

NOMS.

Mr. Coverley	Mr. Munsie
Mr. Cross	Mr. Raphael
Mr. Cunningham	Mr. Rodoreda
Mr. Fox	Mr. F. C. L. Smith
Mr. Hawke	Mr. Tonkin
Mr. Hegney	Mr. Willcock
Mr. Marshall	Mr. Withers
Mr. Millington	Mr. Nulsen
Mr. Moloney	

(Teller.)

PAIRS.

AYES.	NOMS.
Mr. Latham	Mr. Collier
Mr. Welsh	Mr. Clothier
Mr. McDonald	Mr. Needham
Mr. Patrick	Mr. Troy
Mr. Brockman	Mr. Wilson

Question thus negatived.

*House adjourned at 10.57 p.m.***Legislative Council,***Thursday, 14th November, 1935.*

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

PAPERS—MINE WORKERS' RELIEF FUND.*Late E. J. Goldsworthy's Application.*

HON. C. B. WILLIAMS (South) [4.33]:
I move—

That the file dealing with the application of the late Ernest J. Goldsworthy, of Johnson Street, Boulder, for relief from the Mine Workers' Relief Fund, together with all papers in connection with any application made by Mrs. Goldsworthy, or by any person on her behalf, for relief from the same fund, be laid on the Table of the House.

The information I require is to be got only from the file. It is merely in connection with some delay in the payments made to this lady. I have applied to the secretary of the Mine Workers' Relief Fund for permission to peruse the file, but he has explained that the board carried a motion

to the effect that the file could only be made available as the result of such a step as I am taking.

On motion by the Chief Secretary, debate adjourned.

BILL—LOAN, £2,627,000.*Second Reading.*

Debate resumed from the previous day.

HON. R. G. MOORE (North-East) [4.36]:
In speaking to this Bill I have to consider many aspects of the question. First of all, there is to be considered the necessity for the money proposed to be borrowed, what the money will be used for, whether provision is being made for repayment of the money borrowed, and whether any permanent asset will be established by the use of the money. Mr. Baxter and Mr. Holmes yesterday each painted a rather gloomy picture in regard to our financial position and as to what was happening through the continued policy of borrowing large sums of money. Mr. Holmes told us we were bankrupt. I do not know that I can attempt to prove that we are not bankrupt, but I sincerely hope the hon. member was making a mistake. It is not possible to prove whether a person or a State is or is not solvent simply by looking at the amount of money that is owed. We all know that one person might owe £10,000 and be perfectly solvent and in a good financial position, whereas another person owing £100 is definitely bankrupt. It may be as well to look at the other side of the picture and see what we have to offer alongside the tremendous amount of money that we owe. It must be admitted that in this State of Western Australia we have established quite a large permanent asset as an offset to the amount that we are owing as the result of our borrowing. It is almost impossible to estimate the value of that asset. In the development of a country such as Western Australia an enormous sum of money must be expended in order to give those public facilities and utilities that are necessary to the development of such a State. In the spending of that money we are creating a national asset, and although to a considerable extent it may be a diminishing asset, yet at the same time we are establishing a permanent asset which we can offset against the amount of money that we owe. I am of opinion that

to over-borrow is bad policy, yet we know that if it is necessary to keep things going, a certain amount of borrowing must be done. The main thing to do is to see that the money is expended judiciously and wisely, and that, when it is expended on the creation of diminishing assets, precautions are taken that some provision be made for the repayment of the money, so that, at any rate, when the asset disappears the liability also will disappear. But although we may be in a bad way, and although our debt per head of population is a great deal more than we like it to be, still it is just as well to look for the silver lining behind the cloud. In the establishment of many of our assets a good deal of money must be spent in order to keep those assets from diminishing. So for a considerable time past a large amount of money has been spent on the renovations and repairs of public buildings, and of our railway rolling stock and permanent way, which is all absolutely necessary if we are to keep what we have. Some criticism has been directed at the money expended in renovations and repairs. I do not agree with some of the comments that have been made. The Agricultural Bank buildings were mentioned by Mr. Baxter. I should like to say that for some years past the condition of that building was an eyesore to me and to many others. To-day, I am glad to say, it is quite refreshing, almost inspiring, after what we have been accustomed to see there.

Hon. C. F. Baxter: It was a big expenditure where a lesser amount might have been sufficient.

Hon. R. G. MOORE: I do not think so.

Hon. C. F. Baxter: It meant £1,800 on one building.

Hon. R. G. MOORE: I do not care what it cost; it depends on the nature of the work being done. I think the Government should give a lead in many things, and that when they are doing a job they should do it in workmanlike manner. There is nothing more depressing to the eye than shabby buildings; it is almost demoralising. If one goes into a suburb the buildings in which have been allowed to go to rack and ruin, one is apt to become very gloomy in his outlook. On the other hand, if one goes into a suburb where all the buildings are in good repair, he experiences a different outlook altogether, and is prone to consider the bright side of things.

Hon. C. F. Baxter: Would you borrow very heavily for renovations and repairs on your own property?

Hon. R. G. MOORE: I would borrow heavily to carry out the same class of work on my own property as has been done at the Agricultural Bank, because I like a decent home to live in. But I would borrow it, first knowing that I could pay it back. When one has a diminishing asset, it is bad policy to let it get into disrepair. It pays to keep it in good repair. When a job has to be done, it is better to do it properly, from the economic point of view. I commend the Government for the work they have done, and all the renovations they have carried out to preserve our assets. It has been said that our taxation affects our borrowing capacity from the Loan Council, and that because we are not heavily enough taxed we cannot get as much money as we would otherwise get. That is rather peculiar reasoning. It seems to me that in the final issue the more we borrow the more we shall have to be taxed. If the more we are taxed, the more we can borrow, it savours of the dog chasing its tail, and we shall never get very far. If we examine the figures in the taxation returns laid upon the Table of the House this week, we must admit that, if we are not taxed as heavily as the Loan Council could desire, we are taxed heavily enough to satisfy our taxpayers.

