps as practically to make it almost extinct. We have heard of many old prospectors having come in considerable distances to register a claim only to find that they had pegged out that claim on a reserve. It is from cases such as these that we learn to what extent the reservations are to-day operating, and to the extent to which they are closing down the real prospecting of this country. Moreover, the granting of the reserves is sometimes resorted to around mines that are actually working. For instance, at Norseman there is a company operating two leases which they and their predecessors have worked for 40 years. In the course of their operations they found that one of their valuable lodes dipped into the land adjoining their leases, but they discovered also that the country around them, north, south, east, and west was held under a concession as a reserve. In this case all their work had been done for the benefit of the concessionaire, and that they had made his property valuable without his having done any work whatever. It cannot be supposed that that is anything but a great deterrent to real mining. There we have two leases worked for 40 years, and someone has all the surrounding country, and the work that has been done on the leases held has been done for the person who holds the concession. I do not question the wisdom of the policy of granting reservations to induce capital to come into the industry, but I view with grave alarm the wholesale manner in

which the reservations have been granted. Whatever may be the position at law—I have said that in my opinion there is no exclusive mining privilege—there can be no question that Governments have gone too far in this direction.

Mr. Moloney: Have you any specific instances?

Hon. W. D. Johnson: There are too many to enumerate.

Mr. SPEAKER: Order!

Hon. N. KEENAN: In spite, however, of these drawbacks, it is indeed a most pleasant fact to record that the mining industry of Australia is prospering, and prospering extremely in Western Australia. In fact, it is the one bright spot to be seen in our industrial sky, as regards our main primary industries. But what is the position to-day with respect to our other main primary industries? It is true, as regards the pastoral industry, that the market price of wool, for the moment at any rate, warrants some optimism; but we are all of us aware that too much reliance cannot be placed on the market price of even so stable a commodity as wool. The price fluctuates to a great extent owing to changes in the amount of demand. Nor do I share the view—and I wish to make this perfectly clear—which is held by some members on this side of the Chamber that any scheme for compulsory pooling would be of advantage to the industry. On the contrary, so far as I can learn from those who have spent their lifetime in the industry and whose opinion therefore should guide us, any scheme of that kind, so far from doing good, would be far more likely to do harm. The real saving factor in the wool industry is the absence of any accumulation of the product; and such accumulation would, naturally, be the result of rationing the market. Thus there is nothing present to dampen any immediate tendency to a rise in price. If to-morrow the wool market becomes more active, there is no big stock carried forward to satisfy the greater demand, and immediately the market responds, and immediately there is a higher price. The absence of accumulation is entirely due to the fact that the growers have been able, and have exercised their right, to sell at any time they chose at whatever price they chose.

Mr. Moloney: You are a bit astray there.

Hon. N. KEENAN: I could express with a great deal of fervour the wish that the hon. member interjecting would go astray. We are too prone to imagine that the regulation of prices is permanently possible by the holding back of supplies—far too prone to believe in such a possibility as if buyers remained unaware of the reserves which were being created. No country in the world can ration the market without the buyers of other countries being aware of that rationing and knowing that the day must come when the accumulation would have to go on the market. We are also far too prone to forget that it is always possible—as happened in the case of Canadian wheat—for the accumulation created to become not merely an extreme danger but possibly to lead to a complete crash in the market. The position to-day, as regards wheat, is that if the Canadian authorities were to let loose the enormous accumulation which has been made there of wheat, the market would inevitably cease to exist. Of the pastoral industry, however, it can be said that it presents at the moment hopes which, if they are realised, may go a long way to rehabilitate the industry. But if we turn to the agricultural industry we can embrace no such flattering hope—least of all if we turn to the wheat-growing section. In my opinion it is nothing less than a crime to deceive those who in the past have depended on wheat-growing alone to provide them with a living, into any belief that with the present cost of production that is possible.

Mr. Moloney: Who has done that?

