

BILL—ADMINISTRATION ACT AMENDMENT (No. 1).

Second Reading.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [5.30] in moving the second reading said: By this Bill it is proposed to amend Sections 10 and 18 of the Administration Act, 1903-1941, which sections deal with the disposal by executors and administrators of certain assets of deceased persons' estates. In practice it has been found that the interpretation of the sections which are interdependent has caused an anomaly and created difficulties for executors and administrators in the performance of their duties, so much so that His Honour the Chief Justice has drawn attention to the need for legislative action to be taken in the matter. For that reason, therefore, the Bill is being submitted.

The measure contains two amendments, the first dealing with Subsection (3) of Section 10, which gives an executor or administrator power to sell, lease or mortgage real estate for the purposes of administration. The term "purposes of administration" means the payment of testamentary expenses, funeral expenses, and debts of the deceased. It is laid down in the subsection, however, that this power is subject to the provisions of Section 18, which states that an administrator may not sell or mortgage real estate or lease it for a longer period than three years unless he obtains the written consent of all the beneficiaries or an order of the court.

This restriction applies only to an administrator and not to an executor. An executor, therefore, may sell, lease or mortgage real estate for the purposes of administration without obtaining the consent of the beneficiaries or an order of the court. This distinction is considered to be inequitable, and it is proposed that the privileges in this connection now enjoyed by an executor shall also be enjoyed by an administrator. The amendment, therefore, will result in an executor or administrator, for the purposes of administration only, having the right to sell, lease or mortgage real estate in exactly the same way as he may sell, lease or mortgage personal estate.

The other proposal in the Bill deals with Section 18 of the Act, the provisions of which are restricted in that they apply to real estate only and do not affect an execu-

tor. They apply only to real estate of which administration has been granted. It is proposed to repeal Section 18 and insert a new section to provide that, with the written consent of the beneficiaries or an order of the court, an executor or administrator may sell real estate for the purposes of distribution. Section 18 will thus become entirely separate from Section 10 and there will no longer be any relation between them. An executor or administrator will consult Section 10 for his powers of sale for the purposes of administration, and will be guided by Section 18 in respect to the sale of real estate for purposes of distribution.

That briefly is a summary of the Bill. It is designed to facilitate and to expedite the administration of deceased persons' estates and, as I have already mentioned, it arises out of representations made by the Chief Justice to the effect that amendments were necessary. I trust that the House will approve of the measure and move—

That the Bill be now read a second time.

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

House adjourned at 5.35 p.m.

Legislative Assembly.

Thursday, 11th October, 1945.

	PAGE
Questions: Hospitals, as to types of new buildings, etc.	1181
Main Eastern Highway, as to bitumen supplies for surfacing	1182
Railway gauge unification, as to State's agreement with Commonwealth	1182
Bill: Marketing of Onions Act Amendment, 1A.	1182
Annual Estimates: Committee of Supply, general debate	1182

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

QUESTIONS.

HOSPITALS.

As to Types of New Buildings, etc.

Mr. McLARTY asked the Minister for Health:

1, Has any decision been arrived at in regard to the selection of towns for the establishment of— (a) Regional hospitals;

(b) Sub-regional hospitals; (c) District hospitals?

2, Would he also indicate which towns are considered to be in most urgent need of new hospitals and the priority in which such hospitals will be built?

3, When is it proposed to make a start with these buildings?

The MINISTER replied:

1, The Hospital Planning Committee is gradually formulating a policy which, in due course, will be submitted to the Government.

2, So far as country hospitals are concerned, those at Bunbury and Pinjarra are regarded as most urgently in need of replacement.

3, As soon as circumstances permit.

MAIN EASTERN HIGHWAY.

As to Bitumen Supplies for Surfacing.

Mr. KELLY asked the Minister for Works:

1, When does he anticipate that sufficient bitumen will be available for the completion of the surfacing of the main Eastern highway from Yerbillion to Southern Cross?

2, Can he indicate when work on this section is likely to begin?

3, Does he contemplate extending bitumen surfacing from Southern Cross to Coolgardie?

4, If so, what width strip of bitumen surface is proposed from Southern Cross to Coolgardie?

The MINISTER replied:

1, Future bitumen supplies are uncertain. No bitumen for new work will be available this summer. At least two summers' work will be necessary.

2, Construction work as soon as plant and manpower are available. No bituminous surfacing work for at least twelve months.

3, and 4, Future development of main roads will depend on traffic requirements in different areas and the finance available. The present Federal Aid Road Agreement expires in June, 1947. It is doubtful if any bituminous surfacing work will be carried out between Southern Cross and Coolgardie before that date.

RAILWAY GAUGE UNIFICATION.

As to State's Agreement with Commonwealth.

Mr. SEWARD asked the Premier:

1, Has he seen the report in "The West Australian" of the 19th October to the effect that State Ministers and State Railway Commissioners have reached agreement in principle on the railway gauge unifications recommended by Sir Harold Clapp, and the further statement by the Federal Minister for Transport (Mr. Ward) "that he saw no obstacle in the way of the works being undertaken at an early date"?

2, Was the Western Australian Government represented at the conference by its Minister for Railways?

3, If so, does this mean that the Western Australian Government has agreed to the scheme as laid down by Sir Harold Clapp?

4, If not, what attitude did this State's Minister adopt at the conference?

The PREMIER replied.

1, Yes.

2, Yes.

3, and 4, I have not had a report from the State Minister attending the conference and would in any case point out that the most important aspect of all, namely finance, has not yet been discussed.

BILL—MARKETING OF ONIONS ACT AMENDMENT.

Introduced by the Premier (for the Minister for Agriculture) and read a first time.

ANNUAL ESTIMATES, 1945-46.

In Committee of Supply.

Debate resumed from the 9th October on the Treasurer's Financial Statement and on the Annual Estimates, Mr. Rodoreda in the Chair.

