

Legislative Council.*Tuesday, 11th April, 1942.*

Assent to Bills	PAGE
Motion: Printing Ministerial Statement, as to State's War Effort	2797

The PRESIDENT took the Chair at 11 a.m., and read prayers.

ASSENT TO BILLS.

Message from the Lieut.-Governor received and read notifying assent to the following Bills:—

- 1, Broome Tramway Extension.
- 2, Road Districts Act Amendment (No. 3).
- 3, Law Reform (Miscellaneous Provisions).
- 4, Lotteries (Control) Act Amendment.
- 5, Fire Brigades Act Amendment.
- 6, Rights in Water and Irrigation Act Amendment.
- 7, Plant Diseases (Registration Fees).
- 8, Main Roads Act (Funds Appropriation) (No. 2).
- 9, Stamp Act Amendment.
- 10, Workers' Compensation Act Amendment.
- 11, Reserves (No. 2).
- 12, Road Closure.
- 13, Loan (£916,000).
- 14, Industries Assistance Act Continuance.
- 15, Potato Growers Licensing.
- 16, Land Drainage Act Amendment.
- 17, Metropolitan Market Act Amendment.
- 18, Workers' Homes Act Amendment.
- 19, Licensing (Provisional Certificate).
- 20, Appropriation.
- 21, Fruit Growing Industry (Trust Fund).
- 22, Increase of Rent (War Restrictions) Act Amendment.
- 23, Industrial Arbitration Act Amendment.
- 24, Administration Act Amendment (No. 1).
- 25, Death Duties (Taxing) Act Amendment.
- 26, Members of Parliament Fund.
- 27, Administration Act Amendment (No. 2).
- 28, Child Welfare Act Amendment.
- 29, Legislative Council (Postponement of Election).

30, Legislative Assembly Duration and General Election Postponement.

MOTION—PRINTING MINISTERIAL STATEMENT.*As to State's War Effort.*

Debate resumed from the 9th April, on the following motion by the Chief Secretary:—

That the Ministerial Statement be printed.

HON. H. SEDDON (North-East) [11.7]: Since our last meeting, many things have happened, and I suppose really our first thought must be that it is due simply to the dispensation of Divine Providence that we are still meeting here. Certainly I believe that every one of us has recognised that the delay which was caused by the splendid fight put up in the Philippines, and also by the defence of Singapore before it was finally surrendered, afforded us a most valuable breathing space, which so far as Western Australia is concerned placed us in a position in which we can look forward to the future with a considerable amount of assurance.

Perhaps the outstanding feature that has characterised Australia since the commencement of the war has been the ever-increasing number of Government regulations: so much so that we may say the system of government at the present time is almost entirely government by regulation. Both in the State and in the Federal sphere, Parliament has fallen more and more into the background, and we find a tendency under the pressure of circumstances, but also a tendency always present in Executives, to assume more and more responsibility themselves, taking advantage of the position more or less to restrict the activities of Parliament. That is not a desirable feature even in times of war, and I hope that members will at any rate see that they take full advantage of this opportunity to extend criticism, and also to ask for necessary information regarding what has been done in the period since Parliament rose in December.

Hon. E. H. H. Hall: More or less unavoidable, I think.

Hon. H. SEDDON: To the extent it is unavoidable, of course, we have to accept it and I take it that as reasonable men,

having considered both sides of the position, we realise what is unavoidable. There are, however, other features that we cannot regard as unavoidable and those are the phases we are entitled to, and I hope will, criticise. To enable a discussion to take place on the Government's statement, the Chief Secretary moved that the statement he made last Thursday be printed. I take it that the intention is that the field of discussion will not be in any way restricted except in so far as it is confined to the war effort and to the part played by the State and its administrators. They are, of course, the Ministers who comprise the Government. From this angle the decision to call Parliament together was a wise one, particularly in view of the circumstances associated with the close of the session.

At that time we passed two Bills prolonging the life of Parliament for 12 months, the urgency of the conditions existing being advanced as a reason for that prolongation. I think that that decision carried two conditions, implied, if not stated. The first was that Parliament should be prepared to carry on its function of reflecting the wishes of the people, and, secondly, that while the Government recognised that the war overrode every other consideration and wished to be free from a political struggle in order to devote its full energy to carrying out its part of the war effort, it was desirable that Parliament should be called together at frequent intervals in order that its duty might be carried out. I can quite understand that the Government's time is fully occupied in the work which comes more directly within its scope. At the same time, there is much that could be done in the way of advising the people through their representatives and to that extent helping to keep up that most valuable quality in this community, namely, its morale.

An illustration of that is what has happened during the last few weeks in the metropolitan area. Members will recall the agitation that arose a few weeks ago with regard to the apparent inactivity concerning air raid precautions. From all sides criticism was raised regarding the steps taken and the apparent inactivity of those in charge. It was then found that those in charge were handicapped in their operations by the fact that provision had not been made for them to obtain the necessary equipment

and supplies and the organisation, which was really only in the embryo stage, had to be suddenly developed to a full working proposition. The effect on the community was very marked. A lot of people commented upon the jitters in the community, but a lot of that so-called jittery state was due to the fact that people had seen so many examples of unpreparedness and the disasters following it and were seriously disturbed at the apparent repetition of a similar state of affairs in this country.

Hon. J. Cornell: About 20 per cent!

Hon. H. SEDDON: From that angle I say that, from the standpoint of morale, the more information made available and the more the Government takes Parliament into its confidence the better it will be. The Government has laid before us a list of its achievements during the period that has elapsed since the commencement of the war to the present time. A great deal has been said of the amount of work that is now being done in the way of assisting the manufacture of munitions. We have to recognise that there was an inevitable time lag before the buildings could be completed and the equipment installed to enable production to be carried on. We have now reason to congratulate the Government on the fact that there is a more or less full state of production of war munitions.

On the other hand, it is regrettable that the Government has so far seen fit to confine its activities entirely to its own side of the House. It is only within the last week or two that members received a letter from the Premier asking for their co-operation with regard to carrying out the schedule of activities that he suggested should come within the scope of members of Parliament. It is only comparatively recently that the Government extended an invitation to the leaders of the two Opposition parties in the Lower House to participate, in a consultative capacity, in solving the problems confronting this State. I say now, as I said at the time, that if the emergency is so great as to demand a wholehearted effort, surely there should be a wholehearted acceptance of responsibility and a wholehearted consultation as to the best means for furthering that war effort in the fullest and most effective way.

Hon. C. B. Williams: You are not suggesting a national Government, I hope.

Hon. H. SEDDON: I am suggesting that at the present time the best interests of the State would be achieved by viewing all sides of public opinion and all sides of the question rather than viewing one side. That is inevitable. If one party alone is to deal with the problems of this State obviously, however fair minded it may try to be, its decisions must be coloured by its own views and possibly by the limitations of the experience of those who have been associated with its decisions. From that angle I contend that the best interests of this State would be achieved by a united Government, by setting aside, for the time being at any rate, party considerations and viewing matters from the standpoint of the greatest good of the community as a whole.

Hon. C. B. Williams: Has the English National Government been a success?

Hon. H. SEDDON: I think that it is undoubtedly a success so far as the unification of the war effort is concerned. I cannot see anywhere any evidence but that there was, and still is, in Great Britain a united effort towards the successful prosecution of the war. With regard to the remarks in the Premier's letter, there are one or two aspects that have appealed to me. In the second paragraph, for example, he says—

In these stressful days there is a keen desire for the State to avail itself of the services and energies of members in various ways.

In view of the attitude that has been taken up by Mr. Williams, I take it that we want to know where this desire comes from. Does it come from the Premier on behalf of the Government or on behalf of the party which constitutes the Government? At any rate, while it is entirely a step in the right direction, no one can accuse him of having taken it too early. It is now over 2½ years since the war started, and nobody by the widest stretch of imagination can say that this State is 100 per cent. behind the war effort. Nor can it be said that the administration of manpower—which I understand from this circular is peculiarly a problem of the State authorities—has been carried out in a way that would provide for the best harnessing of the ability of the State towards carrying out that war effort on the most efficient basis.

Hon. E. H. H. Hall: You would not blame the State Government for that state of affairs, would you? I would not.

Hon. H. SEDDON: I would say that the State Government has its share of the responsibility.

Hon. E. H. H. Hall: That may be.

Hon. H. SEDDON: And that the State Government which is now appealing for the co-operation of members of Parliament might, by appealing for that co-operation at the commencement of the war, have gone a great deal further forward in its preparation for war than it has at the present time. It appears to me that the Premier's letter is more or less restricted. An appeal is made to members to co-operate with the Government in their constituencies. The question is whether a man can do most good by acting as a sort of liaison agent for the Government in his constituency or whether he can act more effectively by joining in committee work in some of the activities in which the State is engaged. I should like to have from the Chief Secretary a fuller explanation of the Premier's letter, and an indication that the intention is to secure the wholehearted co-operation of members' efforts, and that there shall be some system of co-ordinating that effort in order to avoid overlapping.

Hon. E. H. H. Hall: In what way does the hon. member think we could best achieve that object?

Hon. H. SEDDON: Parliament consists of 80 members. It may well be that, seeing that all of the 80 are asked to take part in this activity, there could be a joint informal sitting of both Houses, at which the items wherein the Government desires help could be set out. Committees could then be formed amongst members to provide that the whole State was fully covered, and that all the work was co-ordinated rather than carried on through the individual, such as is the tendency today. I hope that after this session is concluded a meeting of that nature can be arranged, in which case members could indicate the lines on which they think they could be most useful, and also indicate whether improvements could be effected in the way in which the work has been, or should be, carried out.

Some interesting suggestions are contained in the circular letter. There is one which concerns me rather disturbingly, namely, that which deals with the transfer of employment on the goldfields. That will create many difficult problems. Goldfields members have been advised by the Premier

that they should be amongst their constituents constantly. There is also a further reference to the Fremantle harbour, and Fremantle members are enjoined to assist in connection with the congestion there. How far will that assistance go? I can visualise the practical assistance that might be given on the wharf. We may see Ministers and members of Parliament assisting to deal with the congestion there.

Hon. C. B. Williams: That would be very hard work.

Hon. H. SEDDON: These things have been referred to by the Premier, and perhaps that idea was at the back of his mind when he made this particular suggestion. The circular covers a great many activities. Each district has its own problems. Mining particularly, which extends from Norseman and Ravensthorpe in the south to Marble Bar in the north, has its problems.

Hon. G. W. Miles: That affects the whole State.

Hon. H. SEDDON: Any interference with the goldmining industry will have repercussions throughout the whole State, both now and for all time.

Hon. C. B. Williams: The State Government could not go any further than it has already gone.

Hon. H. SEDDON: I propose to deal with that aspect of the question later. One matter that has been referred to in the Premier's circular is very important, namely, that which relates to manpower. Another question which has not been referred to in the circular, one that is equally important, is that relating to finance. It is remarkable that that question has not been referred to. Possibly the Premier had in mind an incident which occurred on the goldfields in connection with the rally for contributions towards the last war loan. On that occasion a contingent of goldfields members engaged in a campaign to stimulate interest in the loan. With other members on the goldfields, I attended a meeting. We had the experience of seeing more members of Parliament present there than members of the public, and consequently the meeting was more or less a failure. Later on, it happened that the goldfields people in their subscriptions to the war loan actually trebled their quota. In other words, the people on the goldfields said: "You mind your own business; we do not need you to tell us what to do; we know what we are going to do and are prepared to do it." That may be the explanation of

the absence of any reference in the circular to finance.

With regard to the financing of the war, one thing is sticking out plainly, namely, that an answer must be found to the problem of paying for the war. Although people have been badgered and pressed to contribute voluntarily to war finance, there has also been a great deal of compulsion by means of taxation. Whilst I am fully in accord with the idea that taxation is the best way in which to finance the war, I think that possibly the voluntary system of contributing towards loans has the same effect as the voluntary system of military service. People who are enthusiastic in the direction of doing their utmost towards financing the war have been doing so and are still doing so; those who are hanging back will continue to hang back and will only respond to the appeals made to them when compelled to do so. So far as the State finances are concerned, all we can say is that, from a perusal of the statistics placed before us from time to time, the State appears to be carrying on in the same manner as it has through previous years.