Hon. N. KEENAN: If we had control of our own affairs, possibly we could regulate the cost of production. But we have not got that control, and we are not likely to get it at any time sufficiently early to save those who at present are engaged in the growing of wheat. As things stand, therefore, it is a mere cruel mockery to delude those who are relying entirely on wheat-growing to get them a living, into the belief that there is any probability of a future rise in prices being brought about by any lift of the world depression. There is no true reason for supposing that the world depression has depreciated the price of wheat by bringing about any under-consumption. Actually, in the years 1922 to 1927, when the world was in its most prosperous state and when the buying power of the world was well above

normal, the average quantity of wheat produced by the world at large was 3,310 million bushels. That quantity supplied all the wants of the world, and left a considerable surplus that was unwanted. That carry-over, of course, accumulated gradually; but it was in the following six years, from 1928 to 1933, that the position moved into the terrible state in which it stands to-day. In those last six years, 1928 to 1933, the average world production was 350 million bushels per annum in excess of the average of the previous period. What has been the inevitable result? At the close of 1930 there was a carry-over of no less than 1,000 million bushels of wheat unwanted and unsold. And this, too, in face of the fact that in consequence of the great fall in the price of wheat, the world was actually using 200 million bushels per annum more than it used in the years when, as I stated before, it was a prosperous world with a buying capacity far above normal.

Mr. Moloney: And yet people were starving.

Hon. N. KEENAN: The world was then actually using 200 million bushels per annum more. It is clear, therefore, that the present disastrous position is not due, and cannot be due to under-consumption. The world has, in the last few years, been using annually 200 million bushels of wheat more than it used in the prosperous years, and therefore the cause of the slump in the price of wheat cannot be under-consumption.

Mr. Moloney: We have told you that for years.

Hon. N. KEENAN: Nor can it be a question of the lift of the depression leading to any increase in price by increased consumption. It is impossible, with those figures before one's eyes, to delude oneself into that belief. The fact is that altogether apart from the shutting of certain European markets, there was a gross over-production of wheat; and it is that gross over-production that has led to the present collapse. For example, if we compare the figures of what was produced in pre-war days from only four sources—the Argentine, Australia, Canada and the United States—and leave out of account altogether what was produced by other sources such as Russia, Roumania, India and other countries, what do we find? We find that those four countries—the Argentine, Australia,

Canada and the United States—produced in those days 1,200 million bushels of wheat between the lot of them; and that was enough to satisfy the world's demands and possibly to provide a small surplus. Now let us compare that position with what occurred during the three years ended 1932. Those same four countries produced a yearly average of 1,690 million bushels of wheat, or an increase per year of 490 million bushels. And that, too, let it be remembered, was in face of the fact that at that period of time of which I am speaking, namely, 1932, certain important markets in the European sphere were closed to the importation of wheat. The only factors that made the marketing of Australian wheat possible during the last two years have been, first of all, the destruction on a very large scale by nature of the crops of 1933 in many parts of the world and, secondly, the withholding from the markets of very large quantities of wheat in Canada. Neither of those two causes can be relied upon for any continuance. On the other hand, financial support of the industry sufficient to enable it to continue its present output and make good losses to the full figure of that production is quite beyond reasonable practical politics. The other remaining suggestion, which is very often heard, is that of raising the price of wheat in Australia to such a figure that it will compensate the grower for every loss he makes on wheat that is exported. That proposal must envisage a very largely restricted output of wheat. If that were not so, the burden it would cast on the people of Australia would be one absolutely impossible for them to bear. For instance, take the position of Western Australia. If we take the average, allowing for the wheat that is gristed and is sent abroad in the form of flour, our export of wheat is four times in magnitude the quantity of wheat used in the State.

Hon. P. D. Ferguson: Is that taken on the Australian basis?

Hon. N. KEENAN: Yes, the figures are on that basis.

The Minister for Justice: Are you not taking the State basis?

Hon. N. KEENAN: I thought the member for Irwin-Moore (Hon. P. D. Ferguson) referred to the State basis.

The Minister for Justice: No, he referred to the Australian basis.

Hon. N. KEENAN: I have not the figures to enable me to deal with it on a Commonwealth basis, although I do not think they would make much difference.

The Premier: Yes, they would.

Hon. N. KEENAN: At any rate, I am just taking these figures to show the impossibility of the burden. Here we have our own State from which we have exported four times the quantity of the wheat we use, and in one year we exported nine times the quantity of wheat that we used. I am taking the lowest possible figure to show the impossibility of dealing with the problem on the lines suggested, of making the wheat of Australia saleable at a price that will enable the grower to produce the quantity he is doing to-day without incurring loss.

Hon. W. D. Johnson: You would have to limit the output of each farmer.

Hon. N. KEENAN: And that would not be possible. It would place a huge premium on those who are already large wheatgrowers and, of course, it would not be possible.

Mr. Moloney: What do you suggest we should do?

Hon. N. KEENAN: There are many suggestions I could make, and some might be rude.