Vote—Legislative Council, £2,363:

MR. NEEDHAM (Perth) [4.35]: Members have before them the Budget, produced by the Treasurer, which I presume we can call the Victory Budget. State Treasurers today have indeed a difficult task in preparing their Budgets. The transition from war economy to peace economy is surrounded with difficulties, and the tenor of the Budget speech delivered by the Treasurer indicates

not only a desire, but a determination, to grapple with and if possible overcome the many difficulties with which the State is now confronted. The Budgets of the States in recent years have, unavoidably, been somewhat dull, because during the past four years, at least, the main control of finance was in the hands of the Commonwealth Parliament. The Treasurer has certainly made the Budget speech very interesting on this occasion. The difficulties with which he has to contend, as State Treasurer, are well known to members and are in the same category as those met with by his colleagues in other States. He has not that command of the Treasury he would like to have. In fact, he is today—in the words of the nursery rhyme—in the position of having to shut his eyes and open his hands and see what the Grants Commission will give him. I will refer to the Grants Commission later, and I agree with the statement made by the Leader of the Opposition in regard to State grants.

The Treasurer intimated that he has budgeted for a deficit of £207,000. This is a new departure for the State. During recent years the Treasurer has budgeted for small surpluses. We must realise that these surpluses have been obtained at the cost of public services, which no doubt in a sense was unavoidable in time of war. Still, our social services have shrunk considerably and education particularly has suffered, while railway rollingstock has also lacked the necessary maintenance. I do not think that even a deficit of £207,000 will go very far towards remedying the deficiencies in those services. Railway rollingstock is sadly in need of repairs and much money will be required to overtake the arrears of maintenance. The surpluses which have resulted in the last few years have been made by starving essential services, and this can only be described as false economy. I repeat, however, that probably it was inevitable in time of war. I would rather have seen the Treasurer show a deficit of a much larger amount than £207,000 this year.

I notice that education is to receive an amount of £915,000 for the current year, an increase over the expenditure of last year of £26,406. When we bear in mind that we have passed legislation to raise the school-leaving age which, when put into operation, will entail increased cost for additional accommodation and increased teaching staff, the sum

of £26,000 is an infinitesimal one to meet requirements. This is one of the most important services for which the State is responsible. I have frequently advocated in this Chamber that the Commonwealth should bear some greater responsibility for education. I do not think that it would be wise to permit the Commonwealth to control education, but I think it could fairly be asked to grant more assistance than it has done in the past. True, the Commonwealth has afforded some assistance for University education—a very laudable object—but I think more attention should be paid to the elementary side. Only a relatively few children can take advantage of a University education as compared with the number requiring elementary education. The State Government should approach the Commonwealth with a view to securing greater financial assistance for education. There is no doubt that almost every department of State and public service is suffering from chronic financial starvation.

Now I come to the Grants Commission. I consider that there is a very urgent need for a review of the whole of the financial relations between the States and the Commonwealth. The Leader of the Opposition stressed the fact, which has been mentioned in this Chamber on many occasions, that we have to depend largely upon the dole we receive from the Commonwealth. Certainly the Grants Commission has become the arbiter of our financial destiny. I do not know how long uniform taxation is going to continue, but there is a desire on the part of the Commonwealth to continue it beyond the period originally intended. If it is to be continued, there is all the more need for reviewing the financial relations between the Commonwealth and the States.

The Treasurer pointed out that, during the war years, other States were able to build up considerable surpluses as a result of Commonwealth war expenditure, while we in this State had to do without things in order to help the war effort. A drastic change in our economy is now inevitable. I cannot see how it will be possible for this State to carry out public works unless greater assistance is forthcoming from the Commonwealth. In this regard I find myself for once in complete agreement with the Leader of the Opposition. I repeat that if uniform taxation is to be continued, there is an urgent necessity for an immediate revision of our financial relations.

Another matter that has frequently been mentioned in this Chamber is the need for the Government to give consideration to the co-ordination of transport. I hope it will not delay in taking up this matter seriously. In my opinion there should be one controlling body charged with the duty of dealing with all transport, and full authority should be vested in that body. Our transport system is certainly far from satisfactory. Compared with the transport services of other States, it is very bad indeed. With the exception of our trolley-buses and omnibuses, the plant in the metropolitan area is almost due for the scrap-heap, and that refers particularly to some of our trams. They are antideluvian. A vast amount of money would be required to transform our trams into any kind of comfortable conveyance. The general secretary of the Railway Officers' Association, referring to our railways, recently said that many of the engines have seen from ten to 50 years' service. When we realise that, we can at once visualise the necessity for improved rollingstock in order to bring the transport system up to date. The trolley-buses and omnibuses are also beginning to show signs of wear and tear. That is to be expected because of the extraordinary demand made on that part of our transport service during the war years.

The restrictions on the use of petrol and the consequent hanging-up of motorcars placed an extra strain on our transport system, and I am surprised that it has stood up to the demands made upon it as well as it has done. That, however, cannot last much longer. Under our present system of transport control we have duplication and overlapping, unnecessary and possibly unpayable lines. The co-ordination of our transport system vested in a central authority would obviate that overlapping and would eliminate unpayable mileage. Daily we see the unedifying spectacle of buses, not fully laden, leaving would-be passengers standing on the road. That ought not to be, and under the unified control I am suggesting, that source of grievance would be removed. The common ownership and control of passenger transport is fast coming into favour and, as members know, is in operation in many cities in Australia and other parts of the world.

I realise that there might be difficulty in achieving unified control of a State-wide character; but, if that cannot be accom-

plished, at least a board could be appointed for the metropolitan area. If my memory serves me aright, I think that some time ago the late Mr. McCallum, when Minister for Works, suggested something of that nature; and I consider it is worth while having another look at the project to see whether it cannot be put into operation. A board of that kind could take over all transport services in the metropolitan area, such as trams, trolley-buses and petrol and Diesel cars, and could have full administrative control, subject to the Minister. The Government has made a departure in connection with this matter. For the first time in our history we have a Minister for Transport. I hope the day is not far distant when we shall have a department of transport, which will take charge of all transport, whether rail, road or air.