At the 31st March, for example, at the end of the first nine months of the financial year, the State's deficit was £413,000 compared with the deficit last year for the same period of £236,000. The revenue is slightly down, whereas the expenditure is up. Apparently the contingencies of war are not sufficient to induce the Government to balance its budget. The Chief Secretary may explain that there are many items of expenditure which fall upon the Government as the result of the war, and that possibly they are reflected in the position as a whole. We know we should conserve all our expenditure for war purposes; unless that is the explanation of the position, the spending policy of the Government is entirely wrong. The question of finance is affected mostly by the policy of the Federal Government. I suggest to members that they should read a publication by the "Sydney Morning Herald." That publication, the title of which is "You, Me and This War," was issued last October, and contains the results of a series of investigations carried out by the Press on various activities associated with the war. The idea was to present a full statement of what had occurred, set out the difficulties of the various problems encountered, and the weaknesses of the efforts

which were being made towards a 100 per cent. achievement as far as the war effort was concerned. I recommend the publication because it explains very clearly some of the difficulties that arise in swinging over from peace to wartime economy, and indicates what has been done in Australia.

It makes some comparisons, of which a few are not complimentary to us, between our effort and that of Great Britain. The contrast is more vivid on the financial side. The publication confirms what I am about to say, that Australia has made a tremendous achievement in placing itself in a position to manufacture the requirements of war. Had anyone, before the war, suggested that Australia today would be turning out the guns and munitions which we are now manufacturing, he would have been told that it was impossible. As a matter of fact, our industry has so risen to the occasion that it is meeting those requirements not only as regards quantity, but also as regards quality. We have reached a high standard, one which before the war would have been frankly considered impossible. I sincerely hope that that standard will be maintained, and I trust that the part which this State is taking in that effort will be greatly increased and become more efficient than it has been up to the present.

The book to which I have referred deals fully with methods adopted of providing money for war. There are three: Taxation, raising loans and the printing press. Unfortunately, there is a tendency in democratic countries, more so perhaps than in other countries, to abuse the printing press. The weakness of our Australian system for many years past, in my opinion, has been the too great frequency of Parliamentary elections. If our Parliamentary term consisted of five instead of three years, we would get not only more stable government but would have sufficient time to implement our policy and demonstrate its effect upon the community. Because of that weakness, there is a tendency to take the line of least resistance, which is to provide finance by the medium of the printing press. That is because its results are not immediately apparent, although they are inevitable. The three methods of finance I have mentioned have all been employed by the Federal Government to meet the demands of the war. The note issue in December, 1937, was £54,000,000 of which £15,600,000 was held by the banks and

£38,400,000 by the public. In 1939—my figures are for December—after three months of war the notes held by the banks amounted to £13,000,000, while those held by the public amounted to £44,200,000, making a total of £57,200,000. In 1941, the total was £84,800,000, of which £17,700,000 was held by the banks and £67,100,000 by the public. Consequently a considerable expansion has taken place in our note issue. The figures to the end of February this year are £85,600,000.

Hon. C. B. Williams: Is not the Commonwealth spending about £1,000,000 a day?

Hon. H. SEDDON: I am pointing out the three ways in which the Commonwealth Government is financing the war.

Hon. C. B. Williams: Any way will do. The PRESIDENT: Order!

Hon. H. SEDDON: And I am also pointing out that the undesirable method is the use of the printing press. That has been, and is being, used by the Commonwealth Government to finance the war.

Hon. C. B. Williams: What is the alternative?

Hon. H. SEDDON: The figures for February are as follows:—

Held by the banks ..	£13,000,000
Held by the public ..	£72,600,000
Total	£85,600,000

In other words, credit has been expanded to a degree that is causing serious concern to those responsible for price-fixing and to those who are watching our finances. The next method is the raising of loans, and in this regard the public has responded generously to the appeal of the Commonwealth Government.

Hon. C. B. Williams: Will anyone back the notes you are complaining about? That is all they have to get.

Hon. H. SEDDON: The thrifty section of the public has contributed its quota towards the carrying on of the war; but a very considerable section of the public, which is spending to its full capacity, is not by any means bearing its full share of the burden.

Hon. J. Cornell: And it is not taxed.

Hon. J. SEDDON: I shall deal with taxation presently. That section is the most lightly taxed of our community. I have shown how credit has been expanded. The effect has undoubtedly been to raise prices; and, although the Price Fixing

Commissioner is very keen in declaring the prices of commodities day by day, there are still some commodities the prices of which have not been fixed. As the Minister will find out, a considerable rise has taken place in the price of such commodities. Incidentally, price fixing, which was introduced to limit the evils of credit expansion, is operating in this way: The margin between the cost and the return is being steadily diminished. We find that instead of a proportional increase being allowed, the tendency is to contract the margin between the cost and the sale price, the result being that the business community is being cramped in the conduct of trade, while profits are being continually reduced. Business activities are being further and further limited.

Hon. C. B. Williams: The business community is not half as cramped as are the poor fellows firing the guns.

Hon. H. SEDDON: On the other hand, many people not firing guns—

Hon. C. B. Williams: There are very few.

Hon. H. SEDDON: —are in a better position today than they have ever been before. It will be interesting to ascertain, while I am on this subject, what is the cost to the business community of carrying out the regulations which are continually being imposed by the Government. Many establishments are finding it necessary to employ a man to do nothing else but police the regulations and complete the returns required by the Federal Government. To that extent businessmen are under a big disability as a result of the war.

Commonwealth expenditure from loan money is interesting. As I said, much of the cost of the war is being financed from loans. In 1937, Commonwealth expenditure from loans was as follows:—

	£
1937	2,700,000
1938	4,500,000
1939	3,600,000
1940	31,300,000
1941	105,200,000

The amount of expenditure for defence was as follows:—

	£
1940	28,800,000
1941	101,500,000

Members will therefore see the effect that war expenditure has had on our economy.

The Federal Government has made full use of the note issue and has floated loans to a large degree.

Now, what about taxation? Members will find some interesting comparisons. The return from excise duty has doubled; in 1937 it was £14,200,000; in 1941, £24,300,000. The return from sales tax has more than doubled since 1937, when it was £8,000,000; in 1941 it was £19,800,000. Flour tax increased from £12,000 to £1,500,000. Land tax has more than doubled, from £1,400,000 to £3,200,000. Income tax has increased fourfold, from £8,500,000 to £39,300,000.

Hon. C. B. Williams: That is bad luck.

Hon. H. SEDDON: War-time companies tax returned £3,900,000, while estate duty, gold tax, etc., yielded £3,800,000. The total return in 1937 was £62,700,000 and in 1941, £125,300,000. Those figures of course include customs duty. The three avenues of financing the war have been thoroughly exploited, as the figures I have given disclose; but, in my opinion, the incidence of taxation requires emphasis. I am quoting again from the publication to which I have referred. The authors group the national income and the employees' income in certain wage groups. Those in the group earning under £400 a year, consisting of 2,750,000 workers, had an income of £560,000,000 in 1941, and contributed by way of taxation £5,000,000. The wage group earning from £400 to £1,000 a year, comprising between 200,000 and 300,000 workers, earned £145,000,000, from which they contributed by way of tax £8,000,000. Those earning over £1,000 a year, comprising between 40,000 and 50,000 persons, earned £95,000,000, and contributed by way of taxation £20,000,000.

Hon. C. B. Williams: What is wrong with that?

Hon. J. Cornell: The voting power is with the first group. That accounts for it.

Hon. H. SEDDON: In other words, the greater part of the income tax was contributed by persons earning the higher incomes, and this is in accordance with taxation policy in all countries. But the disproportion between the amounts contributed does appear to me to be too great. The Federal Government has since imposed the war tax of 1s. in the pound. The taxation on higher incomes has been so severe that the Federal Government was forced to pass legislation limiting the exaction to 18s. in the pound. That is very severe, but not so severe

as is the taxation in Great Britain. Members will find that the man who is earning £500 a year from personal exertion is contributing £66 by way of direct taxation. The man who is in receipt of £1,000 a year has to contribute £177 by way of Federal tax, which means that his total income tax will be about £220. Members will see that it works both ways. If the individual's income has risen from £500 to £1,000, he will have to pay roughly four times the amount in taxation compared with what would have been necessary on the lower range of taxation.

Hon. C. B. Williams: He would still have a salary of £800 during the course of the war.

Hon. H. SEDDON: I am pointing out his position compared with others during the war period.

Hon. J. Cornell: If it were to be regarded from that point alone, then we can wait till the Japs alter it.

Hon. C. B. Williams: I do not see what an argument about it will accomplish. The other people will take no notice of what we say.

Hon. H. SEDDON: The point I am making is that if the Federal Government persists in the policy of interfering to such a degree with commercial activity then the Government's revenue will suffer in consequence.

Hon. C. B. Williams: Do not you think—?

The PRESIDENT: Order! The hon. member must stop interjecting.

Hon. H. SEDDON: If the Federal Government persists in its policy the effect on Commonwealth revenue will be the reverse of that which is anticipated. The object is to secure the return under the heading of taxation of the highest possible figure. In support of my contention that a section of the people is not being heavily taxed at the present time and yet is enjoying its full share of Government expenditure, I draw attention to the expenditure on consumption goods, those that are being used by the people every day and which disappear after use. In 1940 the expenditure on consumption goods amounted to £794,000,000; in 1941 expenditure of that type represented £925,000,000, and the estimated expenditure for 1942 is £1,000,000,000. There it appears to me that a considerable expenditure has been incurred along lines that are

more or less unnecessary. That represents a field of taxation that I am sure the Government will have to resort to in a greater degree if the object of keeping up revenue is to be maintained, thereby at the same time keeping the gap between revenue and expenditure within reasonable limits.

I have already referred to price control and the carrying out of its financial policy by the Federal Government. There are other matters of importance to which I shall allude. The first has relation to the Federal Government's financial policy as it has been applied to date. Since the present Government took office bank credit has to a large extent been frozen. That means that commercial activity has been restricted to an extent that, in so far as it was intended to obviate unnecessary expenditure, has been all to the good. To the extent it has operated to restrict what may be regarded as work and activity necessary to the public existence, it has been entirely to the bad. As a matter of fact, steps have been taken by the Federal Government that have never been introduced in any other country. In fact, the sale of securities here was entirely stopped. That also applies to the sale of land while another proposal was that, irrespective of the field of activity, company profits should be limited to 4 per cent. The effect of such a policy on the whole community has been such as to strike a vital blow to a large proportion of the population that was dependent upon income from investments for its living. It severely restricted business activities.

Irrespective of what the activity may have been, the policy set up a differentiation between individuals, some of whom may have found themselves in the position of being unable to meet their commitments. One man, although previously in a comfortable position, may have been rendered unable to meet his commitments, while others similarly circumstanced, must have found the greatest difficulty in meeting their obligations. Even when the sale of securities was restored to a limited extent, the basis taken for the valuation of securities was that prevailing on the day before the market closed, at which time the market was feeling the full effect of the blow the Government had administered. The result was that the value of Federal securities on the market fell literally to the extent of millions

of pounds. Yet that was the basis upon which business was to be restored. In other words, the person who would benefit from the position that arose was he who had selfishly refrained from engaging in commercial activities, who had selfishly refrained from in any way supporting the war effort, who had hoarded the whole of his money and had it on a cash basis. That type of individual was able to step in, take advantage of the market and buy up the securities at the prices quoted. That was the effect of the Federal Government's policy upon the financial world.

Let members view the position as they may, the fact remains that finance has a most important effect upon the successful prosecution of the war. It has been suggested that many nations are proceeding without the necessity for finance. My answer to that suggestion is that if any Australian were able to go to those countries and see for himself what the conditions there are, let alone to experience them himself, he would be quite satisfied to return and claim that almost any conditions were better than those obtaining in such countries. However, I have made the point that the effect of the Government's financial policy will be rather the reverse of what was aimed at, and the result will be the deflection of revenue in the direction of sealing down the effect on individual incomes. The fact that a man's income of £1,000 is really reduced to £500, means that he will only contribute in taxation one-quarter of what he would have paid under normal condition.

One most important factor is the adverse effect the policy has upon the morale of the country. Morale is more a matter of confidence than of anything else, and if the confidence of the public, including those who are responsible for the management and conduct of enterprises that are of importance in our commercial and industrial life, is shaken, the result can only be detrimental. As an illustration of what I mean, I would direct the attention of members to what has happened on the goldfields. I previously referred to the position regarding banking operations. Another of the effects of the Government's policy was to be seen in the threat to the goldmining industry. That threat has been more important than an actual disturbance, in its effect upon

public confidence. Those associated with the mining industry are in the position that they do not know what will next confront them, and that attitude is reflected throughout the whole industry. The prevailing feeling is that the mere ventilation of the Government's policy had a more disturbing effect than a straight-out decision would have had. To that extent public morale has suffered, and the war effort has been adversely affected. Next I desire to refer to the Federal Government's proposal for a unified income tax. I do hope that proposal will receive very careful consideration and close scrutiny from all angles.