Mr. Moloney: We are awaiting a lead from you.

Mr. SPEAKER: Order!

Hon. N. KEENAN: The true policy is candidly to inform those we put on their farms that they must largely curtail their output of wheat.

Hon. W. D. Johnson: Hear, hear!

Hon. N. KEENAN: And we must also advise them to go in for what is described as mixed farming, the raising of lambs and the growing of wool.

The Premier: And markets, too.

Hon. N. KEENAN: Yes, but even suppose that policy were to be adopted, the outlook could be by no means certain. Yet it is the only outlook that can be entertained.

The Premier: What about markets for the future?

Hon. N. KEENAN: To carry out this policy to enable the farmers to curtail their output of wheat and change over to mixed farming, including the raising of lambs and

growing of wool, would involve no inconsiderable expenditure.

Mr. Moloney: And a go-slow policy.

Hon. N. KEENAN: I wish the hon. member would go fast out of this Chamber! To carry out this policy we would be faced with the position that a large amount of money lent on farms used exclusively for the growing of wheat would have to be written off as lost.

Mr. Moloney: That is a policy of despair.

Hon. N. KEENAN: I do not think the member for Subiaco (Mr. Moloney) appreciates one-tenth of what he listens to and he does not hear the remaining nine-tenths.

Mr. Moloney: I am listening to you now.

Mr. SPEAKER: Order! The member for Subiaco should keep order. I have already warned him.

Mr. Moloney: I am a bit with him, aren't you?

Mr. SPEAKER: Order! The member for Nedlands will resume his seat. I think the member for Subiaco has been long enough a member of this Chamber to know that, after a warning has been issued by the Speaker, he should not make use of words of that description.

Mr. Moloney: I withdraw anything that I should not have said.

Mr. SPEAKER: I hope the member for Subiaco will behave himself in the future. The member for Nedlands may proceed.

Hon. N. KEENAN: I was pointing out that the necessary consequence of adopting what seems to me to be the only possible policy, will be the writing down on a huge scale of debts due in respect of properties that are used only for the growing of wheat. Moreover, not only would that be necessary but a large amount of capital would be required to enable those who hitherto have only engaged in the growing of wheat, to change over to mixed farming. I quite admit the magnitude of the problem is colossal. It is not the least likely to be solved by the infinitesimal measures that have so far been brought forward. For instance, there is the grant under the Federal Farmers' Debts Adjustment Act. The grant that will be available to Western Australia will enable some farmers, to a certain extent, to be relieved of their private debts. The estimated indebtedness of the industry in Western Australia alone is £33,000,000, and of that amount less than half is due to the State or

to State instrumentalities. If, therefore, we take what is to be made available under the Federal Act for Western Australian farmers, we find it will amount in round figures to about 7 per cent. of the indebtedness to private lenders. That, of course, points immediately to the absurd inefficiency of the method that proposal presents for solving this problem. Moreover, the Federal Act does not contemplate cancelling the State debts. It provides that not any of the funds are to be used in the liquidation of State debts but does not, and cannot, contemplate the cancellation of debts due to the State. The result of it is that the farmers, while receiving some small measure of relief in respect of private debts, will still carry the burden of the debts owing to the State. Even if the farmer secured complete relief, supposing we can imagine such a state of affairs arising as would enable him to wipe the slate clean of all past debts, that would not provide for all his difficulties because some means would be necessary for financing him in the change-over to what, in many instances, would be a new industry. So the more one examines the proposals that are now in existence, the more convinced one must be of their absolutely paltry and insufficient character. Over four years ago I ventured to put before the people of this State, without, I am sorry to say, any success, my views on this subject, with the object of calling public attention to the problem of the day that was likely to crush the agricultural industry. My proposal then was, to put it briefly, that if, as a result of a proper inquiry, it was found that any financially involved farmer was capable of carrying on operations with success, if relieved of his burden of debt—the verbiage that I used at the time, I am flattered to observe, was followed almost verbatim in the Federal statute—then the State should appoint a tribunal to assess the debt and take over the debt as assessed, on certain defined conditions. That meant that the farmer would then have, instead of many creditors of many kinds and many degrees of severity, only the State to look to as a creditor. Of course that would involve the State in a very large liability which I estimated at the time would run into £4,000,000 or £5,000,000. But it is obvious that although that would have meant a very great relief to the debt position, it would not admit of relief of the financial position that is necessary to enable him to carry on a new industry. That