There is another matter to which I wish to refer and that is the question of migration. I have been trying to discover exactly what is the policy of the Commonwealth Government in this regard. I know, of course, that it is essentially a matter for the Commonwealth, working in conjunction with the States. Up to date, however, the policy of the Commonwealth Government has been somewhat nebulous. I have read about some attempt to bring a number of children to Australia—I think about 17,000—but something more definite in the way of a migration scheme should be developed. Now is the time when that should be given particular attention. As a result of the war, Australia has again had a wonderful advertisement; and, from what I read and learn, there are many people inquiring at the office of the Agent General and at the office of the High Commissioner in London as to which is the best way to get to Australia. I realise there are difficulties with regard to shipping, but the selection of migrants could be undertaken so that they would be ready when shipping is available.

I want it to be clearly understood that I consider that men who will be coming back to our shores, after having fought so hard and suffered so much for the freedom we enjoy, should be our first consideration; but, having re-established them in civil life, we should prepare to bring to this country people who will help us to develop this vast State and this great Commonwealth. I do not know whether the Commonwealth has entered into any definite agreement with the

respective States, but I hope it will not be long before such an agreement is determined. I realise that we shall have to guard against mass migration. Mass production in some directions may be all right; it may be economic. But I would not favour mass migration. We have to be very careful in the choice of people who come to our shores and careful as to where they come from. I do not think it necessary to stress that point, because we in Western Australia have had bitter experience of mass migration. It was a very bitter and costly one. We are still paying for that mass migration; that indiscriminate scheme of 1923. At that time people from other countries came to our shores with the intention of going to work on our lands. Inside of four or five weeks of their arrival we found them in the city competing with men already seeking work.

That is not the kind of migration that we want. We want a scheme that will bring to our country desirable people, sound in health and in every other way, who can be immediately absorbed into the country without having to compete with anyone else in any walk of life. I repeat that this question of migration is all-important, and we should have learnt a lesson with regard to it from the recent world shambles. We should remember that we might not get another chance. We were very nearly gone at one time during the recent struggle. We realised then the danger of the position we were in because of the sparsity of our population. With that lesson still fresh in our minds the Commonwealth Government should, in co-operation with the State Governments, get to work immediately on the question of migration. Migrants for this country should be carefully selected not only for their health and physical condition, but also for their aptitude for employment and the types of employment they are fit for.

We had too many square pegs in round holes as a result of our last migration scheme. We do not want a repetition of that. Also, to examine prospective migrants, there should be at the High Commissioner's office in London medical men from Australia, who know the country and its climate and the psychology of Australians. There was a bad feature in connection with the last migration scheme. Medical men in Britain then were being paid so much per head for migrants to come to Australia. We can realise what that meant. They were not too

particular as to the physical condition of the prospective emigrants so long as the fees were paid. I hope that that particular mistake will be avoided in any future scheme. The medical men should be there and should be paid salaries and not by results. In addition to this reference to migration I again desire to emphasise the necessity of an early review of the financial arrangements with the Commonwealth Government and the establishment of unified transport.

MR. McDONALD (West Perth) [5.5]: We are now facing our first Budget since peace has again come to the world and, as the member for Perth has rightly said, we are presented with a new opportunity and it remains to be seen what use we shall make of it. In many ways we commence with conditions of which we might well feel satisfied. The conduct of the people of our State in the six long years of war has shown that they possess a temperamental stability and a sense of co-operation which reflect highly to their advantage. I believe that, on the whole, we have in this State people of such character, industry and enterprise that they compare favourably with those of any other State, and more than favourably with those of some States. One section of the people deserve a particular tribute—those who have been engaged in primary production. They have faced exceptional difficulties, and the figures given by the Treasurer in his Budget speech are an indication of how well they have responded to the needs of the hour, under what must have been very great difficulties involving an effort that required great fortitude and determination.

As a result of the war we are now arrived in a position that I do not think the framers of our Constitution ever contemplated. I am not saying that we could have avoided it; I am not saying that, on the whole, it was not the best step we could take to meet the particular difficulties at the time but in this State we are now neither one thing nor the other. We have not got the financial autonomy of a local governing body. A local governing authority at least has power to raise taxation within the limits imposed by its legislation. It has the power to formulate its policy and to carry out works. In spite of the limits to which it is subject it has wide powers and considerable capacity to have things done. The Budget before us—like previous Budgets—is a reflection of

the situation in which we stand today. The present Budget is virtually the same as the last one. The figures show very little variation.

With all deference to the Treasurer it must be a comparatively easy task these days to introduce a budget because of the situation in which the State is placed. That is not the fault of the Treasurer. Within the limits of his power he has endeavoured to make advances in expenditure, in certain directions, so that that expenditure will be of advantage to the State. But we have to consider whether we desire this state of things to continue because I do not think it is worth while calling ourselves a Parliament if we are merely going to be charged with handling the expenditure of a remittance sent by the Commonwealth to the State. We should give ourselves some other name. We may be a delegated council. Whatever we are at present we have to decide if we want to continue in that way, and if we do not, in what way we want to emerge. A strange thing nowadays is that the Commonwealth Government always takes the initiative. I am not prepared to believe that the Commonwealth authorities necessarily have more brains than we have. But our representatives go to Canberra or to conferences in the Eastern States and we hear of proposals advanced by the Commonwealth. As far as I know we never go there with any programme of our own.

Hon. J. C. Willcock: We send a programme of works.