Hon. J. Cornell: Particularly in view of the fact that all who were on the Federal committee were unificationists.

Hon. H. SEDDON: Undoubtedly the step suggested is one of the most momentous that could be taken towards accomplishing unification. It represents the biggest step taken for some time. Although Western Australia, according to the proposal, would receive from the unified tax an amount practically the equivalent of what would be received under the normal taxing conditions, the fact remains that the State would become more than ever dependent upon the Federal Government for finance. Consequently I think the whole scheme should receive careful examination when the Premiers' Conference next meets. If the decision is in favour of a unified tax, I hope the representatives of Western Australia will seek to impose a condition that if the Federal Government assumes the right to impose a unified tax, which will be limited in its operations to the period of the war, the Federal Government will be bound to assume full responsibility for the State indebtedness and the servicing of that debt. My reason for saying that is that the total amount received from taxation last year was just over £3,000,000 and the interest bill that the State paid was also just over £3,000,000. In that calculation I exclude, of course, exchange charges. If Western Australia is to be left in the position of being entirely dependent upon the Federal Government respecting the amount to be received from the unified tax, and is to be expected to carry the whole load of the burden of indebtedness, then the financial position will become utterly impossible. From that standpoint I hope the proposal will be most carefully scrutinised. I will leave a

more thorough investigation of the matter to another member who I understand intends to go into it at length.

I shall deal next with the question of manpower in relation to our industries. Members who have followed the series of events that have occurred will note what position has arisen in connection with the goldmining industry. I want to clear the ground on one point. There is an idea that gold is unnecessary, particularly in time of war. This opinion has arisen in view of the national crisis. Experience has shown that in any stable community when conditions are more or less settled and there is no overhanging menace such as that endangering Australia at present, a certain proportion of gold may be unnecessary in order to maintain the currency, or at any rate the amount required to keep the currency on a more or less stable basis is very small. In those circumstances paper largely takes the place of gold. But in times of uncertainty and crisis gold is something stable by which to abide, and that is just the time when the gold reserve should be constantly increased in order that there may be established, not only a solid reserve of a commodity that has a world value, but one that becomes necessary in order that the confidence of the people in their own currency may be maintained. Notwithstanding that fact, we find existing a widespread opinion that at this time of stress the credit issue should be expanded, that gold is unnecessary and that goldmining should be relegated to the background in favour of more pressing and urgent activities.

From that angle I say quite frankly that if the urgency of war requirements is such that all our manpower is to be permanently employed in war work, I cannot see that there can be any objection from the goldmining industry any more than from other phases of our industrial activities. On the other hand when we see, as we do today, certain occupations that are entirely unnecessary still apparently unrestricted, despite which those occupations absorb quite a considerable number of men who would be much better employed in connection with war activities, we claim that those occupations should be vacated as being entirely unnecessary and the employees re-established in some other industry which from the standpoint of Western Australia is vital. The opinion expressed in the Eastern States that

the effect of the current position will be to reduce Western Australia to a "ghost State" was literally correct, because of the effect of the goldmining industry with regard to the direct contribution to the revenue of the State and with regard to the still greater effect indirectly upon the earning power of the people.

Hon. J. Cornell: It is about £40,000,000 a year.

Hon. H. SEDDON: Bearing that in mind, and also our commitments, the State will not be able to recover from the shock if such a policy is put into effect. From that angle we feel most seriously concerned, and we view the question of the administration of manpower as one due for most drastic revision because other occupations are still allowed to be carried on while an important industry from the State point of view is being sacrificed.

Hon. G. B. Wood: To which industries do you refer?

Hon. H. SEDDON: I refer to two, not industries, but occupations, as I was careful to term them. There is the occupation of racing with all its ramifications, and the occupation of starting-price betting and all associated with it. Any occupation that can be described as unnecessary and parasitic should be very severely curtailed; and from the standpoint of priority in employment I hope the activities of the manpower authorities who, I see from the Premier's circular, are acting on behalf of the Commonwealth Government, will be seriously reviewed and amended.

Let me give a few details regarding military service. Since the war started, enlistments from the goldfields have been such as to compare more than favourably with those in any other part of the State. When the war with Japan broke out, 800 men enlisted from the Kalgoorlie goldfields in one week. On the biggest mine of the Golden Mile, the policy of the management has been that if any employee desired to enlist, he was to be allowed to do so. On all the mines, I think I am safe in saying, any question of development work is a thing of the past because the mines are confining their activities simply to carrying on. One of the reasons advanced for the curtailment of the goldmining industry was that shipping space was required most urgently for war requirements and therefore the use of shipping space for carrying mine stores was

an interference with the effective carrying on of the war. As a matter of fact, a number of the mines had taken the precaution of acquiring a very considerable reserve of stores. One mine is in a position to carry on for at least two years. Therefore, from the standpoint of shipping space, the argument does not apply. At any rate, we cannot see why this industry should be singled out for total extinction when other occupations like racing and starting-price betting are permitted to be carried on. I say that the time for revising the manpower provisions is long overdue, not only from the standpoint of the selection of people to assist in the war effort, but also from the standpoint of allocating the men who are being utilised.

Hon. H. V. Piesse: The primary producers are in the same position.

Hon. C. B. Williams: Oh, the primary producers never pay any wages in order to keep men.

Hon. H. V. Piesse: They have had no opportunity to do so.

Hon. H. SEDDON: The question of manpower might be approached from another very interesting angle. The population of the Japanese Empire is about 100,000,000 and we are told by the statisticians that that country has the highest natural increase of any country in the world, namely, about three per cent. This means that Japan every year can count upon 1,000,000 new recruits for her armies and still have reserves coming forward to carry on the manufactures and work necessary to keep them in the field. Against that Australia has a population of 7,000,000 and the natural increase is one of the lowest in the world.

Japanese strategy is the same today as it was during the Russo-Japanese war. It ultimately became a matter of overwhelming opponents by mass attacks; the Japanese hurled men into the firing line regardless of loss, to overwhelm their opponents. This policy was adopted in Malaya and in the Philippines and it will be followed whenever they make their attack on this country, should that time come. We pride ourselves upon the calibre of our men, which undoubtedly is high, but unless we use our manpower with the object of obtaining the greatest possible efficiency from it, we are likely to find our problem even greater than that which confronts the English and American

people. Unless our men are placed in the jobs for which they are best fitted, this manpower business is going to fail in its application. The military side is in the hands of the fighting services, but the munition and supply sides—the assignment of workers and the relative importance of occupations—are matters that are in other hands. Enlistment and munition work have taken and are constantly taking increasing numbers of our men and the authorities are frequently revising the priorities, but still occupations are allowed to continue which, in a state of national shortage of manpower, cannot be justified.

With regard to efficiency of assignment, I have been told that in one branch of the military service men who are fully qualified and experienced accountants are engaged in the office and their job is to carry papers from Mr. So-and-So to Mr. So-and-So, a job that a 14-year-old boy could do.

Hon. J. Cornell: That was always so in the army and, I think, always will be so.

Hon. H. SEDDON: If it was always so and always will be so, the sooner we learn the Japanese language, the better, because there can only be one result from a policy of that kind. If our position is as low as that, we do not deserve our freedom.

Hon. E. H. H. Hall: I can hardly credit your statement.

Hon. C. B. Williams: You can see such men in Barrack-street every day carrying papers.

Hon. H. SEDDON: With regard to munition works, the same thing applies. There again the authorities are not using men and machines to the best advantage. Let me give an illustration. Soon after the war broke out the management of the mines in Kalgoorlie informed the Commonwealth authorities of the workshops and machines employed in the service of the mines and said there was no reason why those workshops and equipment and their men, all skilled men, should not be used for 24 hours a day to produce munitions. Yet, during the 2½ years since the war began, no step has been taken for the utilisation of those workshops and men. There is an illustration of the deficiency in the use of available resources. On those facts it can be seen that manpower application in this State is deplorably low,

and there is by no means any approach to the 100 per cent contribution to the war effort.

I think I have covered the field fairly thoroughly. I desired to stress the two factors, namely, those of manpower and the absolute necessity of putting up a fight for the continuance of the main industry of this State. I was very pleased indeed to find in the Ministerial statement delivered by the Premier in another place that the Minister for Mines is to accompany him to the conference at Canberra. I feel sure that both the Premier and the Minister for Mines will exert every effort to ensure that the goldmining industry is retained and that the State gets a fair deal. I have given an indication of what the industry means to the State and, if we raise our voices in an emphatic protest regarding the discrimination against the goldmining industry, we might get a better deal. I should like to make a brief reference to the question of liquor administration.

Hon. C. B. Williams: I thought you had forgotten it.

Hon. H. SEDDON: I had not forgotten it.

The PRESIDENT: Order! This question will be raised before the House tomorrow and I remind the hon. member that the whole question of licensing will then be open for discussion. Therefore, further than an incidental reference, I hope the hon. member will not go thoroughly into the matter at this stage.

Hon. H. SEDDON: Thank you, Mr. President. Mr. Williams seemed intent on drawing me out and I was about to accept the challenge. I will content myself by saying that unless the administration of the new regulations is a great deal more effective than the administration of the present Licensing Act, the Government might as well save itself the trouble of putting them into effect.

Members: Hear, hear!

Hon. H. SEDDON: If the Government could see its way clear to call an informal meeting of members to consider all these questions, its activities might be placed on a more organised basis. We have promised the Government our heartiest co-operation in all these matters. I hope that my remarks regarding efficiency will be taken to heart, because the question of

efficiency is all-important today. Long before Germany entered the war, that country was organised so efficiently in the matter of its production programme that after the war broke out it was able to carry on. There are definite principles associated with efficiency, and the principles of efficiency are not known here. Too much valuable time has been wasted and too little remains in which to get a 100 per cent. effort towards victory. Unless we take more notice of these matters, things may prove to be a great deal harder than they need be.

HON. H. L. ROCHE (South-East) [12.13]: On each occasion when I have spoken on the Address-in-Reply, I have suggested something in the nature of a secret session that would permit of members of this Parliament being given a broad outline of our place in the war and the dangers likely to beset this country. To my mind it seems absurd to suggest that the very limited number of Federal members can discharge their duties adequately in Canberra, and at the same time maintain close contact with their electors in this State. In this respect Western Australia is in a peculiar position as compared with the other States of Australia. I have never suggested, and I do not think anyone would suggest, that this or any other Parliament should be given information of the intimate secrets of the General Staff. But I represent a not inconsiderable portion of this State, and I consider that I would be lacking in my duty if in this time of crisis I passively accepted a position which seems to me to indicate that those people, and those of our people in Western Australia, may virtually be handed over as a sacrifice to the first invading force that should land on this western coast.

Western Australia's position appears to me to be somewhat analogous to that which Australia occupied in Allied strategy last December. I consider that we people not only in Western Australia but throughout Australia owe a big debt of gratitude to the present Prime Minister for the strong stand he took on that occasion, and for the representations he made in London and Washington on our behalf. The results are, in my opinion, reflected in the growing confidence in the Eastern States as to Australia's ability, with Allied help, to withstand the storm that is almost certain to break. However, I have as yet little confidence in the position of Western Australia.

From what I have been able to glean merely as a private individual, and from private observation of the dispositions made, it does seem to me that the retreat complex may still enter largely into the preparations that are being made in Western Australia. If that is the position, the unlimited peril to our people in this State is such that I do not think any justification or any excuse can be urged for denying any longer to this Parliament the right to a broad, general review of our position in the war, and the steps that are being taken to maintain the defence of this State. It is of no satisfaction to me, and I am sure it is of no satisfaction to our people, to have any assurance that Western Australia will be regained after the war. There was a somewhat similar suggestion in Press telegrams or in oversea cables regarding Australia's position last December; but John Curtin, to his credit, was not prepared to accept that suggestion. I think it is high time that what he was then able to do for Australia should be done on behalf of Western Australia, within an all-Australia scheme of defence.