would mean possibly a very much larger sum. But this is the position which we have to face: can the State afford to let the agricultural industry die? Because that is what is happening to-day—although, of course, there are a few instances to the contrary—the industry is dying. Can the State allow it to go out of existence? It must be clear to all of us that to allow that to happen would mean that the State itself would go out of existence. Not only would the cost of the huge network of railways laid down in the development of this industry be cast on one side and lost, but the whole of the financial structure built up around the industry would crash. Therefore if we cannot afford to allow our agricultural industry to become extinct either entirely or to a large extent—it would make very little difference from the State point of view which event happened—we must be prepared to face this problem before it is too late. Every day that passes is a day too late to face an insolvency problem, and in facing the problem we must be prepared to tax our resources to the utmost, for we shall find it is better to do so than to lose all.

Mr. Moloney: Have not the Government given an earnest of their desire in that regard?

Hon. N. KEENAN: It is better to tax our resources to the very utmost rather than to stand by and finally risk the loss of all.

The Premier: I agree with you entirely.

Hon. N. KEENAN: What I have just discussed is a matter of supreme importance to the State, involving all the difficulties of finance. Before concluding my remarks, therefore, I should like to make a short survey of our financial position. So often have I addressed this House on the financial position of the State that I am loth to inflict my views on the House again. Nevertheless it must be admitted that this is not only an important matter, but the most important of all the problems which confront us. What is it that is taking place to-day, and what is it that has been taking place, not only for the last few years, but for many years past? We are borrowing annually three millions, in round figures, merely to carry on. Some members of the House, and particularly the Deputy Leader of the Opposition, addressed themselves to the statement made by the member for Brown Hill-Ivanhoe (Mr. F. C. L. Smith) that all that the present Government have

to spend over and above what the late Government had to spend for the full three years of their term was £144,000. The member for Brown Hill-Ivanhoe said that the Budget deficits of the previous Government aggregated £3,842,000 for the three years they were in office, and that the Budget deficits of the present Government, including the estimated figure for the present year, aggregated £1,280,000. He then, for the purpose of comparison, added together the Budget deficits and the loan expenditure in the case of each Government, which gave him the result of £144,000, which he alleged was all the present Government had to spend additional to what the previous Government had to spend.

The Premier: No, no.

Hon. N. KEENAN: I have read that in "Hansard." It is not in order for a member to quote "Hansard" of the current session, so I can only refer members to it. I will give the Premier a copy of this portion of the speech that was made the other night, and he can criticise it if he likes.

Mr. Moloney: He probably will criticise it when he is replying to you.

Hon. N. KEENAN: At various times I have heard of something that one cannot possibly move, and that one cannot possibly understand, something which is altogether irrepressible and the hon. member fills all these qualifications. I admit that up to a point it is quite legitimate to add together Budget deficits and loan expenditure to arrive at the true sum available for expenditure. I do not challenge the hon. member's action in doing that. But in making the statement that the present Government had only £144,000 more to spend than had the previous Government, the hon. member has fallen into a grievous error.

Mr. F. C. L. Smith: Do not remove so much of what I said from the context of the speech.

The Premier: I will show later who was right.

Hon. N. KEENAN: I am not permitted to refer to "Hansard" of the current session so I can only ask members to look at it for themselves. The figures of revenue and expenditure for the year beginning on the 1st July last, and which will end on the 30th June next year are, of course, entirely problematical. So, too, in

a lesser degree are the figures of loan expenditure. I propose therefore to make a comparison between the average of the three years 1930-1933—which are the years during which the late Government held office—and the average for the two years 1933-35. Those averages cannot be anything more than slightly affected by the figures for this year, when ascertained. The average Budget deficit for the three years of the late Government was £1,280,838 per annum.

The Premier: By what computation do you ascertain the figures for this year?

Hon. N. KEENAN: I will let the Premier have all the figures I am using.

The Premier: I know where the figures came from.

Hon. N. KEENAN: The average Budget figures for the two completed years of the present Government's term of office are £478,000 per annum. On the other hand, the average loan expenditure of the previous Government for the three years of its office was £1,786,000 per annum, whilst the average loan expenditure of the present Government is not less than £2,600,000 per annum. Those figures show that, on the aggregate of loan expenditure and budget deficit, the present Government's figures are only £13,000 greater per annum than the average of the previous Government. If that were accepted as final, it could be said that the member for Brown Hill-Ivanhoe had been modest in stating the figure at £144,000. But that by no means shows all that the present Government have had to spend in comparison with the previous Government. During the past two years revenue has averaged £555,000 per annum above the average of the three preceding years when the previous Government were in power. If we add to that figure of £555,000—the excess amount of revenue received—the sum of £13,000, the result shows that the present Government have had £568,000 a year more to spend than the previous Government had. It is worth noting, as forming part of the increased revenue, that the State has received from the Commonwealth for disabilities and special grants a sum of £1,333,000 during the past two years, whereas it received only £1,100,000 in the preceding three years. A Commonwealth grant was made in 1930 for the relief of unemployment, but I have been unable to ascertain the amount of that grant.