Mr. McDONALD: That is necessary and meritorious but if we do not send it we get no money. We cannot escape it. But when it comes to matters of policy we do not seem to initiate things. We are waiting now, as far as I can see, for the Commonwealth to initiate something regarding uniform taxation. It would be much better if this Government formulated its own ideas and published them, and carried them across to Canberra for the consideration of the Commonwealth authorities and the other States. There is some merit in getting in first. But time after time we read in the Press where plans have been presented by the Commonwealth Government at conferences with the representatives of the different States. We do not hear anything of any plans on a major scale being brought forward by the States. The States may, on details, know what money and works they want, but they

seem to have very little to say, on broad principles, on national or State policy. It is more than ever necessary, especially in view of our position as a remittance State, to know definitely what we think about finance generally.

We know that this year the Commonwealth Government is budgeting for expenditure of £360,000,000 for war purposes, or as far as they can be called war purposes. That seems an incredible amount to be spending now that the war has ended. It means a continuation of the severity of taxation which is, I venture to say, inevitably going to reduce the productive power of this State and all other parts of Australia. We have signs of it already. The impetus of war and patriotism sustained us during the war years, but other influences will come to bear now that those incentives can no longer be relied on. I would have liked to hear a protest from the State Government against £360,000,000 being set aside, out of taxation from this State and the other States, for war purposes. If that money is to be raised then why should not some of it be diverted to projects that are needed in this State instead, as seems to be the case, of being wastefully spent in continuing war installations that are no longer required.

While the Commonwealth Government has budgeted for £360,000,000 for its war expenditure during the coming year it has told the States that it cannot afford any money at all to subsidise their education services. I do not intend to go much further in this because I do not want to take up an undue amount of time, but I wish to mention the Department of Information. That department may have played an important part during the war when the maintenance of morale and the collection of intelligence were, possibly, extremely material. Last year the Department of Information cost the taxpayers £297,000. This coming year, although the war is ended, it has been budgeted to cost an increased amount, namely, £326,000. If we, as a State, are put on a minimum cash allowance, I venture to think that representations might be made to show that there are many more useful things in Western Australia on which money raised by the Commonwealth could be spent, than on the Department of Information.

Mr. Leslie: But there is an election next year.

Mr. McDONALD: I do not know what role the Department of Information plays in an election.

Mr. Leslie: It had something to do with the Referendum.

Mr. McDONALD: It may be dealing with election literature with which to flood the country, as it did during the Referendum. A few of the tens of thousands or hundreds of thousands of pounds provided for that department would give more comfort to the people of this State if they were spent on houses rather than on any number of brochures issued by it through the post, week by week. There are so many matters of vital moment that I do not propose to touch upon more than two or three. There is, for instance, the question of maintaining the value of our money. We have been told by statisticians that since 1939 pre-war costs have risen, on an average, 22½ per cent. I think that includes rents, which have been pegged and on the whole have not risen at all. Costs in general have risen. If we were to ask any housewife she would agree that costs have risen more than 22½ per cent. Any basic wage earner could tell us the same thing.

The matter has become so serious that, on the direction of the Commonwealth Government, the Tariff Board is now inquiring into the reason why goods manufactured in Australia cost so much more than similar articles manufactured in other countries. I hope some good will result from that inquiry. It is a most timely investigation and fundamental to the advancement and possibilities of a State like Western Australia which depends for its economy upon primary production and on its export production for sale overseas at world rates. For the time being, world rates may be good for some commodities such as wheat, but, taking a long-term view, we must be prepared for the time when competition may bring overseas prices down more or less to a normal level. At the present time—and this is perhaps in one sense not quite a financial matter, but all financial matters depend upon it—we are witnessing in Australia, Great Britain and in other countries as well, a degree of unrest. Quite possibly this can mean very serious economic loss in every country

where such unrest arises and also a very definite limitation upon the standard of living of the people.

After a great war we must be prepared to look with tolerance on some degree of industrial unease, some dis-equilibrium and a measure of unrest on the part of people who perhaps have worked hard and had very little relief from the strain and anxiety of war conditions. However, it is all the more necessary, in those circumstances, that we should make sure that at the earliest possible moment we get back to that degree of harmony and stability that is so necessary to maintain and improve our living standards. As part of the budgets of State and Commonwealth alike, as part of the finances of Government and, perhaps most important of all because finance depends upon it, there has to be that spirit of leadership and the diffusion of that spirit among people which we refer to as morale or recognition of responsibilities such as entitle us to those attributes that distinguish the good citizens of a nation from those of another whose standards have retrogressed. The Government has a great opportunity here and also there is a great necessity for it—this applies to Parliament, too—to use every means in its power to ensure that the calibre of the people of our State, which has stood so high in the past and by virtue of which they have achieved so much, shall be maintained and fortified to meet conditions which, to some extent, are threatening to undermine it at the present juncture.

I want to turn now to 12 points that I have put down and which seem to me to require consideration, and decision, by the Government and by Parliament. They are not exhaustive. I do not say they are the 12 most important matters that could be considered. On the other hand, they are 12 matters that we shall have to face. The first one I shall refer to is this: Do we desire to retain the system of uniform taxation? The Premier, in the course of his Budget speech in which he dealt interestingly with many things, stated a number of problems facing the State. He did not attempt to answer them. I am not saying he could do so. To answer problems today when factors have not yet been finally determined, would be difficult—but I think we have to form provisional answers. It

comes back to what I said before. We want to know what we are after in this State. We want to take the initiative. We want to be on the positive side. As it is, we always appear to be on the negative side, resisting and questioning, sometimes—not often—welcoming proposals initiated and advanced by the Commonwealth Parliament.