It is possible that in recent weeks there has been some improvement; and yet it is perfectly obvious that certain preparations were made, and suggestions offered, or something more than suggestions. I shall not particularise, because I do not wish to say things which might prove informative to people who are not quite as well disposed to Australia as they should be. Still, I can, if necessary and in secret, particularise regarding certain things which indicate that it is high time to take a very definite stand. If the position is not as until very lately I thought it was, then we as representatives of the people of Western Australia are entitled to a re-assurance from the Government on the point, but, if the position is as bad as I think it might be, we are entitled to know the facts, so that we may do whatever we can and take such steps as it is possible for us to adopt in order to enable our people to make some sort of defence. For there can be no question of surrender to the type of enemy that we are likely to be forced to engage in this country. It would be better to die than to try to live under such an enemy. Whilst on that aspect of our problem, I will concede that it may not be possible for Australia or our Allies now or in the very near future to make avail-

able sufficient trained men or modern machines of war to ensure our defence. In that case we would be called upon to make the utmost use of such manpower as we have and of such facilities of war as we possess in this State.

In my opinion, that section of our defences which will then play a major part is that which is generally known as the Voluntary Defence Corps, because in present circumstances that corps, with the haven of steadfastness that it possesses, will make a very considerable and possibly a major contribution to our defence. Up to date the members of that corps have had little encouragement; at best, its members have received an apathetic interest from the military authorities. Its command in this State appears to have lacked much in the way of animation or direction. I hope it will not be presumptuous on my part to suggest that the Premier of Western Australia or some member of his Cabinet, having regard to the peculiar geographical position in which we find ourselves, might act as a direct liaison between that very vital body in our defence, the V.D.C., and the Minister for the Army. The V.D.C., in my opinion, forms the nucleus of a people's army par excellence against any invasion of this country. I do not, however, suggest a private army. I suggest that the Premier, on behalf of the corps and on behalf of the people of Western Australia, might take up with the Minister for the Army the question of an ample supply of automatic weapons and explosives for that unit.

Our position is such that we are entitled to demand much more in the way of weapons. Those weapons of themselves would assist very considerably, and encourage the men who have carried on for the last couple of years at their own expense. With the aid of those arms Western Australia would be able to build up a force knowing the local conditions of the State and accustomed to finding its own way about our hilly and timbered country, thus providing a highly effective counter to Japanese infiltration methods. I merely offer that as a suggestion, hoping that something may be done in that regard, failing a complete assurance that the V.D.C. will never be required. My personal belief is that it will be required. Without being pessimistic—for I retain my faith in the Australian people and the British people

—I do hold that an attempt at invasion of Australia is certain; for so long as Australia stands, Japan can never win the war in the South Pacific, any more than Germany can win the war in Europe while she fails to overwhelm Great Britain.

I hope the Government will give full consideration to the right this Parliament possesses, having regard to the enormity of the peril confronting us, to know more of the general state of our defences than has been vouchsafed to us to date. All we know is what we know as private individuals, and some of that information may be true or some of it may be false. I am not greatly interested in the argument for or against this method or that method of financing the war. In my opinion we can only fight a total war from behind scratch, and I see our present position as being behind scratch. By adopting total methods, utilising every one of our resources for the one purpose, and the one purpose only, we shall achieve victory. There is no privilege, no property, and no money that can be regarded as sacred, whether it is money or property belonging to the Right or the privileges enjoyed by the Left. I believe that before we shall have brought this struggle to a victorious conclusion, so far from maintaining our present standards we shall find ourselves in rags and tatters, and barefoot, because everything we possess must go in and everything we have will have to be put into it. If the money is in this country and the Government needs it, let the Government take it. If the money is not here, the defence of this country will have to be carried on without money to defend it.

As regards one feature of our activities relating to the present crisis, there is much confusion. That is in respect of proposals for evacuation. I am not one of those who believe that against aerial attack there should be anything like a comprehensive plan of large-scale evacuation. For children, some women and invalids there may be evacuation; but if we have to face more than bombing attacks, we shall have to face an army which, judged by our standards, follows a policy of brutish barbarism in its treatment of subject peoples. Therefore serious consideration should be given to this aspect of evacuation. If we are not going to organise evacuation in those circumstances, we shall have to organise against evacuation, because people are not going to sit around passively

waiting for the axe, to fall under the domination of an authority such as the Japanese soldiery. And if we do organise against evacuation, can we do it in any effective way? We cannot ask our own soldiers to shoot down Australian women and children on the roads. Neither can we prevent the enemy from treating them in the fashion that has already been demonstrated in China and northern Europe and driving them ahead of his forces to mask our own soldiers' fire.

This is a big problem and involves big difficulties, but the difficulties are such as have to be overcome and must not be accepted as insuperable. If we do remove a large section of our people from the metropolitan area to east of the Darling Range, there would be the difficulties of food supply and water; but I think we can reasonably count this year on a normal season. From the start of the winter, water should not be an insuperable difficulty for six months at least. Of course we shall not be able to get hot and cold water by turning on taps. Nor shall we be able to switch on the electric light. If the plans of the military authorities do not now embrace the withdrawal of large sections of our forces to the Darling Ranges, there must have been an alteration in their outlook and there should be room for a well organised plan of evacuation for non-combatants in the areas which it may not be possible to hold against an invading army. There is another phase of evacuation that I think needs consideration, and that is the position obtaining with regard to what I should call the voluntary evacuees, and the effect that that stream of people has had on the accommodation that might have been made available to the people the Government desires to evacuate. All through the towns on the Great Southern there has been a sudden influx.

Hon. H. Seddon: In most parts of the State, I think.

Hon. H. L. ROCHE: Most parts east of the Darling Ranges, I should imagine. I am speaking of the Great Southern because I have a greater knowledge of that section of the State than of other parts. Those people have not come in as part of an organised scheme but in order to dodge a few bombs they anticipate will fall on Perth and to save their own skins. Some would possibly be included in any Government-controlled scheme, but the fact remains that

they have taken the accommodation that may be required in an organised evacuation whether from Perth or from a target area.

Hon. G. B. Wood: Why should they not have the accommodation if they get there first and are women and children?

Hon. H. L. ROCHE: If they are women and children, they are entitled to consideration. But unless it is to be a full-scale evacuation of the metropolitan area, I do not think women and children should be allowed to leave an area unless it is a target or dangerous area.

Hon. J. Cornell: What is a target area?

Hon. H. L. ROCHE: I do not wish to canvass that. I understand there are certain target areas in Fremantle. If the Minister or the interjector cares to mention them, well and good. I am not going to do so.

Hon. J. Cornell: Matilda Bay is not a target area, but looks like one.

Hon. C. F. Baxter: There is a steady stream returning to the city now.

Hon. H. L. ROCHE: I know of one instance of a small country town in the lower Great Southern where the local authority estimated there was accommodation for 550 evacuees, but voluntary evacuees have taken up the accommodation which was available for 400 people. Subsequent to that influx, the local authority received a communication from a coastal area asking how many evacuees the town could take in the event of the coastal area being declared an evacuation zone. The country town is almost a neighbour, and obviously should have been able to take most of the evacuees from the coastal area. The reply, however, was that all that could be offered was accommodation for 150 people.

So far as I am aware, to date there has been no attempt to provide for evacuees other than in recognised dwellings of one sort or another, but early consideration should be given to the need for establishing what I might call community evacuation centres, such as the show grounds and similar places where at least shelter could be given to people and they could be centralised, and where water and firewood and food services could be provided. I never expected to see in this country scenes comparable with those of twenty years ago or even of recent years in the older countries of the world, with women and children on the road—as straggling refugees. But, although

it may be looking at the black side of the picture, we must be prepared to anticipate that that sort of thing can happen here. That happy frame of mind that does not believe things are as bad as they seem and that "it cannot happen here," is a greater menace to us than some of our recognised fifth columnists. There are people given to publicity through certain channels who, I believe, with their wishful thinking, should be either warned off by the authorities or placed in an internment camp, because they do more to sustain those people who do not wish to make any worth-while contribution to the war effort than does any other single factor. I may be accused of painting a doleful picture, but I do not want hon. members to get that impression.

Hon. L. B. Bolton: You are not optimistic!

Hon. H. L. ROCHE: I think for once we might try to do too much too soon, rather than have history record once again that we tried to do too little too late. If we make the right approach to the menace ahead of us, we must recognise that nothing counts in our everyday life and in our economy as much as winning the war, and it is such a huge task that is now set us that we must use everything we have and forgo many of the things we have regarded as essential for so many years. The Federal Government is working and our State Government, so far as we are able to ascertain, is also making a contribution towards furthering the war effort. But I think the State Government should take us more fully into its confidence.

We were informed quite recently that there is to be a reduction, and perhaps an elimination, of gold production in this State. If a good case can be made that the Federal Government must have the trained or untrained manpower from the goldfields: if the reduction which has been announced in the wheat-growing industry—in Western Australia alone for some strange reason—is necessary in order that manpower may be released for the war: if there is to be a reduction in any other of our industries for that purpose, we shall have to face it cheerfully.

Hon. J. Cornell: I think we should all go to bed first.

Hon. H. L. ROCHE: I am not discussing food and drink at the moment and as you, Sir, indicated to a previous speaker, we shall be able to discuss certain things in connection with liquor tomorrow. I suggest that in regard to those activities which presumably come within the scope of the State Government, at all events to some extent, there should be more rapidity of action, especially in arranging for dispersal in country areas of such commodities as wheat and wool. I realise that essentially they are under the control of semi-governmental boards set up by the Federal Government, but I am assuming that the opinion of the State Government counts for something.

In common with other members, I have received a letter from the Premier in which reference is made to directions in which we might help. One reference is to bulk storage of wheat in country districts. I think we can all agree with that, or at least most of us can; but it seems ironic to have that sort of proposition made by the Premier of the State when there appear to be acres of galvanised iron being built into bulk bins at Bassendean and Picton Junction, within a stone's throw of the coast. If those bins had been completed before the letter was sent, I could understand it better than I can now. In both instances one bin has been completed, a huge structure, and the other is half completed. Surely if we have to distribute or store wheat in country centres it would be wise for us to avail ourselves of the opportunity of using some of the material that has yet to be put into the Bassendean and Picton bins in those country centres where we can safely store the wheat from interference by anyone disposed to attack us.

Hon. C. F. Baxter: And where the weevil menace would not be so great.

Hon. H. L. ROCHE: The same applies to wool. There is now wool appraisalment at Albany and it seems ridiculous to bring wool to Fremantle to appraise it, to build stores and to put it on the waterfront when wool from Narrogin south could be taken to Albany for appraisalment. Although there would be extra expense, we have to face that. For the wool east of Northam it should be possible to provide appraisalment and storage centres and so on throughout Western Australia.

In our war effort we are a little too inclined to be governed by a peacetime outlook, and to worry about the cost involved. There is only one cost that counts now, and it will count for some time to come, and that is the cost of winning the war. When I speak of that cost, I do not mean the cost that the auditor and the adding machines seem to regard as so essential. To some extent I think that our effort, particularly on the civil side—and that goes for the civil administration of the Defence Department also—is largely governed by the auditor and adding machine complex, if I might use the term, in which a 5s. voucher or a 10s. receipt means as much as or more than the lives of five or 50 men.

Hon. J. Cornell: Or half-a-crown in the paybook!

Hon. H. L. ROCHE: Exactly. The time has arrived when the Government should take to itself, if it can, under the Federal National Security Regulations, the right or the duty of organising certain of the essential services in Western Australia. I refer firstly to the chaotic conditions that are going to obtain in another few months with regard to shearing. Unless the skilled manpower left to us is organised and run on businesslike methods, unless the utmost use is made of those that are available, a lot of sheep in this country will either not be shorn or, if they are, the fleeces will be so full of grass seeds that they will be greatly depreciated in value.

The effect upon the industry itself must be taken into consideration. This should be a simple matter, but it has not been attended to. We are still working under the old method of "laissez faire," or the so-called voluntary effort. There must be organisation and control. Surely the National Security Regulations contain sufficient authority to enable the Government to organise and control this work. It is right I should remind the Government that it could well devote less time to exhorting producers to grow essential foodstuffs which are at the moment under short supply, and devote such time as is necessary to effecting a cure for the difficulties which people are experiencing in obtaining the necessary labour for the production of such foodstuffs. There is great need for organisation if we intend to get through with the business.

Hon. W. J. Mann: Organisation by some one who knows something about the matter.

Hon. H. L. ROCHE: I presume the organiser would be a man who knew something about the business. We are drifting into chaotic conditions. I was assured last night by a South-West resident that growers could produce many more potatoes if they had sufficient labour. By the middle of next month the crop at Bengel will be ready for harvesting. Unless something can be done to provide the necessary labour the position of the growers will be a desperate one. There must be some labour that can be made available for industries of that kind.