From my recollection it was about £200,000. That omission is to the advantage of the present Government, because I have also omitted the Commonwealth grants made to the present Government of £60,000 for assistance to mining, £100,000 for forestry, and £125,000 for country water supplies, making in all a total of £285,000. As I say, I have omitted all those figures, and the fact that I have also omitted the grant for unemployment in 1930 gives an advantage to the present Government.

Mr. Moloney: Is that not a tribute to the present Government?

Hon. N. KEENAN: While the increased revenue amounted to £555,000 per annum, there has been a large falling off in expenditure under the headings of child welfare and unemployment relief. The figures for the three years of the previous Government averaged £617,000 a year, while for the two years of the present Government the average has been £296,000 a year. That shows an average annual saving on this revenue account of £321,000 per annum, and if we add the £321,000 to the £555,000 representing the excess amount of revenue which the present Government have had to spend over and above the amount that the previous Government had, it makes an easement of the revenue finances totalling no less than £876,000 per annum. I wish to be perfectly candid and to make admissions as well as points in favour of the previous Government. I admit that belated repairs to the railways involved the expenditure of £500,000 over a period of, I think, three years.

The Minister for Railways: Over a period of five years.

Hon. N. KEENAN: I also admit that there has been an increase of expenditure in all departments. When we have allowed for all that, however, the true picture is that the present Government have had £555,000 per annum more to spend by way of revenue than the previous Government had, while they have also had £815,000 more to spend by way of loan money. Thus, adding the two, the present Government have had £1,370,000 per annum to spend more than the previous Government had. I want to give the true picture. On the other hand, the present Government have borrowed less by way of Budget deficits than the previous Government to the extent of £803,000 per annum. That is the difference between the two averages I gave to the

House, namely, £1,281,000 and the present figure of £478,000. If we take that sum into account, it reduces the figure of the moneys which the present Government had to spend in excess of the moneys that were available to the previous Government to £567,000 per annum. It reduces the amount from £1,370,000 to £567,000. Unless my interpretation of his remarks is wrong, the member for Brownhill-Ivanhoe said that the sum of £144,000 was the accumulation over three years. If that is so, inasmuch as the figures I have given, £567,000, relate to only one year, it follows that the figure for three years would be £1,701,000, or if we compare it with the figure given by the hon. member, a sum amounting to more than 1½ millions in excess of the figure he gave. The figures I have given have been compiled first of all from the financial statement furnished to this House when Mr. McCallum, ex-Deputy Premier, introduced the Budget last year; secondly, from the financial statement furnished by the Treasury which will be found published in the "West Australian" of the 2nd July last; and lastly from the financial statement published by the Government Printer on the 8th July last.

The Premier: Is that an official Treasury document?

Hon. N. KEENAN: It purports to be that.

The Premier: What particular man gave it to you?

Hon. N. KEENAN: It is to be found by anyone who buys the paper.

The Premier: I know

Hon. N. KEENAN: Anyone who buys the paper, or looks at the file of papers, can get the information.

The Premier: I know the fellow.

Hon. N. KEENAN: Possibly the Premier knows a lot more than is useful for him to know.

The Premier: I know your friend there.

Hon. N. KEENAN: That is the position as regards the statements made by the member for Brown Hill-Ivanhoe. It can be summed up in the statement that he is only wrong in the matter of an excess of a million and a half. When this Parliament comes to an end, the Premier will be able to claim that he has had nine years of office as head of the Government of the State. That is a very honourable record, and one which no doubt will be mentioned in the history of the State as an honourable record. He will also be remembered for having added, during his

term of office, £32,000,000 to the public debt, and for having added to the annual burden of the taxpayers no less than a million of money by way of interest on the 32 millions.

Mr. Lambert: You know that was inescapable.

Mr. Moloney: He will answer you when he speaks.