Hon. L. Craig: More than satisfy them.

Hon. R. G. MOORE: I think so.

The Honorary Minister: I think that statement comes from the Disabilities Commission.

Hon. R. G. MOORE: I will quote figures to show how taxation has increased since 1931. These are rather startling. When we hear that we are not taxed heavily enough, one wonders what would satisfy some of the powers that be. The total revenue from taxation in 1931-32 was £834,039, and in 1934-35 it was £1,704,310. This is exclusive of income tax. There is, therefore, an increase in taxation between the one term and the other of £870,271, equal to £16,736 per week. This represents the additional taxation, outside of income tax, in the last four years. And yet we are told we are not heavily enough taxed.

Hon. L. Craig: We may have to be taxed still more heavily.

Hon. R. G. MOORE: I hope Mr. Craig proves a false prophet.

Hon. L. Craig: And I also.

Hon. R. G. MOORE: I do not say that he will be. It seems to me we are drifting rather too much into debt, and that the time has come when all Governments must attempt to reduce their indebtedness and decrease their borrowings. We must endeavour to live within our income. If we did live within our income, I am afraid our debts are so heavy that it would still be necessary to have a great deal of taxation to keep those debts squared up. In the Loan Bill there is a schedule of public works to be gone on with. I do not know that I can find fault with any of them. They are all necessary works. Possibly some could be put off for a few years but, under present conditions, I do not know that this would help much, because we have our unemployment problem to consider. The putting of money into circulation will to some extent help us over our difficulties. I notice the sum of £15,000 set aside for workers' homes. For a long time we have been endeavouring to get workers' homes on the goldfields. Loan money could well be expended in that direction, because not only is there a reasonable chance but an excellent chance of its being repaid in a short time. The expenditure would be the means of using a tremendous amount of timber from the State Sawmills, would put a lot of revenue in the way of the State railways, and would mean creating a lot of employment which would lighten the load for the Government and at the same time lead to extra revenue from taxation. Any Government has a difficult task to face in discharging their responsibilities and meeting their obligations. We should look into the future, and as far as possible refrain from getting further into debt and adding still more to the burden upon posterity.

HON. E. H. ANGELO (North) [4.53]:

Last night Mr. Baxter advocated that we should endeavour to increase our exports, especially to the Old Country, in order to build up our interest and sinking fund, where most of our loan moneys have been borrowed. I agree with him. If we speeded up our exports, the primary producer would get most of the money, but our governmental utilities would secure some portion of the extra money derived from the trade.

Hon. C. F. Baxter: The producer only distributes the money; he does not hold it.

Hon. E. H. ANGELO: Yes. Our harbours and railways would get more revenue, and the same would apply to our other activities. I was surprised when the Honorary Minister asked for suggestions as to the directions in which we could increase our exports. I remembered having at home a return I received some time ago from one of the State Government officials. It is a very interesting document. Some of the items mentioned will answer the question put by the Honorary Minister. The return has been made up from figures extracted from documents of the Customs House in London. They give the average for five years. The figures are two or three years old, but are the latest I have. The first column gives the annual total imports by Great Britain of certain commodities, and the other column gives the annual exports from Australia into Great Britain of these particular commodities. The return is as follows:—

	Annual exports Australia to Great Britain.	Annual total imports by Great Britain.
	£	£
Wool	24,730,000	68,736,000
Wheat	7,964,000	65,086,000
Maize	95,000	14,420,000
Flour	1,130,000	8,042,000
Barley	168,000	8,288,000
Butter	6,318,000	50,276,000
Eggs	175,000	18,000,000
Cheese	270,000	14,299,000
Bacon	7,000	48,859,000
Beef (chilled and frozen)	2,275,000	35,948,000
Lamb	1,631,000	12,297,000
Mutton	491,000	6,759,000
Sugar	1,688,000	31,451,000
Tobacco	17,761,000
Apples	1,592,000	8,117,000
Oranges	14,000	7,872,000
Raisins and Currants	1,398,000	7,168,000
Preserved Fruits ...	270,000	5,884,000
Wine	422,000	6,795,000

The Honorary Minister: A very interesting return.

Hon. E. H. ANGELO: Of these items I would like to stress eggs, bacon, lambs and wine.

The Honorary Minister: On which of these items do you advocate the Government spending loan money?

Hon. E. H. ANGELO: I will come to that later. Fancy Australia supplying to Great Britain only £175,000 worth of eggs. I do not think there can be any place in the world where poultry feed can be obtained as cheaply as in Australia. We grow the

wheat required, all sorts of grain; we can produce all the lucerne and green feed required, and everything else. It should be easy enough for Australia to multiply our export trade ten times.

Hon. J. Nicholson: We have to consider that there are exports from other countries with which England is trading.

Hon. E. H. ANGELO: That may be only a temporary arrangement. Of bacon nearly 49 millions pounds worth is taken by England, and Australia sent only £7,000 worth. Surely if we cannot sell our wheat there is one way of using it, and that is by feeding pigs and exporting the bacon to England. With regard to wine, I do not suppose there is any country in the world which grows better grapes at as cheap a rate as Western Australia. Every effort should be made to increase our export trade in wine. Next we come to lambs. We know how successful have been the experiments that have already been carried out with fat lambs for the English market. Surely we have a line there in respect of which we should be able to do wonderful work. I do not think even members of this House realise what a vast amount of land we have in Western Australia on which fat lambs could be raised close to freezing works. I am perfectly certain that we could increase our export by a tremendous amount and with very little assistance from the Government, except of course in the initial stages of development. I was very interested the other day during the course of a drive to Yanchep to observe right along the road, every now and again, great patches of blue lupins, evidently self-grown, at least three feet high. Some years ago I noticed that the blue lupins were growing in the bush on the coastal land between Perth and Bunbury. There does not seem to be any difficulty at all in growing these lupins.