I ask the Government to expedite a clarification of the position obtaining in the pig-meat industry. Pig-meats are being sold under a declared maximum price, not a fixed price. The two things are very different from the point of view of the producer. Whereas bacon and pork are sold in Western Australia at 6½d. per lb. similar meats in New South Wales are being sold at 8d. per lb. In this State a few weeks ago there was a drop of 15 per cent. in the primary markets for bacon. The results are widespread in the province I represent, and more and still more people are discouraged owing to the difficulties that are adding up in connection with the inadequacy of labour. Many people are going out of pig and bacon production. Unless the Government quickly clears up the matter too many breeding stock will be sent to the slaughter house for us to be able to increase the production of pig-meats to the extent that, it would appear, is required of us.

I do not wish the Chief Secretary, as representative of the Government, to think that I am merely trying to be critical for the sake of criticism. I hope nothing I have said will be construed as criticism of the Prime Minister, and of the efforts he is making to put Australia on a war footing and secure the maximum war effort from the people of the continent. He is not being helped by some of his apparently close associates, I imagine, or by some of those people who are connected with the Labour movement in the Eastern States. My personal view is that in recent months John Curtin's stature has grown immensely in the view of a large section of the Australian people. Believing that, rightly or wrongly, I do not want anyone to think that any criticism or suggestion of mine will be ac-

cepted as criticism of what the Prime Minister and at least some of his associates are trying to do for Australia.

HON. G. B. WOOD (East) [12.52]: I am glad the Government has seen fit, at the request of a majority of members, to call Parliament together at this time. Private members should have the privilege of coming together even in war time to offer constructive criticism of the work of the Government, indicate where they think that work is lacking, and do all they can to assist the Government, should it wish to accept such assistance. The people expect that of us. Whilst I admit that many of the matters with which we may deal are Federal in nature more than they appertain to the State, I believe that because State members are closely in touch with the people of Western Australia, they know more about such matters than do members of the Federal Parliament. I hope the State Government will accept the advice that is tendered to it and use its influence with the Federal Government to see that those suggestions which are most desirable are carried out. I trust this session will achieve much good, and that the Government has not called us together merely to humour us and satisfy the outcry that Parliament should meet. I hope it intends to take notice of what is said and that Ministers will not endeavour to get back as fast as possible to the cover of their departments.

In my opinion, the Chief Secretary is to be complimented on the statement he made last week. It occupied six pages of "Hansard" and contained a great deal of information. I venture to say that the Chief Secretary could have occupied six more pages of "Hansard" respecting matters about which we were not informed and about which we think we should know something. I realise that the Premier and his Ministers are unable to tell us everything in open session. My idea is that we should have a secret session, if only for a few hours, so that the Premier might make a statement to both Houses concerning many subjects about which we should have more intimate knowledge. I am now going to deal with three or four things which are not of a secret nature. I want to know why so many Western Australian troops went on to the Eastern States upon their return from the Middle East. Everyone knows that the

troops passed through Perth. I believe we have a right to an answer to that question. Western Australia is the front door of Australia in the line of invasion.

Hon. J. Cornell: Have you not heard the reason for that?

Hon. G. B. WOOD: The only person of whom I would take any notice on this question is the Premier, not the man in the street. I want to know whether our troops are returning to Western Australia.

Hon. J. Cornell: Many of them are.

Hon. G. B. WOOD: I have heard that they are coming back, but I want to know.

Hon. H. S. W. Parker: Stick to the man in the street.

Hon. G. B. WOOD: I have no intention of doing that. I also want to know what is happening at Welshpool. We heard many months ago what was going to happen there. I visited the place recently to see what was going on. I saw a wonderful brick building, a barbed-wire fence around it, good roads leading to it, and so forth, but where are the workshops and the machinery? Members are entitled to know about these things, and what is being done at Welshpool. There may be good reasons for the delay, but it is our privilege and right to get an answer to our questions.

What is happening at Midland Junction? We were told by the Premier that many things have been done there, but what things have been done? I do not say we ought to be told the answers to these questions so that we may pass them round the country, but we ought to be in a position to tell people that things are going along quite well and give them reassurance on the point. I want to know why the railways are run in such a disgraceful manner. Nearly every train along the Great Southern line arrives at its destination late. Why is there so much congestion at Spencer's Brook? I want to know that the Government intends to do something to avoid that trouble. It is something we have been advocating for a long time, and it should not be difficult to put matters right. Why are these things going on at a time when there is so much traffic on the railways? We are told there are not enough engines to haul the traffic. That may be so, but there may be other reasons for the trouble. Spencer's Brook is one of the most vital junctions on the system, but the conditions there are chaotic. Passenger trains have been held up for half-an-hour whilst

goods train are being shunted. A train from the Great Southern has reached Perth at 1.45 instead of 10.30 a.m. due to a carriage developing a hot-box. One train was allowed to run with a hot-box all the way between Pingelly and Chidlow's Well where the carriage was taken off. It was Easter Monday and the train was full, but the passengers were pushed out of the carriage in question and made to fill the compartments in the rest of the train. We hear people growl and moan about these things, as they have a right to do, and it is time the troubles were rectified. These are some of the reasons why a secret session of Parliament should be held. There are also many other things about which we should be informed.

Sitting suspended from 1 p.m. to 2.15 p.m.

Hon. G. B. WOOD: Before lunch, I was referring to some matters I thought it desirable to bring to the attention of members. Mr. Roche mentioned the Volunteer Defence Corps in Western Australia. I would like to know why it is that this huge corps has such a limited number of rifles between them.

Hon. H. S. W. Parker: But that is a Commonwealth matter.

Hon. G. B. WOOD: It may be; but I think we should know the reason, because it is very disheartening to the members of the corps. I have belonged to the corps for 10 months and have fired only 10 shots from a rifle. Many members of this corps have not yet received one. I point out that included in the corps are young railway workers who are training after they have completed their day's work. Some of them have never handled a rifle and some tuition is required before a .303 rifle can be used effectively. They are difficult weapons to use if young fellows are not very strong. Mr. Parker says the matter is one for the Federal Government, but it is about time we heard less of such remarks. Today there is too much of this business and that business being a Federal concern. The opportunity is a good one for the advocates of unification; and we should be allowed to raise these matters in the State Parliament. Pity help Western Australia if we get unification!

I do not think reference has yet been made in this House to the members of the American Forces in Western Australia. It is very pleasing to see them here and as a

member of this House I voice my welcome to them. I hope they will come here in ever-increasing numbers.

Members: So do we.

Hon. G. B. WOOD: They have set an excellent example to our own military forces. I have seen a good deal of them—airmen, sailors and soldiers—and I say that their behaviour is an inspiration to our own men.

I now desire to touch upon the primary industries of the State and proposals to assist the Government. As members are aware, the Country Party drew up certain proposals to assist the Government. Mr. Seddon has already referred to ways in which the Government can be assisted. In our opinion, great help could be given to the Government by committees formed of members of all parties. That has already been done in the Federal sphere and consequently the idea is not new. Committees should be formed to report to and assist the eight Ministers. I will refer to that matter later on. In the first place, the Country Party has been asked to request our primary producers to grow vegetables. If a haphazard request is made to the primary producers to grow vegetables and produce more pork, chaotic conditions will arise.

Some two years ago, we had the unhappy experience which resulted from the Government asking producers to raise more pigs. The growers were assured of a stable market, so many of them installed facilities at great expense and produced more pigs, only to find that their market had disappeared and that they had been left in the lurch. Then we had the equally unhappy experience, two years ago or less, which arose from asking the farmers to grow more hay. A sorry position resulted. If I were to go into some of those districts now and ask the farmers to grow more hay, I would be shot on sight. Yet we have Mr. Scully asking the farmers to grow more oats and hay! That is a matter which a committee such as I suggest could go into with a view to making the necessary organisation.

Hon. C. F. Baxter: Oats at 1s. 7d. a bushel!

Hon. G. B. WOOD: Yes. The growers must be assured a reasonable minimum price for their product. Mr. Roche said that the price of pork here had been fixed at 2d. a lb. less than the price in New South Wales.

I would not ask our growers to produce pork under those conditions. We have a wonderful opportunity here now for our primary producers. We know the Americans do not like mutton; they prefer beef. I suggest that one of the committees to which I referred should advise the Minister for Agriculture on this matter. Surely to goodness, we country members, who have no red tape around us, know exactly what is wanted and what can be done. For instance, suppose 5,000 farmers were asked to grow vegetables and suppose they all grew cabbages or pumpkins! There must be cohesion and co-operation. The Premier, in good faith, sent a letter to all members asking for their co-operation. I suggest it would be a great anxiety to Mr. Piesse if at Kataning, or elsewhere in the Great Southern district, or in the South-West, growers were asked to plant 2,000 or 3,000 acres of potatoes more than proved necessary. That would be a very serious matter. Surely to goodness, we should profit by our experience in the past.

I believe the liquor trade could well be investigated by a committee such as I have suggested. The members of such a committee could explore all the ramifications of the trade, with a view to ascertaining what is best to be done with regard to it. The shearing business was touched upon briefly by Mr. Roche. My proposal is to organise shearing throughout the farming areas up to the pastoral country. We have some large sheds which in the past have been used as depot sheds. Some of them are private sheds. The shearers could be organised and made to shear at those sheds.

Hon. V. Hamersley: Who is going to make them?

Hon. G. B. WOOD: They could be forced to do so by regulation. Sheep must be shorn. A farmer can grow 100 acres less wheat, but he must have his sheep shorn. Shearing is one of the most important matters with which the State is faced today. In my district there are at least half-a-dozen two-stand plants whose owners are travelling the country with them. They must have petrol to run the plants, and the same quantity of petrol would run four-stand plants. Then these men return home at night, thus consuming more petrol. In view of the petrol shortage,

there is only one thing to do in this respect, and that is to organise the shearing industry. I myself at one depot shed sheared 30,000 sheep. I make this suggestion to the Government in all good faith; let us get in early and try to organise the shearing, otherwise we shall be in a sorry plight.

An extraordinary regulation has come from the Eastern States fixing the price of meat. I am rather afraid that our Government welcomes these regulations, because they more or less absolve the Government from responsibility. The present regulation provides that meat prices shall be pegged as at the 19th March. The prices at the 19th March were good for the 19th March; but those prices are not fair to the grower or to the fatterer in May and June. The grower then expects to get at least 5s. or 6s. per head more for the average sheep. I hope the Government will look into this point and try to secure some alteration in the price fixed.

Hon. H. L. Roche: The public will not get meat if that is not done.

Hon. G. B. WOOD: The public will get no meat, or very inferior meat. I have discussed this matter with many people in the business.

Hon. H. V. Piesse: I think the Government has done its best in the matter.

Hon. G. B. WOOD: Its best is not enough. I wonder whether the Government has done its best.

Hon. H. V. Piesse: Yes. I think the Government has.

Hon. G. B. WOOD: The hon. member evidently knows more than I do. For the life of me, I do not know why the position cannot be altered if representations are made by the Minister for Agriculture to the Commonwealth Government. I know people who have bought sheep in March for the purpose of fattening them; and sometimes growers have bought sheep and simply held them. I trust the Government will rectify this anomaly, because it is a serious one. Farmers cannot be expected to produce foodstuffs unless they are given a fair go.

Hon. V. Hamersley: After holding the sheep for three months, they are entitled to a better price.

Hon. G. B. WOOD: Of course. Another matter which concerns the farmers vitally is wheat stabilisation. Mr. Seddon suggested

that the morale of the miners had fallen because they were uncertain of their position; but I say the morale of the farmers is falling greatly by reason of the fact that they do not know what their position is in regard to wheat stabilisation. I believe the Minister for Agriculture went to the Eastern States to discuss this matter with the Commonwealth Government; but the farmer does not yet know how many acres he will be permitted to crop, what price he will receive, and what compensation will be given him for the acreage left unplanted. He does not know what writing-down of debts he will experience because he will be unable to pay them in full on account of reduced acreage for cropping. In his present position, every farmer is entitled to some writing-down of debts if, for the common good and in the national interest, he is not permitted to crop his usual acreage.

Take the case of a farmer in a marginal area who has incurred a debt to the Agricultural Bank of £2,000. He is in a good position merely because he is a client of the Agricultural Bank. His debt has been written down to a basis of what his property is worth from a grazing point of view, and he is allowed to crop 200 acres. He is not so badly off. Now consider the farmer who has debts to the Agricultural Bank and others and is also in a marginal area. He may be a competent farmer; many of them are. He may owe £2,000 to the Agricultural Bank in addition to £3,000 to one of the Associated Banks. He has gone to that farm from a sheltered industry like the mining industry and taken his own money; he may have put £3,000 into the farm and some 20 to 25 years of hard work. That man's acreage has been reduced to 200. That is not fair at all unless he has some compulsory writing-down of his debt. Something should be done for him, as he usually crops from 1,000 to 1,500 acres and he is now compulsorily restricted to 200 acres. He is entitled to adequate compensation, as well as a compulsory writing-down of his debts.