So there is uniform taxation. Do we want to continue that system indefinitely? I do not think anyone does—in its present form. If we do not, what do we propose in its place? This matter is fundamental to the whole relationship of the Commonwealth and the State; the Federal system is involved in its answer. This question has been implicit in the Constitution from the day it was proclaimed. The necessity for an answer has been steadily rising down the years. The war has forced it to a complete issue. We, in this Parliament, have not so far taken any action or reached any conclusion as to what we want set up in its place. I suggest that first of all we want a return to a certain measure of autonomy, possibly full autonomy, in the collection of income tax for the purpose of financing the policy and needs of this State. As we cannot take more than 20s. in the £ from people who earn incomes, there must always be some measure of give and take between the Commonwealth and the States as to how much each could receive.

Naturally the Commonwealth is entitled to the first cut. If it is not going to wipe out the States by means of financial starvation, the Commonwealth must allow them a reasonable cut for their operations. The High Court held that the uniform taxation provisions could be supported under the taxing powers of the Commonwealth. They do not depend upon war or defence powers and, from the point of view of constitutional law, it appears to me uniform taxation can be justified as a permanent measure to be borne by all parts of the Commonwealth of Australia in future. Of course the term "uniform taxation" is merely a euphemism, a nice palatable way of describing what is a Commonwealth taxation monopoly. I suggest that our attitude should be that we want full, or at least a large proportion of our autonomy with regard to income taxation restored to the Government and Parliament of this

State. I believe that a formula could be arranged without serious difficulty by which that could be done. I do not make this statement dogmatically because it might turn out to be unsound, but I think the sooner we advance a proposition of a positive and constructive nature, the better it will be for all of us, even if possibly we advance a suggestion that proves to be unsound.

At the present time I see no reason why, as a result of a conference between the Commonwealth and the States, taxation should not be imposed at a rate which would be uniform throughout the Commonwealth and which would bring in an amount that, on the average, would meet the requirements of the States and the Commonwealth. If a State desires to get more than would be obtained from the uniform tax share it received from the Commonwealth that collected the tax, then it should have power to assess an additional amount of taxation on the same basis on the people in its own State in order to provide the additional revenue it might require. If a State should require less than was being collected on its behalf under the Commonwealth uniform tax law, then it could, from the money it received, make rebates to its people, which would, in effect, bring their taxation down to a lower figure. I have mentioned this as an attempt to convey a practical means by which we might reasonably and properly require or insist, in conjunction with other States, that we have returned to us the control over the raising of income taxes to enable us to carry out the policy which Parliament and the people of the State may desire.

The Premier and Treasurer of South Australia, when speaking on his Budget, seemed to indicate clearly that he wanted the return to the State of power over income tax collections. But while I am in agreement with what has been said, we do not want to revert to the necessity to fill in a multiplicity of returns. For the purposes of sound economy and clarity we want one return and one collecting authority. I believe we can achieve the return of our autonomy in the collection of income taxation without serious difficulty if a reasonable attitude prevails between the Commonwealth and the States.

Hon. J. C. Willcock: Would the same rates apply all round?

Mr. McDONALD: Yes.

Hon. J. C. Willcock: Then it merely comes to a question of the division of the amount received?

Mr. McDONALD: That is so. The Treasurer of this State goes to a conference at Canberra and says, "I want to budget for £4,000,000 from income tax levied on the people in Western Australia for State purposes." The Commonwealth Treasurer says, "We want to raise £5,000,000." The same procedure follows with other States. Then the amount thus determined is assessed and collected by the Commonwealth and distributed accordingly. But each State may have to make internal arrangements to impose additional taxation on its own people on the same assessment in order to secure the extra amount it wants. Alternatively, if the State receives under the uniform taxation system more than it wants, it can return the excess amount to its people in the form of a rebate on their income tax assessments.

Hon. J. C. Willcock: Who is going to decide the amount which each State shall get?

Mr. McDONALD: The State Government would budget for the amount it wanted. It would then be a matter of consideration and give-and-take between the Commonwealth and the States as to what was a fair amount in the aggregate to impose on the people of Australia or on the people of the States.

Hon. J. C. Willcock: Somebody would have to give a decision about that.

Mr. McDONALD: The same thing arises in connection with the Loan Council, where it is a matter of the decision of a majority; and I do not know of any case where the automatic machinery provided for the making of a decision has been availed of in the case of a disagreement.

Hon. J. C. Willcock: There is majority representation, you know.

Mr. McDONALD: Yes. While admitting or conceding that what I suggest here may be quite unsound, there are other ways of approaching this problem. The point is that it has to be solved either by the dictation of the Commonwealth and the States taking what they are given, or it has to be solved by sensible co-operation between the Commonwealth and the States. I propose that we

should try sensible co-operation and mutual regard for each other's requirements as between the Commonwealth and the States. Approached on that basis, the problem appears to be not insoluble.

Hon. J. C. Willcock: There would be the judicial decision of the Grants Commission.

Mr. McDONALD: The member for Geraldton speaks of a judicial decision of the Grants Commission. It is a decision judicially arrived at after hearing evidence; but it is not a judicial decision in the sense that it is binding upon any Parliament at all or upon any State. It is a recommendation by an expert advisory body and should at all times be treated as such. It is for the Parliaments themselves—especially the Commonwealth Parliament—to determine how far and to what extent they will follow that recommendation.

Hon. J. C. Willcock: They have never hesitated to accept the recommendation yet.

Mr. McDONALD: No, but I think they would be abrogating their power and responsibility as representatives of the people if they tamely accepted every recommendation of the Grants Commission, however wise on the whole and sound those recommendations might be. The matters dealt with by the Grants Commission are matters of national policy which are not to be delegated or shuffled off on to any body of three men, however expert they may be. Those matters are the responsibility of the people's representatives in the National and State Parliaments and should be shouldered by them.