Hon. J. Nicholson: There are some growing on the railway embankment between West Subiaco and Claremont.

Hon. E. H. ANGELO: Yes, in great quantities. From what I am told there is no better mixed feed than the blue lupin and subterranean clover. We have the rainfall to help in the growth of subterranean clover, and perhaps with other grasses that could be imported and planted, big areas of land that are now useless might be converted into lamb-raising or lamb-fattening country. If the Government would spend

some of their loan money in experimenting in this direction—it would not cost very much—a great deal of good could be done in the way of educating the people. I do not know to whom all the land belongs, but it is not being used. Some of the unemployed could be engaged in the work of clearing some of the land and in that way make a start on something that would be more reproductive than undertakings such as the river reclamation, or the building of a girls' school at East Perth at a cost of £60,000. What we require is expert knowledge to instruct people who would engage in what I suggest should be done.

Hon. A. M. Clydesdale: And we want more money.

Hon. E. H. ANGELO: Yes, money and knowledge. You cannot do much without knowledge. We have proved that in Carnarvon where for years people battled along to see what could be done, but without success until we obtained expert advice. After that the people never looked back. The Government should give us educational facilities in the directions I suggest, and some of that land should be turned into an experimental farm to see what could be done. The Honorary Minister wanted to know some of the lines in respect of which we could increase our exports. I have given him a list of 20-odd articles, and of that total surely a few could be selected which would give the Government an idea of how we might be able to increase our exports. Naturally Government money must be spent in starting these concerns. That which is now being spent on works which to me do not appear to be likely to be reproductive, could be better diverted in the directions I have suggested. It is not Great Britain alone that gives us the opportunity to increase our exports. Take our Near East. Quite recently the Government have done some good work at the cost of a few thousand pounds, and that expenditure was warranted. The Chief Secretary will bear me out when I say that the Government motorship "Kangaroo" has done wonderfully good work in opening up new markets for us in Malaya. People could not understand the idea of sending the vessel to the Near Eastern ports, but she acted in the same way as a prospector who goes out and perhaps makes a new discovery. The "Kangaroo's" mission was to discover new markets. The mission succeeded and those markets are now being

served by newer and faster ships, the "Gor-gon" and the "Centaur." Those two vessels now proceed to Malaya laden with Western Australian products on every trip. Not only that, but they are bringing down from Malaya people who leave their children at school here. In fact some of them spend their holidays here. All this is the result of what has been done by the Government sending the "Kangaroo" to those Near Eastern ports on experimental trips. Of course that vessel is slow and cannot be expected to continue in this good work, but she has opened the way for others, and I would not now be surprised if the Singapore lines secured another vessel or two for that trade. A little while ago it was suggested in the Press that the Commonwealth Government should help the State Government and send the "Kangaroo" on a prospecting visit to India. I feel certain that the Commonwealth Government would never agree to such a proposal. I do not think they could really do that constitutionally since it would be favouring one State as against the others.

Hon. L. CRAIG: The Commonwealth Government could charter the boat and send it on behalf of Australia.

Hon. E. H. ANGELO: They might even do that, but I am always a little afraid when the other States come into schemes such as this. Many attempts have been made by shipowners whose interests are on the eastern side of Australia to get our State boats to increase their freight on flour to Malaya. They say that that freight from Australia should be the same from every port; but they simply want to do us out of our geographical advantage. I would rather see our State Government send the "Kangaroo" prospecting to India, and I feel certain that just as good a trade could be built up with that country as has been done with Malaya. The "Kangaroo" could really do the pioneering work and other lines could follow later. Let us try to make use of our geographical position. I understand that a new port has lately been opened on the east coast of India. That would be all new trade which we could exploit. It is only about two years ago that I received letters from a Ceylon firm who said that they could take from us up to 200,000 sheep a year. But when I came to make inquiries about the freight, I found that the lowest at which the sheep could be sent there was 25s. a head. This is work that the Government should do. Even if we

did spend some money by sending the vessel on a pioneering trip of this description, it would be money well spent. The Mines Department has been doing similar work for some time by sending out prospectors in the hope of the State deriving an ultimate benefit. Another great thing we have to remember is that the people living in those hot climates look forward to obtaining facilities for getting to Western Australia cheaply and expeditiously, and spending their holidays in this wonderful climate of ours, and while here leaving their children at our schools. I know a number of people from Malaya who have their children at school in this State. All that helps to build up our community, and it is in the directions I have suggested that the Government can do good work. When Mr. Baxter was speaking yesterday Mr. Miles suggested that we should do something with our fishing industry. Of course we cannot expect to send fish to England, since they have more fish in their own waters than we have around the whole of Australia. Moreover, they have proper methods of dealing with the fish that are caught. But at the same time I feel certain we could do much with the countries in the near East. The people there like dried fish, and possibly we could also send them canned fish. When the Pearling Bill was under discussion I felt inclined to refer to this matter. I feel certain that the solution for keeping Broome going will eventually be found in a combination of the pearling and fishing industries. There is a tremendous wealth of fish in the waters adjacent to Broome. There are boats there, though of course they would not be exactly suitable for fishing requirements, but everything has to be started, and with the profits that I am sure would follow, more suitable boats could be purchased. I read the other day of Japanese coming down to our waters with modern trawlers, taking the fish to Singapore for transhipment to Japan. Yet we are importing £120,000 worth of fish products into Western Australia. This is the kind of thing we should try to prevent. Again in connection with this industry as with others to which I have referred, we cannot expect to make a success of it unless we get expert knowledge. I am well acquainted with most of the endeavours that have been made in the North, and in every case except one,

that is the shark industry, the failure was due to want of expert knowledge.