The bulk handling position is also obscure. We do not know where we stand in regard to it. The Commonwealth Government has made certain proposals which I do not know whether the Minister for Agriculture has accepted on our behalf. I say very definitely that Parliament should discuss the matter before the Government agrees to any scheme suggested in the Eastern States. Furthermore, such matters should also be

placed before the people concerned prior to agreement being arrived at. The Wheat Stabilisation Scheme and the Bulk Handling Scheme may be the best in the world, but we do not know particulars enabling us to say whether the schemes are good, bad or indifferent. We have had no opportunity of hearing what they are all about. I certainly hope that before the session is concluded, some statement will be made by the Government respecting these phases.

With regard to evacuation matters, it appears to me that co-operation is lacking between the various authorities. I disagree with Mr. Roche in his views respecting this problem for I think that the more people we can get out of the cities into the rural areas the better it will be.

Hon. H. S. W. Parker: And it will increase the railway traffic.

Hon. G. B. WOOD: Not necessarily so because there are other means of transport. I understand there are certain committees in Perth the members of which are encouraging the migration of people from the city to the country, yet the military authorities have told the people of York, Beverley and other towns that as soon as the military require premises, the evacuees will have to leave them. Surely it is time co-operation amongst the authorities should be manifested. I believe the Consultative Council has recommended people to leave Perth. In my own home town a body of sisters has been comfortably housed and the same applies to children from a convent. Surely that is all to the good. Notwithstanding that, the military authorities have told the road board with which I am associated that those people must vacate the premises when the accommodation is required by them for the military. I do not know where those people will go to if they are forced to leave their present domiciles. Many of those who have gone to country areas have let their town premises, while in other instances relatives have gone to stay with their own people. Most decidedly chaos will follow if evacuees are forced from their present locations unless some co-operation and collaboration are manifest.

I do not desire to say much regarding the liquor problem at this stage beyond remarking that I believe the Government made the greatest mistake possible in fixing on

6 o'clock for the closing of hotels. At that hour there are hundreds of workers leaving their shops and factories. They have probably been standing on their feet all day and surely they should be entitled to a drink before going home. Perhaps that constitutes the only pleasurable episode in their working day and now they are to be debarrd from enjoying it. I stood outside one hotel from 6 o'clock to 6.15. I admit it was not a good day because a convoy was in port. I saw dozens of soldiers and sailors kicked out of the hotel in various states of insobriety only to be mixed up with hundreds of shop girls and others who had just finished work.

The PRESIDENT: Order! I have already reminded Mr. Seddon that this question will be discussed tomorrow. I ask members to have consideration for the House and to refer to the licensing question only incidentally, and not to go into details.

Hon. C. B. Williams: It shows how worried they are about it.

Hon. G. B. WOOD: I apologise for taking up that much time of the House. I have not much more say and shall conclude by expressing the hope that the people will not be allowed to continue in any complacent frame of mind. I trust that nothing will be said to confirm in their minds the idea that everything is all right. Our troubles, past and present, are largely due to the fact that we have indulged in too much complacency. We have deluded ourselves too long in the belief that we are invincible, that one of our soldiers is equal to ten of those of any other nation. I think that was said by a military officer in the Eastern States the other day. It may well be that one British Tommy was the equal of a dozen niggers armed with spears in days gone by, but that is not the position today. We will do our duty to the people if we make them realise that we are confronted with a very stiff proposition. Of that there can be no question at all. I find it surprising that people with whom I come in contact really consider that because nothing has eventuated during the last few weeks, the invasion danger is over and that nothing will happen. I trust members will continue to impress on the general public that there is still grave danger of invasion. Despite what others may say, I believe that danger is still confronting us.

HON. SIR HAL COLEBATCH (Metropolitan) [2.36]: I should like to say a few words by way of approbation of the general tenor of the remarks by Mr. Seddon, who laid great emphasis, I think rightly so, on the necessity for preserving as far as possible the economic stability of the country in time of war. We all hope that the war will not be unduly prolonged, but it would be very unsafe to gamble upon securing an early victory. Since every one of the democratic countries is absolutely and irrevocably pledged not to lay down the sword until freedom is restored throughout the world, it behoves us to provide for and anticipate a probably prolonged conflict. That being so, it does seem to my mind absolutely essential that we should do everything we possibly can to maintain the complete economic stability of the country, not only from the point of view of providing for immediate necessary supplies for fighting purposes, but also for everything required to sustain the health, moral stability and confidence of the people.

I agree entirely with Mr. Seddon's conclusions regarding war finance. I think it is impossible to escape the conclusion that a large percentage of our national income is escaping its legitimate burden of taxation. That makes war finance more difficult than it ought to be and it also stimulates consumption to a degree that might be satisfactory in times of peace and full production, but which is a source of very grave danger in time of war, whereby we have a shortage in regard to many articles. Personally my conviction is that had the British Government and our own Government given careful consideration soon after the outbreak of war to the Keynes plan, the basis of which was deferred payment, with increased payments to those on the lowest scale so that there might be sufficient for everyone, but apart from that there should be deferred pay for all, rich and poor alike. I believe that if that scheme had been immediately and carefully examined it would have been adopted, and if that had been so it would have saved Australia and the Old Country from many of the difficulties that confront us now.

Hon. members may have noticed in this morning's "West Australian" reference to the intention in England to increase taxation, not, it was stated, so much for the purpose of getting money as in order to decrease the spending power of the whole

of the people, with the one object of limiting purchases of goods available so that the supply might continue for a longer period. The object, in effect, is to prepare the country for carrying on the war, no matter how long it may last. I know some people have the idea that all this is quite unnecessary, that it is a simple matter to finance the war, public works and social services by what they euphemistically call the expansion of Commonwealth Bank credit. I suggest that such a type of finance is possible only under a dictatorship, and is entirely impossible in a democratic country. Socialistic Germany tried it after the 1914-18 war, with results that we know led not only to immediate calamities but over and above all else proved to be one of the principal factors in persuading the German people to adopt a dictatorship.

Hon. C. B. Williams: It was one of the principal causes of the present war.

Hon. Sir HAL COLEBATCH: I do not think there would ever have been a Hitler dictatorship in Germany if it had not been for the calamities resulting from the adoption of that course. In France the expedient was tried on a smaller scale with results that were far from satisfactory. It may be said that with the advent of Hitler that policy was followed to a large extent, but how? That is why I say it will only be operated successfully under a dictatorship. How did it succeed in Germany? First of all it was by the abolition of the trade unions. Secondly it was by pegging wages; no matter how much prices might increase, wages did not increase.

Hon. C. B. Williams: We have done that in Western Australia today.

The PRESIDENT: Order!

Hon. Sir HAL COLEBATCH: If we increase wages with every increase of prices, then inevitably there must be a further increase in prices. If we examine the position we see that the increase of wages in one industry affects the position in other industries, so that if there is an increase in wages there must automatically be an increase in prices with every such increase in wages. Hitler avoided that result by pegging wages at the figure prevailing before the great increase in currency. That represented one of the features that created wide discontent throughout the country, and I do not think

it is too much to say that it was that widespread discontent and the recognition that that scheme of artificial finance could not provide for fair and reasonable requirements, that did more to bring about the present war than anything else.

I am glad that the Government has convened this special session of Parliament but I regret that it was not convened at an earlier date. One of the reasons advanced by many people who advocated the meeting of Parliament some months ago was the desire that the people's representatives should have some opportunity of discussing and, so far as rested within their powers, determining the direction air raid precaution work should take. Without intending to be at all critical, I suggest that Parliament represents the people. I should like to know exactly who is responsible for the direction certain air raid precaution activities have taken. Who is responsible, for instance, for the edict that has gone forth that all business people are to remove the glass from their windows and substitute timber or something of the kind? I should like to know whether that is the practice in other places, or whether it is singular to Western Australia. The Agent General for Victoria has just returned from England. He is a man of sound judgment, a very cautious man, one who certainly would not express an opinion without knowing what he was talking about. What he said was that in London, where the windows were protected in any of three or four of the accepted methods, they were allowed to remain, and if they were broken by bombs, they simply collapsed without risk of doing harm to people inside or out. I noticed in the newspaper a day or two ago that business people in Victoria were now being required either to protect or to remove the glass from their windows. In Perth, apparently, they are compelled to remove the glass entirely and board up their premises, and are precluded even from leaving a little opening protected with wire netting so that an intending customer might have a peep at what is in the shop.

I do not think the Government is well advised to take a step of that kind or to take any step that cannot be directly associated with the safety of the public. A man who removes his glass and puts in wood with a peephole through which people can look and see inside in no way threatens

the safety of the public either inside or outside the shop. But what are the consequences? To my mind they are likely to be very bad. I can see nothing but ruin facing a great many small shopkeepers in Perth. So far as the larger houses are concerned they, I take it, will gain an advantage simply by this putting out of business of their competitors. A lot of the big houses—it is unnecessary for me to mention names—are to all intents and purposes arcades. Their premises run from street to street and people walking through have the goods displayed to their view. But the small shopkeeper has to close his windows entirely. He is even prohibited from leaving his door open in such a way as to display the articles of his business. This is not fair play as between one businessman and another.

I would not have one word to say if this step were necessary for the protection of the people inside or outside the shop. I should like the Chief Secretary to tell us whether these regulations apply in other cities of Australia. Apparently they do not apply in Victoria because there a shopkeeper has to protect his glass or remove it, and if he protects it, it is allowed to remain. In a number of places windows are simply wired over. That again seems to be placing an unfair burden on the small shopkeepers, who are entitled to some consideration. For the most part they are people beyond war service, and a number of their assistants have been called up for military duty. From my knowledge of what is done in other places I feel strongly that an unnecessary burden has been placed on these small shopkeepers.

There is quite a lot of feeling in Perth about this, and while I think there should be restrictions while the emergency exists, everyone should have a fair chance instead of practically all the trade being driven to those shops which are allowed to display their goods, on some of which possibly quite a lot of money is being spent that would not have been spent had attractive displays been allowed in the smaller shops. The strongest objection to what is being done at the present time is that the work of boarding up the shop windows seems to involve an enormous waste of manpower. Hundreds of men are employed on what I honestly believe is unnecessary work—

Hon. C. B. Williams: Useless work.

Hon. Sir HAL COLEBATCH:—men who might be employed in some way to assist the war effort. We are constantly being told of the great need for manpower, and it seems to me a pity that manpower should be wasted in this direction. There is one other point dealing with air raid precautions. No doubt the Minister is fully aware that during the last month there has been an enormous increase in the number of street accidents and the number of patients taken to hospital. I think this increase must be ascribed to inadequate lighting. While I am not competent to suggest steps to overcome the difficulty, the matter certainly deserves consideration. It occurs to me that since all street lighting is controlled by one switch, a little increase in the volume of street lighting might be permitted, and it could be switched off from the one control at a moment's notice whenever necessary. By such means it should be possible to reduce the number of accidents.

Hon. G. B. Wood: What about the headlights on motor cars?

Hon. Sir HAL COLEBATCH: That is a question I am not competent to discuss, but the matter might be considered and, without involving any risk from the point of view of the necessity for keeping the volume of lighting down, something might be done both in regard to street and motor car lighting which would tend to decrease the present alarming number of street accidents.

Reference was made by Mr. Seddon to the goldmining industry and its parlous position at the present time. I remind members that, during the last war, the then Commonwealth Government imposed a secret and utterly improper burden on the goldmining industry that contributed to a large extent to its partial collapse. It was not until 1929 that the depreciation in the Australian pound and consequent increase in the value of gold brought a revival in the mining industry. All members, I think, will agree that the revival was the one thing that carried Western Australia through the years of depression and contributed a reasonable element of prosperity to the city and suburbs of Perth. Without that revival in the gold-

mining industry the lot of Western Australia would have been desperate indeed.

Hon. C. B. Williams: What was the secret and improper burden? You did not explain.

Hon. Sir HAL COLEBATCH: The Commonwealth took the gold at the nominal value of about £4/5/ per fine ounce, and disposed of it at the world value which amounted to a great deal more in Australian currency. When this war started, one of the first things the Commonwealth did—I am speaking in a non-party spirit because it was done by a National Government—was to impose a tax on the production of gold, which I have never hesitated to condemn as being entirely unjust. No other industry has been subject to a tax except on its profits. Now it is suggested that, although the goldmining industry has made its full contribution in every respect to the war effort, the industry must, for manpower reasons, be closed down entirely.