I now pass to taxation generally. Taxation can and must be reduced. If it is not reduced, it is going to result in a diminution of the productive capacity of the Commonwealth and the States. I say, too, that when the matter of taxation and uniform tax is before the representatives of this State, we want a few more things by way of review of defects in our present system. I think we are agreed that we want more favourable allowances for the family man. We are tired of the new system of rebates; we want straight-out deductions, so that we know where we are. We want a review of deductions at the source, because, although in the end this system may work out justly, yet the result of deductions at the source in some cases—such as overtime—gives rise to much dissatisfaction and can give rise to injustices which could be corrected without difficulty, in my opinion. There are also cases—I have

just mentioned a few and do not want to go into details—where the present system of charging a man at a certain rate fixed by the department on increases in his stock creates hardship for the producer, because the assumption is that the increase will be sold during the year of assessment, and on account of drought conditions, or other unfavourable circumstances, he may not be able to sell his stock during that year, and he then has to pay on a profit that he has not been able to make, and of which he has not received the proceeds from which normally he would pay the tax. Those are one or two aspects as to which I say that we in this State and people in other States should be vigilant to see that, when the matter comes up again, we press our views for amendments which the experience of our State has shown to be necessary and just.

The third point is that when we deal with taxation—and I am sure I have the Premier's sympathy here—we have to remember one particular area of our State, the North-West. I agree with the Premier that travelling up in the "Koolinda" to the North does not make a man an expert on the North-West. I do not profess to be an expert on the North-West but, as far as I can learn by reading all I can that has been written by experts, including the evidence given before the Rural Reconstruction Commission by the Pastoralists' Association of this State and by other experienced people, there are areas in our North-West which will never recover under the existing taxation system. They will never get ahead of things in a lifetime or a series of lifetimes, and I can see no other way out of the difficulty except to extend to those areas, in the case of primary production, an exemption from taxation for a term of years, such as the Commonwealth itself has granted to the Northern Territory I think since 1923. There are constitutional difficulties, but these can be overcome.

I now turn to the Grants Commission for a moment. I desire to pay a tribute to the present members and to their predecessors. I think the reports of the Commission should be text books for all students of economics and for parliamentarians. For parliamentarians I think they are. I am sorry the last report is not to hand and that I have not had the opportunity to peruse it.

Mr. Doney: I think there are a few copies available, but not nearly sufficient.

Mr. McDONALD: I have not yet got my copy. In reading the reports of the Grants Commission I have always felt that I was reading the reports of a schoolmaster, and I am not sure that that is the right attitude. It might have been all right in the past; but I am not convinced that it is the right attitude now or in the future. I would like to see the reports of the Grants Commission the reports of a guardian of the weaker States, charged with their welfare and their growth to full stature. A matter which we shall have to solve in the near future is whether the Grants Commission is to continue on its present basis. Its powers are wider than ever, because it now has power to deal with a return of additional income under the Uniform Tax Act.

I shall quote some figures. Whereas last year this State received under the uniform tax Act the sum of £2,500,000 from the Commonwealth as its share of taxation raised in this State, the latest Pocket Year Book shows that in the year 1933-34 the Commonwealth raised £8,521,000 in this State. That amount includes wartime company and super tax.

Hon. J. C. Willcock: What date is that Year Book?

Mr. McDONALD: It is 1943-44. The amount was £8,521,000 from this State, and we got back roughly £2,500,000. Of course, that includes the equivalent of both Commonwealth and State income tax and also reflects the obligations of the Commonwealth regarding war expenditure; but it shows the income tax capacity of our State that we paid £8,500,000 in 1943-44, and it sheds some light on what might be available for the development of our State if we had some control of income tax and the Commonwealth was content to prune its expenditure to a reasonable proportion.

Hon. J. C. Willcock: Do you think anyone would have the courage to impose such high rates in peacetime?

Mr. McDONALD: Nowhere near it! There is evidence that in many directions people are restricting their activities because the more work they do the less they get proportionately. That is a bad attitude of mind, but a very human one; and there is a well-known economic law that taxation can be raised so high that diminishing returns ensue. We may have reached that point or come very near it.

Hon. J. C. Willcock: I think we have.

Mr. Styants: It has caused a lot of industrial trouble, too.

Mr. McDONALD: Yes, and it is something that must be faced, and faced quickly. If we are not satisfied with the Grants Commission—and I gather we are not—what do we want? I think we certainly need, or will require to have, a tribunal of an expert character, such as the Grants Commission, to play a part in advising the Commonwealth Parliament and people on matters of re-adjustment of revenue. In other words, the institution has come to stay, for the time being at all events, and for many years to come; but is it to remain in its present form and, if not, what form is it to take? I suggest that in one respect the member for Claremont made the right suggestion when he said that, in addition to its present powers, it should have power to recommend for the development of States that are not standard States; and I suggest that its function is, as was very properly stated in the Commonwealth Parliament the other day, not one of recommending doles to mendicant States but of re-directing national income towards quarters which are rightfully entitled to receive it; that is, towards weaker States or those which have not benefited by federation or from war expenditure.

We should rebel very firmly against this continued suggestion of mendicancy and I believe that the role of the Grants Commission—and we should try to bring it about for the future—should be to have its functions extended to recommendation for the development of the weaker States and building them up nearer to parity with the standard States in population, industries and social services. If we are to look at things as a nation and from the viewpoint not of today or even ten years hence, the outlying States must be built up. A man who is associated with a large business enterprise said to me the other day, when I asked him what he was planning for the post-war period, "Our directors are planning for the post-war period, but they are planning for a hundred years ahead. They are looking forward to the operations of their enterprise for the next hundred years." That is only a private business or company, and a State can and must look forward to long-term policies. The next point is, What about the Commonwealth Constitution? I suggest that

it should be reviewed by a convention of the right kind, attended by experts and taking plenty of time to consider the position, inviting opinions from all people and organisations who have something worth while to offer. I would like to see power given to the Commonwealth over the marketing of our primary export products.