Hon. H. Tuckey: They put the cart before the horse.

Hon. C. F. Baxter: A lot of capital would also be required.

Hon. E. H. ANGELO: Yes, but if the Government went to work in the right way they could induce capital to come here. They could approach people at Home who wish to extend their activities. Last year I mentioned in this House that a large firm in South Africa were prepared to come here and start operations. They were prevented from coming last year because they had spent the whole of their accumulated profits in the whaling industry, but I was informed that, as soon as they could see their way clear, they would start operations here.

Hon. C. F. Baxter: They were advised in 1931 to leave it alone.

Hon. E. H. ANGELO: I was informed that they had spent their accumulated profits of £175,000 in the whaling industry in the Antarctic, but that later they would turn their attention to this State.

Hon. C. F. Baxter: The directors told me while I was there that success could only be achieved by the co-operation of three or four companies.

Hon. E. H. ANGELO: The information was sent to me under cover of a letter by a member of the South African Parliament, who was entertained here a few years ago.

Hon. L. CRAIG: Would that involve the expenditure of loan funds?

Hon. E. H. ANGELO: Loan money could be used, rightly, I believe, to foster such industries and give the necessary advice. Those are opportunities of which the Government should not lose sight. I have perused the Bill, and it appears to me that the allocations are necessary. I am very glad that the two jetties are to be erected in the North-West. Without them the sheep and wool industries could not be expected to develop, and I am satisfied that the new jetties will prove a boon to those industries. I support the second reading.

HON. L. CRAIG (South-West) [5.17]: This Bill is apparently introduced as a matter of form. We are told that its object is to authorise the raising of a sum of money, but apparently it has nothing to do with the raising or spending of the money. The money is apparently raised at meetings

of the Loan Council, more or less indiscriminately, and Treasurers get what they can, and it is spent, or some of it is, and subsequently a Bill is introduced to authorise the raising of the money, although the money may have been raised. In this instance the sum mentioned in the Bill may have nothing to do with the actual amount which is raised. However, I presume it is necessary to pass the measure. The particular point that interests me is the expenditure of huge sums on loan works. I am not going to cavil at that; it is necessary. While we have unemployment, Government works must be undertaken to relieve it. The point I wish to make is that the men employed on Government works at the basic wage are doing nothing to put the agricultural industry on its feet. Those works, too, are doing nothing to encourage men to take work on farms. The position is growing more and more acute. I have been watching it closely for the last few years, and I maintain that the employment position in the agricultural industry is worse to-day than it has been for a long time. It is almost impossible to get men or boys to take work on farms, and while Government works are undertaken with loan funds, there will not be much inducement for men to accept work on farms. For that I do not blame them. The farm labourer to-day is the worst treated man in Australia. He is underpaid.

Hon. C. F. Baxter: That may apply down your way, but it does not apply up my way.

Hon. L. CRAIG: The farm labourer is underpaid everywhere.

Hon. E. H. Gray: Hear, hear!

Hon. L. CRAIG: But the industry cannot pay a high rate of wages.

Hon. E. H. Gray: It would not when it could.

Hon. L. CRAIG: The industry is unable to pay a high rate of wages. The farm labourer is very badly off as compared with other sections of the community.

Hon. H. Tuckey: He often gets more than does the farmer.

Hon. L. CRAIG: We recognise that while a farm labourer lives well, he is not getting sufficient money. That is admitted. The Government's duty is to seek some method which will enable such a man to get a decent wage. At a meeting on one occasion, I asked Sir Herbert Gepp how that could be brought about, and he said that eventually

the time would come when the producers of goods would be assured of a reasonable price for their goods.

Hon. C. F. Baxter: It is a long time coming.

Hon. L. CRAIG: When that time comes the industry will be enabled to pay better wages than it is paying to-day. That statement is born out by Sir Frederick Stewart who has returned from a trip abroad with the same ideas, namely that we shall have marketing control of all agricultural commodities, and that there will be a home consumption price for all production from farms which will perhaps enable a basic wage to be fixed for farm labourers. Personally I cannot see why they should not have a fixed wage.

Hon. E. H. Gray: Hear, hear!

Hon. L. CRAIG: But a fixed wage could not be introduced to-day. Neither the present nor any other Government would dare to fix a basic wage for the farming industry, because it would have the effect of wiping out the industry. The farming industry simply could not stand it. That is admitted.

Hon. E. H. Gray: It is done in the Old Country.

Hon. L. CRAIG: It could not be done here to-day. Still, I say that the farm labourer has as much right to a decent living wage as has any worker, and this position ought to be faced.

Hon. G. Fraser: The wages of the farm labourer are no worse to-day than they were when commodity prices were good.

Hon. L. CRAIG: Make no mistake about it, wages to-day are much lower. Many men on farms are working for 25s. or 20s. a week and their keep. That is not sufficient; they are worth more. They work long hours, and they work hard, but it is a matter of accepting these rates or having no employment at all. Men employed on Government works are paid high rates of wages. Some of those works are carried out in agricultural areas. In my province there are drainage works, and the men employed on those works receive more for their two or three days work of eight hours a day than the man over the fence gets for a week. The man over the fence sees the others working on Government jobs and feels rather dissatisfied. It must be remembered that the unemployed absorbed in those relief works are men who could not get a permanent job in the locality. Many of

them are, I will not say inefficient, but not so efficient as others, but they are receiving high wages on drainage works, while the man working on the farm alongside receives much less, and this disparity is causing discontent.