The suggestion came about in a very extraordinary fashion. I do not know whether the Minister is in a position to explain what happened, but we all know that a member of Parliament went to the Chamber of Mines in Kalgoorlie and informed the Chamber that the intention of the Government was to close down the industry. The Chamber was pledged to secrecy; the member even went so far as to tell the members of the Chamber that they must not communicate with their directors in London. On the following morning the mine managers at Kalgoorlie were confronted by employees who insisted on being released for active service because the same member of Parliament had told them of the suggestion. A little while afterwards a message was received from the Prime Minister expressing the hope that everything possible would be done to maintain the gold production. Now the State is left in the position of not knowing what is going to become of one of the industries on which it chiefly depends for the maintenance of any semblance of economic stability.

What is going to be the result if the mines are closed? Obviously there is a large number of men employed on the mines who would be practically useless for anything else. What is going to happen to the wives and children? Are they to be subsidised or maintained in some way? Are they going to be compelled to stay where they are, or

brought to Perth, causing further congestion on top of what we are experiencing through the influx of evacuees from other countries? Have those things been considered? The goldmining industry is dwindling for reasons which cannot be avoided and which everyone must be prepared to accept, but when we reflect that the production for the first three months of this year fell below that of the first three months of 1940 by no less than 75,000 ozs., equivalent to £750,000 in value, we must face the certainty that even if there was no undue interference with the industry, the production for this year will fall below that of 1940 by certainly £3,000,000. This is a very considerable amount—an amount that cannot be lost without having great effect on the revenue of the Government, not only the revenue from taxation but the incidental revenue that is received from railway services, water supply, etc., and from the taxation of the wages of employees.

I do not think there is any suggestion that the South African mines should close down. As a matter of fact, their profits in 1940 constituted a record. In 1941 the profits were slightly below those of 1940, but were still very high indeed. Nor does there seem to be any suggestion that the gold mines of Canada should close down. The gold industry of Canada is more important than the gold industry of Australia. Its production is larger, and the number of men employed is greater. I do not think, no matter how well satisfied we may be with our Australian effort in this direction or that, we can claim to be doing as well as Canada does. There is the figure of Canadian subscriptions to loans, and the enormous sums Canada has given to Britain in support of the Mother Country's war effort. I do not think we can claim that we are doing as well as Canada. If Canada can do those things and still carry on its goldmining industry, why should we be expected to sacrifice ours, especially in view of the fact that it is one of the very few stable industries in Western Australia at the present time, and of the further fact that Western Australia in every direction is suffering more and benefiting less as the result of the war than is any other State of the Commonwealth? To my mind the proposal looks like adopting the "scorched earth" policy for Western Australia before there is any occasion for it.

There are many other ways in which manpower might be greatly increased. Mr. Seddon suggested some, and I have sug-

gested others; but there is one more. I understand that at present a committee is sitting under the auspices of the Government with a view to increasing the production of Collie coal. Is the Chief Secretary aware of the fact that a few weeks ago an electrical shovel was taken to Collie and that objection was raised against its use? That one shovel was to do the work of six men and two horses. Whether it is at work now I do not know. The last I heard was that it was employed to a limited extent. A little time ago there was a strike in one of the New South Wales coal mines—one of the numerous coal strikes there—and this particular strike was against the employment of labour-saving machinery. The reason given was that if the miners allowed labour-saving machinery to be employed now, they would have to agree to its being employed after the war. I am quite unable to understand the mentality of people who argue like that. Not only during the war but after the war it will be essential for this country to produce its wealth as quickly, easily and cheaply as possible. We shall not be able to afford to do by hand things which other countries are doing by the employment of labour-saving machinery.

Something about learning from Japan was mentioned by Mr. Seddon. Is it not significant that one hundred millions of people with a very small area of cultivable land, perilously little, still manage to carry on and provide for the additional hundreds of thousands of workers who are coming into employment every year? Japan does not provide for coping with that increment of labour by excluding labour-saving machinery, but, on the other hand, follows the absolutely sound policy that the only effective way in which one can maintain a large number of people and open avenue after avenue for their employment is to make the greatest possible use of labour-saving machinery and other devices that are brought into operation. Hon. members may recall the time when the Federal Government—very unwisely, I think—placed an embargo on certain goods from America and later on textiles from Japan. Such action was supposed to be in the interests of the Lancashire manufacturers, and the argument was used by most of the papers in England and Australia that Lancashire could not possibly compete against Japan because of its lower wage scale. One of the Lancashire manufacturers was a member of the House of Commons, and speaking there he recited in detail every element of

cost in the production of the goods. When he had finished he said, "Now the House will recognise that if our operatives could be induced to work for nothing, we still could not compete against Japan." The explanation was that in Japan not only in that industry but in every other industry on which it depended labour-saving appliances were employed to such an extent that costs could be cut down very largely.

What is the Government going to do to encourage the Collie coal mining industry? Is the Government to discover means of increasing production? Will the Government insist that labour-saving machinery shall be used wherever possible? People who know what they are talking about have assured me that by the use of labour-saving machinery Collie coal could be mined at a cost of not more than 8s. per ton—less than half what the Government is paying for it today. Every industry in this country is more or less dependent upon coal, even if only as regards passenger fares and goods freights on the railways which have to use that coal. I am quite sure that when peace comes we shall have to face world competition. It is one of the essential features of the Atlantic Charter of which I propose to say nothing further at the present time that there shall be an end to preferences—preferences such as were embodied in the Ottawa agreement. We shall have to face the competition of the world, and shall have to realise that the only way in which we can improve the standard of living of our people is to employ every labour-saving expedient available.

I do not want to paint a very gloomy picture, but I confess to being greatly alarmed at the condition of the industries in our State generally. Take the wool position. Many difficulties confront us. There is the necessity for doing all sorts of extraordinary things to keep the industry going. As regards wheat, we all know that a great many farmers are leaving their land. We do not know exactly what future conditions are to be, but we do know that the industry is not in anything like a stable condition, and that it is unable to contribute its share towards the financial stability of the State. Mining in this State is threatened with the extreme calamity of closing down altogether, and in any case is steadily declining.

While I cannot claim to speak of manufactures with the same authority as other

members of this Chamber, there is nothing particularly to boast about in the various manufacturing industries here. It is a fact that last year some of our manufacturers of war materials were unable to carry out their contracts, for one reason or another. So that even from the point of view of manufacturing, the temporary stimulation given by the war position to Western Australia cannot be said to be fortunate. That is one reason which I think can well be urged with the Federal authorities against going any further in the curtailment of the goldmining industry than is absolutely necessary. I have no doubt the Minister knows full well that those connected with the goldmining industry are only too anxious to render what aid they can. Their suggestion, I think, is that instead of arbitrarily closing down, the authorities should tell them what they want in the way of manpower, how many men they want and what they want them to do; and then they might act as a body and do it. I believe I am correct in saying that; if not, Mr. Seddon will correct me. I believe one job is now being done by the mining companies for the Commonwealth, and being done very satisfactorily. Nothing must be left undone to advance the war effort, but when it comes to a general question of closing down the mines for the sake of manpower, first we have to consider the number of men who will not be in a condition for doing anything else, and then, or rather firstly, we have to consider the enormous manpower which might be secured in the other States as well as in this State in many other directions.

I do not think it out of place to refer to the Premier's approaching visit to the Eastern States. I shall not deal with the matter of the closing hours of hotels, except that I take exception to one remark which fell from Mr. Wood. I do not think the hon. member is right in saying that the opportunity to slip in after 6 o'clock for a drink is the only pleasure certain people have. I do not believe Australians have fallen so low as that.

Hon. G. B. Wood: If you had to work as hard as they work, you would like a drink too.

Hon. Sir HAL COLEBATCH: I want to refer to other matters which will crop up if not at this conference, then later on. First of all, let me recall the proceedings of the Loan Council early last month. State loan

requirements were cut down to £17,847,000. Mr. Playford, the South Australian Premier, urged that there should be a considerable further reduction; and I entirely agree with him. In view of the large amount of money that has been spent in the different States for war purposes, there should be little occasion for State borrowing. However, Mr. Playford was on his own; and so this amount was agreed to. But how was it allocated? Of the amount, £12,912,000 was allotted for State governmental expenditure and of that total New South Wales received £4,415,000, or more than one-third of the total. My view is that New South Wales is the State which to a greater extent than any other has experienced a period of almost unexampled prosperity, as the result of a huge expenditure of war money. Therefore it seems quite unreasonable that that State should have been given more than a third of the total allocated to all the States. But in this connection it is important to remember one of the provisions of the Financial Agreement, an agreement which I have always regarded as an abomination and a frightful snare so far as Western Australia is concerned, an agreement which I opposed strenuously when it was before the public. The Financial Agreement, relative to the use of loan moneys, has this extraordinary provision—

Each State shall be entitled to have allocated to it a sum (being a portion of the balance of such amount) bearing to the balance of such amount the same proportion which the net loan expenditure of that State in the preceding five years bears to the net loan expenditure of all the States during the same period.

Which is practically saying that the State which in the past has been most extravagant in the matter of expending loan money must be treated so as to find itself in the same position in the future! And that provision in the Financial Agreement has been embodied in the Constitution, to the prejudice not only of the other States but of the Commonwealth generally and, I venture to say, to the prejudice of the State of New South Wales, because it is never good for any State to have too much loan money to spend. But to come back to the last Loan Council meeting: £4,415,000 was allotted for semi-governmental expenditure, and of that New South Wales was given £3,115,000, or almost three-quarters of the grand total agreed upon. On the two

items, New South Wales received 42 per cent. of the total loan money allotted to the six States. Again I say that New South Wales is the State that should have required least. Its position is such that it would have got on very well with comparatively little loan money. I would like the Minister to tell me whether that large amount granted to New South Wales was inevitable in view of that provision of the Financial Agreement and if not, what was added to support it? Unfortunately, the Financial Agreement is embodied in the Constitution and to get rid of it might be extremely difficult.

I understand that in addition to that very important matter of trading hours for liquor, the proposed unified taxation is likely to be discussed at the Premier's Conference. Perhaps that is a more important matter than even the giving of a man a drink when he knocks off work at 6 o'clock. I know there are certain people who favour unified taxation as a wartime expedient. In Western Australia there is one collecting authority and I am prepared to believe that if there were only one tax it would be a saving. But what I am concerned about is the proposal made in regard to unified taxation by the committee set up by the Federal Government. Obviously if the Federal Government takes the whole of the income tax it must make a distribution amongst the States. This is the distribution proposed: New South Wales, £15,991,000. That reminds me of the draper's advertisement of something for 5s. 11½d. The sum of 5s. 11½d. is so much less than 6s.! New South Wales is not to get £16,000,000, but only £15,991,000, or £9,000 short of £16,000,000. Victoria is to get £6,666,000, very much less than half of that to be given to New South Wales. Queensland is favoured to the extent of £5,982,000; South Australia is to get £2,417,000, and Western Australia £2,576,000. Apparently this committee recognises what the Commonwealth Grants Commission failed to realise, namely that South Australia's position is far less difficult than that of Western Australia. Tasmania's figure is £823,000. The total is £34,455,000, of which New South Wales gets nearly half. She receives £6 per head as against Victoria's less than £2 10s. Is it that the committee has applied the same principle that operated in

the Financial Agreement in regard to the Loan Council; that the State which has been accustomed to spending in the most lavish fashion must still continue to have that money, but because taxation is uniform its people will not provide it? Victoria and the other States will have their taxes increased and the money will be handed over for expenditure in New South Wales.

I am not so much worried as to the position between Victoria and New South Wales, but it does seem obvious to me that the adoption of this proposal will be an enormous stride in the way of unification and of unification under the complete dominance of New South Wales. I do not hesitate to say that at the present time Federal politics are far too much influenced by New South Wales and by an extreme element in New South Wales that seems to have paralysed the attempts of the Government to obtain continuous work in many directions essential to the successful prosecution of the war.

With regard to liquor reform I feel that the great essential is the rigidly impartial enforcement of the law. If that is done, I doubt very much whether it matters a great deal what hours of trading we have. I know perfectly well that the other States with 6 o'clock closing are subject to the same abuses as was this State with 9 o'clock closing. I do not suggest 9 o'clock closing. I am indifferent on the matter, but I say without hesitation that the improvement which is undoubtedly noticeable in our streets today is due to the enforcement of the law to a greater extent than previously. The arrest of drunks has had a good effect in every way. If the law is enforced a lot of our troubles will disappear. I wish the Government would take the same action with the same vigour in regarding to starting-price bookmakers.