I am not going to keep the Committee by going into details, but there should be some limitation in connection with Section 92 of the Constitution which relates to absolute freedom of trade between the States. I would like to see provision made which would at all events prevent the dumping of goods from the standard States on the weaker States. Some years ago, the member for Nedlands reminded me that in the very first inquiry in regard to Commonwealth aid—I think it was in 1925—two of the three members of the Commission which gave us our first grant recommended that Western Australia, for a period of years, should be entitled to have a certain degree of tariff protection from the highly-developed industrialised Eastern States.

Hon. J. C. Willcock: The Interstate Commission was supposed to do that, but it fell into disuse.

Mr. McDONALD: I think the member for Geraldton is very right in referring to the Interstate Commission. I think it is one of the calamities of the development of Australia that that Commission ceased to function. It was like—what shall I say?—a governor on a machine.

Hon. J. C. Willcock: A safety valve!

Mr. McDONALD: Yes, or an equaliser or a stabiliser. It was wiped out of our Constitution by some technical objection that it was performing judicial functions. That could have been overcome, and should have been overcome, by amending the Constitution. The member for Perth referred to migration. I have that subject down on my notes. I respectfully disagree with the Treasurer—or perhaps I do not disagree but qualify his observation—that we must first regard the people in our own State who have made such sacrifices to retain it. With that sentiment I am in entire agreement: but my view is very simple. I think the first duty to the people of our State is to get other people here in order to prevent our people from being overwhelmed if we are again attacked. I do not want to be mis-

understood. I have always been an idealist. I belonged to the League of Nations Union after the last war and always thought there would not be another war. I was completely wrong.

Mr. Hoar: You are not alone, either.

Mr. McDONALD: I am still an idealist and hope there will not be another war. I may again be wrong. We cannot contemplate this State being in the possession of half a million people when the next war comes. The best protection for our own population is to get more people here. Not only will we have more people here, but they will go a long way towards solving the problems in the Premier's Budget. If we double our population the situation will be immensely improved from the point of view of railway earnings, territorial revenue, taxation, and other factors which involve a healthy budgetary position.

Mr. J. Hegney: It will be at least two years before any ships will be available for people who want to come here.

Mr. McDONALD: Is that correct? One thing that I am disappointed about is that so far as I know there has not been one word from our Agent General's office on the question of migration. To me that is very disturbing.

Hon. J. C. Willecock: Except that he is getting inquiries, and is waiting for a Commonwealth or State policy to be adopted.

Mr. McDONALD: I do not think anybody here has been told of anything that he has said—certainly not outside the Government. Why wait for the Commonwealth? My view is that we should have our own State objective and programme for migration. Let us accept all the safeguards outlined by the member for Perth and let us decide what we want and start to work to achieve our objective. I think we would find it much easier than we expect, but we must necessarily co-ordinate with Commonwealth policy. The Commonwealth Government has many troubles on its mind, and if we wait for it to deal with this matter we will once again miss the bus and will be waiting years hence. People who are now unsettled and disposed to try their fortunes elsewhere will have fallen back into a regular way of living, and the present opportunity will no longer exist. Let us form our programme inside of three months and tell the Commonwealth

authorities what we want. Let us tell them that we are going ahead with our scheme by every means in our power and that, while they are making up their minds, they could help us financially and in every other way possible.

I shall now deal with our State trading concerns and utilities. Our railways are operating under an Act that is 41 years old, and our State trading concerns are operating under an Act that is 27 years old.

Hon. W. D. Johnson: And never was any good!

Mr. McDONALD: I agree; it never was any good. It is the most artificial Act, divorced from all business reality, that I have ever read for the regulating of trading or business concerns. To tell the truth, I do not know, although I have tried to find out, how our State trading concerns stand. I do not know with any degree of accuracy, how much they have lost over their years of work, or what profits they have made. Neither am I at all certain as to exactly what is their position with regard to assets and liabilities. In view of the importance of these items—especially the railways—in our national economy, members on this side of the House—and I am sure on the Government side—would give their work and energies to help the Government to undertake a complete examination, without delay, into all our Government utilities and State trading concerns.

Hon. W. D. Johnson: There are two different measures.

Mr. McDONALD: That is so. The railways have one Act, and the State trading concerns come under the 1917 Act. But let us decide their role for the future and their financial position so that we can tell whether they have met our expectations. In other words, let us face the position as it is and make up our minds on a realistic policy with regard to these particular State activities.

Again, the member for Perth referred to transport. I wish to make some reference to that subject that involves, in particular, our railways, which comprise one of the chief sources of our deficit. Our railways in some cases have achieved a record for which commendation should be given. When we speak about the deficit on the railways we

have to bear in mind that before the deficit is arrived at, they have paid 3 per cent. or $3\frac{1}{4}$ per cent. on their capital. The enterprise has been used for developmental work, sometimes divorced from any immediate returns in hard cash. So the railways are an institution that can be said to be paying dividends, year by year, at all events at the modest rate of 3 per cent. It is not every corporation that has paid regular annual dividends of 3 per cent. or even 2 per cent. But that does not dispose of the matter. I and other members would gladly welcome some idea from the experts and authorities as to what future they can see for the railways. I have referred to this matter before, but only last week the following appeared in "The West Australian"—

United Airlines of America anticipates that in ten years domestic air services will carry 80 per cent. of all first-class passenger traffic, 33 per cent. of motor bus passengers, all first-class mail travelling more than 400 miles, 80 per cent. of parcels post matter, 40 per cent. of rail express freights, and even a percentage of motor truck freight.

These matters make us wonder whether much work will be done in the way of reconditioning rollingstock that may not be needed before many years have passed. Western Australia has been out-distanced by the central States in industries. The result of the war has been to strengthen the hold of the central States on the heavy industries and all manufactures. We have to turn to other sources of revenue if we are to advance our economy. I am going to mention only three or four, but I want to see the Government and Parliament address themselves to the untapped sources of revenue from which this State might benefit.