Hon. J. J. Holmes: The farmer has to pay his way, but the Government are employing the other men.

Hon. L. CRAIG: This does not encourage men to accept work on farms. In the South-West hundreds of men are employed in digging potatoes.

Hon. C. F. Baxter: You suggest increasing the price of products for local consumption so that higher wages can be paid?

Hon. L. CRAIG: Yes.

Hon. C. F. Baxter: That will merely have the effect of increasing the cost of living all round.

Hon. L. CRAIG: I am trying to bring the living conditions of the man on the farm up to the conditions enjoyed by the man in a protected industry who has an Arbitration Court award. I do not see why the farm labourer should not be entitled to equal conditions, and the only way to secure them for him is by raising the price of the commodity so that the farmer will be able to pay the wages.

Hon. C. F. Baxter: You mean for home consumption?

Hon. L. CRAIG: Yes, and I think the time will come when that will be done.

Hon. C. F. Baxter: And where will you end up?

Hon. L. CRAIG: I do not know. The manufacturer of goods is protected by tariffs, and the worker is protected by the Arbitration Court. The farmer, however, has no protection at all. Bring the farmer up to the protected conditions enjoyed by the manufacturer and the worker and all will be on an equal footing.

Hon. J. J. Holmes: But we have to sell our primary products in the markets of the world.

Hon. L. CRAIG: I am speaking of conditions to govern produce consumed locally.

Hon. C. F. Baxter: Do you realise that you would have to tax local products in order to do that?

Hon. L. CRAIG: Sir Frederick Stewart and Sir Herbert Gepp say that in future the community will have to be taxed to ensure that the man on the land receives a

fair price for his commodities. I believe there is something in that statement.

Hon. L. B. Bolton: It is the only way in which it can be done.

Hon. L. CRAIG: The present unevenness cannot endure for ever. Here we are borrowing millions of pounds to provide employment for men who would otherwise be out of work, and at the same time the basic industry of Australia is suffering from lack of workers. That statement is perfectly true. While that anomaly exists, we cannot get back to normal conditions. I could place 20 boys in work in a week within 10 miles of my farm, but they will not accept farm work because other jobs are more attractive. While we continue to borrow money to spend on Government works, the present difficulties will continue. We shall have to even up the rates of pay, and that can only be done by supplying the products of the agriculturalist at a higher price. That may be regarded as a horrible thought, but I cannot see any alternative.

Hon. C. F. Baxter: It would have a boomerang effect.

Hon. L. CRAIG: I interjected to Mr. R. G. Moore that I foresaw the probability of greater taxation in this State. I cannot see how that can be avoided. We are showing a deficit on the year's operations which, but for the grants of the Federal Government, would be very much greater. The Chief Secretary told us that the short-term loan indebtedness of the State amounted to over £8,000,000. That amount must eventually be funded. It cannot be carried as a floating debt for ever. When it is funded, we shall have to pay 4 per cent. sinking fund plus a higher rate of interest than is being paid at present. A fair estimate of the sinking fund on roughly £8,000,000 is £320,000 per annum, which would be additional to our commitments at the present time. That represents the charge for sinking fund alone. Allowing for interest, there will probably be an increased amount of £350,000 per annum, which can be met only by increased taxation. The financial emergency tax proceeds are about five times the return from income tax. The financial emergency tax was an emergency impost to meet emergency conditions. Is there any possibility of its being abolished? I consider that it will become a permanent income tax. I cannot see how that can be avoided. Although we complain of the

heavy taxation in this State, there is some comfort to be derived from the knowledge that people in other States are being taxed more heavily. It is of no use blinking the fact that our taxation cannot be decreased for many years. It might eventually reach the rate in Britain, which is about 4s. in the pound as a minimum, deducted at the source.

Hon. J. J. Holmes: The man on the land will not pay much.

Hon. L. CRAIG: He will pay indirectly. He pays hospital tax and so on. Of course he will not pay if he shows no profit; one cannot get blood out of a stone. Mr. Angelo raised the question of spending loan moneys on the expansion of the fat lamb industry. I do not see how the industry is to be expanded by such means. Certainly it is desirable that we should concentrate on any industry which is profitable to-day. The lamb export industry is now obtaining better prices than ever before in the history of Western Australia. But the industry cannot be developed quickly. One has to wait until one gets a suitable crossbred ewe, and that is a matter which takes years.

Hon. J. J. Holmes: We want the Government to show a little more interest in the industry.

Hon. L. CRAIG: Yes; but I do not see how we can expend loan money on it. Assuredly we do not want to throw open more lands. We have had enough tragedies of that kind. We should encourage private enterprise to develop the fat lamb industry. Loan funds are not required to encourage the production of lambs.

Hon. E. H. Angelo: Of course you understand that I was answering the Honorary Minister's inquiry as to lines upon which we could increase our exports?

Hon. J. J. Holmes: Who has developed the pastoral industry—the Government, or the pastoralists?

Hon. L. CRAIG: New Zealand is exporting over 6,000,000 lambs annually, and we are highly pleased because this year we have exported 135,000. These figures show the possibilities of expansion of the lamb industry. That expansion, however, can be brought about only by time and encouragement. The expenditure of loan money, I repeat, is not necessary. Expert advice on the industry is available, and information on it can also be obtained by

a visit to the Royal Agricultural Society's show. I support the second reading of the Bill.