There is one other matter about which I wish to say a word or two, and that is the subject of rationing. The necessity for rationing is obvious but why cannot it be done in an orderly fashion? Take the rationing of tea. What was the first step? The public was told there was going to be a shortage of tea. What was the natural reaction to such information? People flocked into the shops. There were queues of people waiting for tea. I was informed by assistants in one or two shops that the same people lined up day after day and got whatever they could. Some shops sold a

quarter of a pound; some more and some less. That continued for weeks before there was any attempt at rationing and even now there is no orderly rationing. We do not know where we are.

Hon. H. Seddon: A man has been appointed at a big salary to tell us.

Hon. Sir HAL COLEBATCH: That is rather a cheap sort of gibe. If the man is a capable man the job is one big enough to require his being well paid. Whether he is paid £1,000 a year or £1,500 a year, he will probably have to pay one-third of it in taxation. The job is a big one and if it is carried out properly will save a great deal of money. It is a task which a man should not be expected to undertake unless he is well paid. I do not think there is much in the hon. member's remark. It seems to me that the proper course is for the Federal Government to lay down a sort of basis for rationing wherever it is required and then pass the matter on to the State Governments who have a knowledge of local conditions. There seem to be plenty of people here who know pretty well the methods followed in the Old Country and those methods, generally speaking, have been successful. It has been a matter of trial and error. There was one classical instance of evasion which I will relate.

In order to obtain a suit of clothes a man had to have 10 ration tickets. They were of no value, but entitled him to buy a suit. A man goes into a shop and says, "I want a ten guinea suit. I have the money but I have only five ration tickets." "Well," says the shopkeeper, "Give me five guineas." The customer hands over five guineas and the five ration tickets. The tailor makes the suit then takes it to a pawnbroker and pawns it for five guineas, sending the ticket to the customer. The customer takes the ticket to the pawnbroker, pays the other five guineas and gets the suit. Things like that are bound to occur. But it is a case of trial and error. In the Old Country nearly all the abuses of rationing have been overcome and I am sure that the present Government could get over them. I think the Premier at the next conference in the Eastern States might suggest that when the Federal Government says it wants an article rationed to a certain extent, the State Government should be entitled to say exactly how the rationing should be done. Only the State Government can do it satisfactorily, because conditions, especially in a

State like Western Australia, differ so widely from place to place that there must be a variety of methods of restriction. It is essential, however, that rationing should be got into good order as quickly as possible.

I thank the Minister for his very interesting and comprehensive address to the House and I am sure that every member is anxious to do everything he can to assist the Government in every possible way.

HON. J. A. DIMMITT (Metropolitan-Suburban) [3.25]: We have all listened with a great deal of interest to the statement made by the Chief Secretary and I have no doubt that most of us have since read the printed version and also the printed version of a statement made by the Premier. I am prepared to give the Government full marks for many of its actions since we last met. The criticism I have to offer is, like the criticism of most other members, in connection with civil defence matters. There is one question I would like the Chief Secretary to answer when he replies to this debate and that is whether the Government has made adequate arrangements for the protection of the records in the Lands Department, the Supreme Court records and the records of births, deaths and marriages in the Registrar General's Office.

Hon. C. F. Baxter: What about titles?

HON. J. A. DIMMITT: I mentioned the Lands Department. If duplicates have not been prepared, provision should be made for such a duplication. Members can imagine the chaos that would exist if these records were lost. Records have been preserved by banks by photographs in miniature. Perhaps the Government has already taken action, but people could be reassured that the matter is in hand, and if it is not being done I feel the Government should deal with the question immediately.

One action the Government has taken under Regulation 70 of the Civil Defence Regulations seems to me to be somewhat anomalous. In Regulation 70 provision is made for a weekly tenant to pay £6 per cent per annum for any air raid precaution expenditure that the landlord undertakes in connection with the premises the tenant is occupying, whereas if the person has the premises on a monthly basis or on a leasehold—some longer term than one week—that tenant is only compelled to

pay six per cent and not six per cent per annum. It will be seen that if this war lasts for a longer period than a year a weekly tenant will be at a disadvantage as compared with a monthly tenant or a person holding a lease. Under any circumstances it seems to be doubtful if the Government is acting within its rights in compelling a tenant to pay for air raid precautions expenditure which the landlord is compelled to incur. As far as I can see, there is no direct authority in the civil defence emergency regulations for that arrangement. While on the subject of A.R.P. regulations, Sir Hal. Colebatch has mentioned the compulsory removal of plate glass from street level windows. I notice that some Commonwealth Government institutions still have plate glass remaining at street levels. I feel that any regulation which companies and private individuals have to obey should be insisted upon in regard to premises occupied by Government instrumentalities.

Hon. L. B. Bolton: They should give the lead.

HON. J. A. DIMMITT: They certainly should, but in one or two instances the plate glass windows still remain. A little while ago I listened to a broadcast by the Minister for Home Securities, Mr. Lazzarini. He said that a black-out needed the whole-hearted co-operation of every section of the people, because one person failing in his responsibility endangers not only his own life but the life and property of others; above all, he endangers the war effort of Australia. The Prime Minister has repeatedly said that one lighted window may cause the destruction of a town or city. Even so late as last Saturday in the "West Australian" a statement appeared over the name of the Minister for Civil Defence, Hon. A. H. Pantton. The Minister said in that statement that in a brown-out area no unshaded light should be permitted to be shown from any window or door.

In no circumstances should the source of light be visible outside the building it was illuminating. He also went on to say the penalty for not observing the lighting restrictions was a fine of £500 or 12 months' imprisonment. Last night I made it my business to tour the city streets. I found quite a number of people were utterly disregarding the brown-out, people occupying the floors at the tops of quite high build-

ings. I was astonished to find last night and one night a little over a week ago a blaze of light coming from all the windows of the Commonwealth Savings Bank. Further along the street a fortnight ago I found that the three floors of the Government Printing Office were also a blaze of light. It seems to me that in that particular case the offence was specially bad, because only a few hundred yards away is the Perth Hospital, in which are a number of people who would be at a greater disadvantage than in the case of others in the event of an enemy air raid. I feel that both the State and Federal Governments should be compelled to obey the regulations which companies and private individuals are forced to recognise and obey, alternatively that such regulations should immediately be disallowed.

Another matter to which I draw attention relates to the deduction of air raid precaution expenditure in regard to taxation. A recent Press report of remarks made by the Federal Commissioner of Taxation, Mr. L. S. Jackson, was published in the "West Australian" on the 11th February and read as follows:—

Wages and salaries of staff employed as fire spotters, or in connection with any other emergency services associated with A.R.P. are an allowable income tax deduction for owners and occupiers of premises used to produce income.

Mr. Jackson pointed out, however, that deductions would not be allowed in respect of expenditure on the blacking out of windows, protecting glass, sandbagging, the provision of structural supports to strengthen a room or basement, construction of a complete air raid shelter, or on the purchase of ladders, shovels, stirrup pumps, or other A.R.P. equipment. All expenditure of this type, he said, was of a capital nature and therefore was not an allowable deduction. Mr. Jackson's statement clearly sets out the law in the uniform Act so that the disallowance of the deduction is applied both to the State and Federal Acts. This means that the Federal company tax of 4s. in the pound and the State company tax of 2s. 7½d. in the pound must be paid on all expenditure made by companies in connection with air raid precautions. This seems to be thoroughly wrong in principle.

It means that business establishments are not only put to the cost of building air raid shelters and equipping their establishments under A.R.P. conditions, which they are

doing quite willingly and which they are anxious to do for the protection of their employees, but cannot use the expenditure as an allowable deduction. I am associated with a company which has spent approximately £200 on air raid precautions. The bulk of that money has been spent in protecting the employees. The greatest expenditure is in the provision of several air raid shelters which are capable of holding 20 employees. Because that company has spent £200 in that direction, next year it is going to be assessed for income tax to the amount of £66/5/. That seems to me entirely wrong. I cannot understand the line of reasoning which considers that a hole in the ground adds anything to the value of the property, nor can I understand the line of reasoning that considers this is a legitimate charge against capital instead of a legitimate charge against trading expenditure.

Hon. J. Cornell: That does not square with the S.P. bookmakers being allowed to deduct their fines.

Hon. J. J. Holmes: There will be further expenditure involved in removing these things afterwards.

Hon. J. A. DIMMITT: During this session some alteration should be made to Section 52 of the State Income Tax Assessment Act. I suggest that all air raid precaution expenditure, including the cost of air raid shelters, and whether in the nature of capital expenditure or otherwise, incurred in gaining or producing assessed income, or necessarily incurred in connection with the carrying on of a business for the purpose of gaining or producing such income, should be an allowable deduction, except to the extent to which such expenditure adds permanently to the value of the property. The Government should give consideration to the bringing down of an amending Bill along those lines.

Other matters to which I might have referred have been covered by members, and other members will doubtless deal with further questions. I would summarise my own remarks by suggesting to the Government that the three points to which I have referred be brought under the notice of the proper authorities, namely—that Regulation 70 of the Civil Defence regulations should be amended this session so as to remove the disadvantage which the weekly tenant experiences compared with the

tenant on monthly terms or a lease in connection with A.R.P. expenditure. Secondly, that the regulations as they relate to air raid precautions be enforced on Government institutions to the same extent that they are enforced on companies or private individuals. Thirdly, that an amendment be made to the State Income Tax Assessment Act along the lines I have just indicated. I support the motion.

On motion by Hon. H. S. W. Parker, debate adjourned.

House adjourned at 3.40 p.m.

Legislative Assembly.

Tuesday, 11th April, 1942.

	PAGE
Questions: (1) Agriculture, price of wheat, (2) report on superphosphate experiments, (3) wheat distillation plant	2826
Railways, members of Forces and Diesel electric trains	2827
Licensing Act, as to punishments inflicted	2827
Uniform taxation	2827
Motions: Sitting days and hours	2828
Government business, precedence	2829
Printing Ministerial Statement, as to State's War Effort	2835

The SPEAKER took the Chair at 11 a.m. and read prayers.

QUESTIONS (3)—AGRICULTURE.

Price of Wheat.

Mr. SEWARD asked the Minister for Agriculture: In view of the fact that farmers are being prevented from making arrangements for the coming season through lack of the following information, (a) The price per bushel to be paid for wheat produced during the 1942-43 season, (b) The basis on which will be computed the price the farmer will be paid for the area which he is compelled to withhold from wheat-growing, (c) The area as compared with his average area for the last four seasons, viz., 1938-39, 1939-40, 1940-41, 1941-42, that the farmer will be allowed to sow with wheat during the current season, 1. Can he give that information now? 2. If he is not in a position to do so, will he impress upon the

Federal Government the urgency of making known such information without further delay?

The MINISTER FOR AGRICULTURE replied: I draw attention to the point that these questions are prefaced by a statement.

Assuming (a), (b), and (c) to be the questions, my replies are:—(a) I have no information to the effect that the price for 1942-43 wheat harvest will be any different from that offered during the 1941-42 harvest; (b) The Minister for Commerce has stated that compensation would be paid on the basis of 1s. per bushel based on the zone average yield. Although this is the suggested basis, I have made requests but so far have no information as to the method of implementation. (c) The Minister for Commerce has stated that there will be a straight-out reduction of 33 per cent. in the Western Australian wheat crop based on the normal areas which would have been licensed for this year, and that growers might now proceed on the basis of cropping of two-thirds of their normal area.

Report on Superphosphate Experiments.

Mr. SEWARD asked the Minister for Agriculture: Is it his intention to make available the full report of the experiments conducted by officers of his department which resulted in farmers being recommended to use a lighter dressing of superphosphate with wheat sown this season?

The MINISTER FOR AGRICULTURE replied: Farmers generally were not recommended to use a lighter dressing of superphosphate; the recommendation applied to certain types of land.

Wheat Distillation Plant.

Mr. SEWARD asked the Minister for Agriculture: 1. In view of the fact that the greatest surplus of wheat held in Australia is in Western Australia, did he make any representations to the Federal Government, during his recent visit to Canberra, regarding the establishment of a wheat distillation plant in this State, before any other States? 2. If so, with what result? 3. In view of the Press statement on the 26th February last to the effect that sites for such plants were being selected in New South Wales and Victoria, can he state where and when the Western Australian plant will be erected? 4. If not, can he state what stage the matter of erecting a Western Australian plant has reached?