Hon. N. KEENAN: Without question that is a colossal burden for the people of the numbers and resources of this State, and for our capacity to bear. It must be self-evident that this burden cannot be increased indefinitely. There must be an end to our capacity to carry such a burden, having regard to our small population and our limited resources. Already the interest bill amounts to almost half the annual income of the State. Every year there is going on an invasion of that income which possibly will eat up the second half of our income. Beyond question we cannot go on year after year borrowing as we are doing to-day. I should like to know, therefore, what is the policy that the Premier lays before the people. Is it this? Does he intend to continue to borrow money as long as he can and as much as he can until the crash comes, and then let the devil take the hindmost? The Prime Minister of the Imperial Government is responsible for inventing a phrase which apparently had a strong appeal when he asked for peace in our time. The Prime Minister of England used that phrase in a different sense, but it can very well be fitted to the policy of the Premier of this State. So long as he can go on borrowing, he can of course purchase peace in his time.

Mr. Moloney: Your Government could not borrow anything. Nobody would trust them.

Hon. N. KEENAN: Then there is the hereafter. When his spell of office has come to an end—as it must come to an end—he proposes to let the hereafter look after itself. There may be utter chaos for all he cares. The hereafter is no worry to the Premier, no worry whatever. And yet the hereafter is all-important to the people of Western Australia. It is, unquestionably, far more important than the present.

The Premier: There is no mistake about the hereafter.

Hon. N. KEENAN: It is on the building-up of the future that all our hopes should concentrate. What is to be the result of our future lives? Is not that far more important than the present?



Mr. Moloney: You are overdoing it.

Hon. N. KEENAN: All our hopes, ambitions, and ideals should concentrate on that future. But what is the future the Premier holds out to the people of this State? Does he suggest that we can go on borrowing as we are borrowing to-day—indefinitely, and not for some great developmental work even if it be not a reproductive work, not to carry out any defined policy with some defined end in view but merely to carry on, merely to keep the peace? Of course he does not suggest that. A man who suggested that would be a madman. Only a madman would suggest that we should go on spending indefinitely until the crash comes. If the Premier does not want that, will he tell the people of this State for how long he believes it possible to go on borrowing as we are borrowing to-day? And then will he tell the people of this country what their condition will be when their reserves have come to an end and when borrowing stops perforce?

The Premier: I will answer you.

Hon. N. KEENAN: I have made it clear on many occasions that we as a party are not opposed to borrowing. On the contrary, we recognise that in the circumstances through which the State is passing, in view of the troubles we have to face, borrowing is absolutely impossible to avoid. But what we are opposed to, without any question, is the using-up of the people's reserves by borrowing merely to carry on, merely to purchase peace. We want those reserves used, and used to the very last farthing, for the purpose of reaching some definite end, some definite policy.

Mr. Moloney: What were your Government doing?

Hon. N. KEENAN: We want the country's reserves used for the purpose of carrying out a policy which presents some possibility of leading to success. The Premier ridicules our proposal to strive for and accomplish, if we can, some great policy of large Empire works, linked up with an intra-Empire trade which by reason of these works would be greatly extended. Let the Premier scoff at that if he will. I have no objection to his scoffing at it. That will make it neither worse nor better. But what proposal has he put forward in its place? What proposal has he that we shall follow in order that when we spend this money there may be a

prospect of some end that will lead the people out of their troubles? Of course I have heard it said that all these matters are outside State Government powers, and that therefore it is useless to discuss them in this Parliament. No doubt that is true in the strict constitutional sense. But what do the several States meet for, as they do on various occasions, except for the purpose of discussing matters that are outside the power of any one State? That is the object of their meeting. And what difficulty is there in bringing forward at any one of those conferences a matter of supreme importance to the future of our country if we continue as we are going on to-day? I have only a few more matters of a non-controversial nature to deal with, and if the House will grant me indulgence for a few additional minutes, I shall conclude what I desire to say. Other occasions will arise for the examination of the financial position in closer detail, and I shall pursue this matter then and shall not continue the argument further at this juncture. This Parliament is entering on the last session, and no doubt some effort will be made during the present session to bring forward proposals that will win popular approval.

Mr. SPEAKER: Order! I am afraid I have no alternative but to intervene. The resolution governing the hours of sitting specifies that the House shall adjourn at 6.15 p.m. So far as I am concerned, that finishes the matter, and I shall leave the Chair until 7.30 p.m.

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

On motion by Mr. Nulsen, debate adjourned.

*House adjourned at 7.31 p.m.*