THE HONORARY MINISTER (Hon. W. H. Kitson—West) [5.33]: I would not have spoken on this Bill but for certain observations which have been made. I feel sure that the Chief Secretary may be left to reply to most of the arguments which have been used during the debate, and to the many statements made, either relevant or irrelevant to a Loan Bill. But it does seem to me remarkable what a lot of information can be elicited by an innocent little question. Mr. Baxter criticised the loan expenditure, and suggested that the Government should apply loan moneys on lines which will have the effect of increasing the State's exports. By interjection I asked the hon. member what particular exports he would suggest. He came back at me with what I may describe as an ancient chestnut, "Surely the Government are not so hard up for ideas, or so barren of them, that they should come to me to ask what particular exports should be developed." Since then we have heard Mr. Angelo, who has enlarged on that aspect. The hon. member quoted from a return which he admits is four or five years old.

Hon. E. H. Angelo: It is the latest return.

The HONORARY MINISTER: The return deals with imports into Great Britain, and shows that Australia is exporting to that country merely an infinitesimal proportion of many of Britain's main imports. He suggests that we give attention to a number of those items. I wish for a minute or two to review some of the items which Mr. Angelo mentioned. Let me take one of the most important at the present time—fat lambs. I think it may be claimed that the present Government as well as previous Governments have offered every encouragement to the rearing in Western Australia of fat lambs for export. Last year this State exported a record number of lambs to Great Britain, and with fine results too. Mr. Craig has pointed out that the prices realised for export lambs have been better than ever before in the history of this country. I would ask Mr. Angelo what more does he think the Government can do in that direction? I would

like to remind the hon. member that over a period of years efforts have been made by Governments to give encouragement to private enterprise in that direction and in associated directions as well. May I remind him, further, that it is only a year or two since a large sum of money was spent on the erection of freezing works at Carnarvon, and that in Fremantle a huge sum has been laid out in the erection of freezing works for the same purpose. He knows the history of those works. In the Far North, where the Wyndham Meat Works were established to assist the cattle-grower, the State is showing a heavy loss each year. That loss does not arise from the operation of the works, but from the capital invested in the buildings, because cattle-growers are not charged anything in respect of interest on the capital cost. Those are just two items which can be cited offhand. Mr. Baxter says we must encourage the export of our primary products. What has the State done in regard to wheat? Has not every Administration for years past encouraged the growing of wheat? Are we not being criticised because a year or two ago the Federal Government said, "Grow more wheat"? How many of our wheat farmers to-day are in a prosperous condition? Would anyone suggest that the Government spend more money to clear more land to grow more wheat for export? I do not think one member of the House would do that. Then there is the item of butter, which has been emphasised by more than one speaker. The increase in export of butter during the last three or four years has been remarkable, so remarkable that there is now a stabilisation scheme to enable Australian dairy farmers to compete on the English market. And so it goes on. As regards almost every line of primary production to which Mr. Baxter says the Government should pay attention in order that exports may be increased—with just about two exceptions—one can maintain that it would not be right to advocate the expenditure of loan money with a view to increasing the exports. The two exceptions are gold and timber. In respect of the first, surely no one can cavil at the Government's action in spending money for the encouragement of Western Australia's gold industry. In relation to timber, the State Sawmills and privately owned sawmills had last year their best year for some considerable time. However, it is extremely doubtful

whether there is room for any great expansion in the export of timber from Western Australia, not because the men are not here to supply the timber or because the State and private enterprise are not prepared to seize the opportunity if it exists. But each year we are cutting away at a diminishing asset unless steps are taken to safeguard the position as it is being safeguarded now through the Forests Department. Mr. Angelo mentioned bacon exports. His figures are 1931 figures, I believe. Since that year there has been a huge increase in bacon exports from Western Australia and also from other States of the Commonwealth. Right here, in the metropolitan area, private persons have spent considerable sums of money, and with some success, in inaugurating the export of bacon from Western Australia. A former Federal member for Fremantle, Mr. William Watson, was one of the first to embark on that industry.

Hon. L. Craig: And he deserves credit for that.

The HONORARY MINISTER: I do not think Mr. Watson made any money out of it; at any rate, not for a while. However, he showed that it is possible to make a permanent increase in Western Australia's exports of bacon.

Hon. E. H. Angelo: And there is room for more yet.

The HONORARY MINISTER: Will Mr. Angelo suggest that the Government should expend loan funds on that branch of our exports? It must be always remembered that we are dealing with loan moneys now. I am prepared, and I can state that the Government are prepared, to encourage the export of primary products to any conceivable extent.

Hon. E. H. Angelo: That is what I want.

The HONORARY MINISTER: Not only the present Government, but previous Governments as well, have found enormous sums of money for the opening up of districts in Western Australia. Take the South-West; take the irrigation schemes. What about the group settlement scheme, on which so very much money has been lost? Recall the hopes we entertained of that scheme in the early stages—with the exception of Mr. Holmes, who adversely criticised the project right from the beginning. Every-

body else believed that the opening-up of the South-West by group settlements would result in great advantage to the State by increased export of dairy products and other commodities. I am convinced that in years to come Western Australia will reap great and lasting benefit from the group settlement scheme. On the other hand, it must be recognised that up to the present the scheme has absorbed a tremendous amount of loan money, on which the people of Western Australia are paying interest and will have to pay it for many years more.

Hon. J. J. Holmes: The proposition was tackled the wrong way.

The HONORARY MINISTER: That may be so. I shall not detain the House further, except to add that in expending loan funds the Government must have regard to reproductive works if it is possible to find them. If there are such works on which the Government can employ the large numbers of men seeking employment, so much the better. But as time goes on, the possibilities of employing large bodies of men on directly reproductive works become smaller and smaller. The present Government have adopted the principle that the works to be concentrated upon are those wherein the labour cost is higher than the cost for materials. That principle has been in operation for some time, and, as I believe, successfully. No-one can say that the works on which the men in question have been engaged are not essential works. But the Government are now faced with increasing difficulty in finding works of any magnitude which will give large employment on the principle I have mentioned. Still, the Government have to do something. If we do not find work for the unemployed, we are criticised because we have not done so. If we do find work, the nature of that work is criticised. And so it goes on. I suppose Governments have to submit to that sort of criticism. However, I rose only to draw attention to the fact that in response to a simple little question which I put, and which should have admitted of an easy answer, there has not been any reply that is helpful, at any rate to me as a member of the Administration.

On motion by Hon. H. Tuckey, debate adjourned.

BILL—CONSTITUTION ACTS AMENDMENT ACT, 1899, AMENDMENT (No. 2).

Second Reading.

Debate resumed from the previous day.

HON. J. J. HOLMES (North) [5.45]: First of all, I want to make it perfectly clear that the Bill does not meet with my approval, and I shall oppose the second reading. From what I can make of it, the Bill amounts to tinkering with the Constitution Act, and does not lead anywhere, nor get us anywhere. So far as I can understand, after all our discussion about the necessity for allowing a member of Parliament to sell the Government a pound of nails, the Bill will allow a member of Parliament to buy as much as he may desire from the Government, but he cannot sell anything to the Government. In those circumstances the Bill does not get over that difficulty.

Hon. J. Nicholson: He could sell it as a member of an incorporated company.

Hon. J. J. HOLMES: Yes, a company with more than 20 shareholders. But I am talking about his position as an individual.

Hon. J. Nicholson: Once you admit the principle of selling, it becomes too dangerous.

Hon. J. J. HOLMES: Once you bring in the incorporated company business, you will start providing plenty of work for company promoters and their solicitors.

Hon. J. Nicholson: That was the point that worried the select committee.

Hon. J. J. HOLMES: I get back to my contention that it was bandied about this House that if a member of Parliament contracted to sell a pound of nails to the Government and was not a member of a company of more than 20 shareholders, he was doing something illegal. It was claimed that the position was unfair and should be rectified. The Bill does not rectify that matter, and therefore gets us nowhere on that point.

Hon. J. Nicholson: The Bill seeks to rectify what was desired, namely, the position of a member of Parliament contracting with the Government or Government concerns.

Hon. J. J. HOLMES: A member of Parliament cannot contract with the Government under the Constitution Act, nor will he be able to do so under the Bill.

Hon. J. Nicholson: There is one method suggested in the Bill, and I think it is

a wise one. However, the hon. member may not agree with that.

Hon. J. J. HOLMES: The Bill, if agreed to, will permit members of Parliament legally to trade, for instance, with the Agricultural Bank. It is claimed that they are illegally trading with the Bank now.

Hon. J. Nicholson: Yes.

Hon. J. J. HOLMES: The Bill will permit a Minister of the Crown to trade with the Agricultural Bank, which is considered illegal now. I do not think we should legalise such a course.

Hon. J. Nicholson: That could be dealt with in Committee.

Hon. J. J. HOLMES: If Mr. Nicholson will keep quiet, he will understand that I am explaining the Bill as it is before us. It is not a matter of what may be done in Committee at all. I am dealing with the Bill as it stands.

Hon. G. Fraser: I was wondering who had the floor.

Hon. C. F. Baxter: It is not unusual for Mr. Fraser to interject a lot.

The PRESIDENT: Order!

Hon. J. J. HOLMES: I do not think any member of Parliament should trade with the Agricultural Bank.

Member: I disagree with you.

Hon. J. J. HOLMES: Of course. I do not think it is a fair thing that a member of Parliament should trade with the Agricultural Bank. If he exercises his right as a citizen, as some of them have done he will probably find that his account at the Bank will be adversely affected. The position that is contemplated should not be permitted. If members of Parliament are to be permitted the right to trade with the Agricultural Bank, it seems to me that Ministers of the Crown are also to have that right. The Constitution Act should not permit that, because members should have a free hand to criticise and act as they think best in the interests of the State. Then again, the Bill proposes that members of Parliament shall be permitted to act as members of a Royal Commission, be paid for their services and also receive expenses. That practice has been considered illegal in the past under the Constitution Act as it stands at present. Notwithstanding that fact, no action has been taken under the Constitution in that respect.

Hon. G. Fraser: They were lucky.

Hon. J. J. HOLMES: I have always contended that Mr. Clydesdale—if I may be permitted to mention him in passing—experienced the trouble he did because we amended the Constitution Act by means of a Bill the contents of which were foreign to the Title. We did not directly amend the Constitution Act, but amended it under the Title of the Lotteries (Control) Amendment Act. However, that is just in passing. Reverting to my remarks regarding members of Parliament and Royal Commissions, if we agree to the amendment and permit members of Parliament to act as Royal Commissioners and be paid for their services—that has been illegal in the past—I fear there will be an appreciable increase in the number of Royal Commissions. I can never get away from the belief that if a man offers his services to the country as a member of Parliament and is qualified to sit on a Royal Commission that may be appointed, he should accept the position on the Commission without any extra remuneration.

Hon. J. Nicholson: That can be provided for during the Committee stage.

Hon. J. J. HOLMES: If the hon. member will assist me in that direction, we may accomplish something.

Hon. J. Nicholson: But you would not suggest that a member of Parliament who sat on a Royal Commission should not be paid travelling expenses, and so on? He might have to stay at an hotel.

Hon. J. J. HOLMES: The hon. member, perhaps, has a thorough knowledge of the Bill, and he may be able to tell the House why, under its provisions, a professional man is to be paid for his services, whereas the non-professional man, who may be far better qualified to act on the Royal Commission, is not to be paid.

Hon. H. S. W. Parker: Where do you find that provision?

Hon. J. J. HOLMES: That is in the Bill.

Hon. J. Nicholson: I do not think so.

The PRESIDENT: Order! I think this conversational discussion had better be carried on during the Committee stage.

Hon. J. J. HOLMES: I generally find I am getting pretty near the mark when I can arouse the only two solicitors in the House, who may be directly or indirectly interested in the Bill.

Hon. J. Nicholson: That is not so.

The PRESIDENT: I suggest to Mr. Holmes that it is contrary to the Standing Orders to provoke interjections.

Hon. J. J. HOLMES: I also find that the amount of the expenses to be paid to members of Parliament who act as Royal Commissioners is to be decided by three members from each House of Parliament. They are to be the deciding authorities, not the Government. That means that three members of Parliament will be able to decide what their fellow members shall receive.

Hon. J. Nicholson: We will put the hon. member on the committee.

Hon. J. J. HOLMES: What is that?

Hon. J. Nicholson: We had an idea of putting you on the committee.

Hon. J. J. HOLMES: You have been told by the President that you are entirely out of order, and I propose to continue with my remarks. Who will agree to take the decision regarding the payment of members of the Royal Commission out of the hands of the Government, and place it in the hands of three members of Parliament from each House? We might reach the stage at which three members might consider that the remuneration to be paid to Parliamentary members of a Royal Commission should be a handsome one, whereas the other three might consider they were not entitled to any remuneration at all. Probably the question would have to be settled in the Supreme Court.

Hon. J. Nicholson: So you see the advantage of going to a lawyer.

Hon. J. J. HOLMES: The Bill also provides that civil servants may hold their positions until 14 days after the declaration of the poll. If a civil servant should be declared elected, he has 14 days within which to resign his position; but should he not be elected, he can go back to his job. I do not know that there is any necessity for amending the Constitution along those lines. There may be something in it, but I do not see anything more in it than that some civil servants have votes for the Legislative Council, and this may be a sprut to catch a mackerel. I want the sponsors of the Bill to tell me why any man who occupies a position of profit under the Crown can nominate for election to Parliament and, if elected, hold his Government position for 14 days after the declaration of the poll and, if not elected, go back to his job.

Hon. G. Fraser: You do not suggest that a man should give up his living to stand for Parliament?

Hon. J. J. HOLMES: The Bill proposes to deal with Sections 31 to 38 of the Constitution Act, for which other provisions are to be substituted. I cannot find that the proposed amendments get us any further forward in the direction desired; in fact, they get us nowhere. The amendment does not represent any improvement, nor is it as sound as the existing legislation. There is one other point I will deal with. I may be wrong, but it seems to me that the position of a Minister of the Crown is not to be considered an office of profit.

Hon. J. Nicholson: That is not right.

Hon. J. J. HOLMES: That is my interpretation, but I may be wrong. On the other hand, I do know that one of the great safeguards of the Constitution Act with regard to Ministers of the Crown is that if a member of Parliament accepts a position as a Minister, he has to submit himself for re-election to Parliament. Again, I may be wrong, but it seems to me the Bill will do away with that wise provision. One incident in our political history has remained clear in my mind for many years past. More than 30 years ago Mr. F. H. Piesse was called upon to form a Government, and by a combination of circumstances I need not refer to, he could not form his Cabinet. Mr. Morgans accepted the responsibility of forming an Administration, and, having done so, he sent his Ministers-elect to the country. The people were so incensed at the proceedings that they defeated three of his Ministers. When in due course Mr. Morgans met Parliament, as soon as prayers had been read, the then Leader of the Opposition, Mr. George Leake, moved the adjournment of the House, and that was the end of the Morgans Government. That result was achieved because the people had an opportunity to rebel against what had been going on. We can come down to the present time and consider the position in Victoria, when the Country Party under Mr. Dunstan and the Nationalists were in opposition to Labour at the elections. When they returned to Parliament Mr. Dunstan deserted his party and went over to the Labour Party, taking a position on the Treasury bench. Had the Victorians had the power that exists here, the Dunstan Government would have been treated in the same manner as the Morgans Government

were treated in this State. My interpretation is that the Bill strikes at the root of the Constitution, and renders it unnecessary for a member of Parliament to be re-elected when accepting a portfolio in the Government.

Hon. J. Nicholson: No, no.

Hon. J. J. HOLMES: That is my criticism of the Bill, and that criticism seems to have something in it, judging by the responses it has evoked. We are tinkering with the Constitution and we are not getting anywhere by so doing. I will oppose the Bill.

On motion by Hon. W. J. Mann, debate adjourned.

BILL—ELECTORAL.

In Committee.

Resumed from the previous day; Hon. J. Nicholson in the Chair; the Chief Secretary in charge of the Bill.

Clause 94—Presiding officer may appoint substitute to act during temporary absence:

The CHIEF SECRETARY: I should like to make it clear to members that what I propose to do is to take non-controversial clauses which have been listed from the principal Act, and when we come to a clause a proposed amendment of which is on the Notice Paper, I will move that that clause be considered at the end of the Bill.

Clause put and passed.

Clauses 95 to 97—agreed to.

Clause 98—Voting at adjourned polling:

The CHIEF SECRETARY: There is on the Notice Paper an amendment proposed to this clause. I move—

That consideration of this clause be postponed to the end of the Bill.

Motion put and passed; the clause postponed.

Clauses 99 to 106—agreed to.

Clause 107—The polling:

The CHIEF SECRETARY: In another place the hour of closing was extended from 7 o'clock to 8 o'clock. If there be any objection to that extension, I will move that consideration of the clause be postponed.

Clause put and passed.

Clauses 108 to 116—agreed to.

Progress reported.

House adjourned at 6.12 p.m.