The member for Claremont referred to tourists. The tourist trade requires to be approached with the utmost imagination. It is the most marvellous trade that any country can possibly have. It is the most lucrative and the continental nations realise that and make wonderful provision to encourage it. I am pleased to see that the Premier is making some additional expenditure available for this purpose. The climate that we have in the greater portion of this State provides possibilities that might—I won't say revolutionise—make a material difference to the financial position and development of Western Australia. In addition there are the Asiatic races that are now

emerging with limited purchasing power, but great expectations. We are their nearest neighbour and there may be some products that they require which we are peculiarly well able to supply, and which we might develop.

Our fisheries industry has not yet been properly advanced. With the greater development of canning and other operations this industry might be a source of great wealth. If we made known our climate Western Australia might be a country to which many thousands of people with independent incomes would retire when their working days are finished. That is a source of revenue on which the Channel Islands have largely depended for many years, and this State has peculiar advantages for attracting that class of people.

Hon. J. C. Willecock: Switzerland derives a great deal of income from the tourist traffic.

Mr. McDONALD: That is so. The next point is the stabilisation of prices in our primary industries and the securing of markets by international arrangement. The whole trend regarding primary export produce—as has been shown by the Wool Agreement and other agreements made during the war—is towards international marketing arrangements, which I think is a development that should be encouraged and supported in every way, as calculated to provide a stable market and a fair price to the producer, and at the same time a fair price to the consumer. I hope that will be the pattern of our marketing arrangements in the future, to a large extent.

At the Washington Wheat Convention of 1942, Argentine, Australia, Britain, America and Canada agreed on a provisional charter for the international marketing of wheat in the post-war period, with a fair price to the producer and consumer. That charter appears to be hanging fire so far, but I think it is in the interests of this State that the Government should assist, by any means in its power, the implementation of arrangements such as that contemplated by that convention in 1942. I have two more points, the first of which relates to something I said earlier. I think that much of the unrest that we are faced with today, and which will face us in the future, is due to conditions such as the incidence of taxation of a kind that is resented by workers and others. Apart from that, I think there is a

role for the Government to play—it has not been done before in a systematic way—in making known to the people some basic economic truths. One of those truths is that the production of goods and services is the only thing that raises the standard of living. One cannot feed on bank notes.

Another truth was emphasised by Sir William Beveridge, in his recent book on full employment, when he pointed out in clear language that all hopes of a new order, and promises of full employment, depend on a few things, one of which is that no section or group—whatever it may be—shall make use of its key position to exploit or inflict lower conditions on any other section. In other words, he pointed out the mutual responsibility of each section for every other section. Another truth is that an observance of law and a certain self-discipline on the part of the individual are essential for the attainment of conditions of better living, secure employment, and general security such as we all hope to bring about. I do not think all those facts are realised, and I believe the Government has a duty regarding matters that are not political, matters which are basic and ethical, to tell the people that these fundamental things are necessary if we are to maintain or promote our standards of living and security.

I would like to see the Government face up to the education position. I admit the difficulties of the war years, such as lack of material and labour, that prevented the poor condition of our schools being rectified, and also the shortage of teachers, but I would point out that during the war England passed the greatest piece of legislation affecting education since education became compulsory in 1871. This was done during all the anxieties of war, after an expert inquiry into the revision and improvement of the educational system. I mention that last in my remarks tonight because education is basic to any budget, or to the prosperity of any society. After all, education is mainly the attitude of mind of the individual towards the rest of the community. Successful education means success in inducing the right attitude of mind in the individual towards the rest of the community. Of course there are other aspects, but that is the most important one, and upon our success in inculcating that attitude into the minds of people will depend the Budget of

the Treasurer, the successful enterprises of the Minister for Works, the running of the railways and all the other factors that we hope are going to bring us nearer to the desired goal.

MR. NORTH (Claremont) [6.8]: To the address we have just heard from the member for West Perth, we can remark, "and so say all of us." The hon. member covered the ground so well that little has been left for other speakers to say. However, I have one or two matters I wish to mention, but they will not obtrude upon the hon. member's excellent speech.

The first question is whether we should abandon railway transport. This seems to be an exceedingly plain question after the high standard of the address we have just heard, and I feel almost ready to apologise for introducing it at this stage. During recent months there has been great controversy in the Press and over the air on the subject of the abandonment of railway construction and use in favour of airway and other forms of transport. I consider that these discussions and examinations are well worth while. We must get down to bedrock as far as possible, and the only conclusion I as a listener to the discussions can come to is that it would be safest for men in public life at present to welcome all forms of transport and not be too ready to advocate one as against another.

In order to support my remarks, I wish to quote from a short article which is available to the people and which, if they happen to read it, might make them feel somewhat furious at the general attitude adopted in this State. We are told at one moment that airways constitute the fastest form of transport and will scoop the pool, as it were, in the near future. This might be so, but as I have remarked, it would be dangerous for men in public life at present to be too dogmatic on the point. The article is headed, "4,500-miles-an-hour train predicted." This would mean that a train could travel from Fremantle to Sydney in half-an-hour.

Member: A Jules Verne story?

MR. NORTH: No; the name of the expert I am quoting is Dr. Irving Langmuir, who believes that he could run a train across the continent at a speed of 4,500 miles an hour,

or ten times faster than today's fighter planes. According to the report—

Dr. Irving Langmuir believes surface transportation has a much greater future than aviation. He predicts a train that will take you across the continent at the incredible speed of 4,500 miles an hour, ten times faster than today's fighter planes. Dr. Langmuir is suggesting a train running in a vacuum.

A metal tube would take the place of today's ballast and rails.

This tube, constructed like a stratosphere bomber, of light metal but sealed absolutely tight, would be slightly larger than the tube-shaped train cars. Instead of having the stratosphere vacuum on the outside and air under pressure inside, Langmuir's railway tube would have the atmosphere's pressure outside and a vacuum within.

I do not wish to engage in any long technical discussion of the article or weary members with details of the project, but there is a move by experts to bring about the equivalent of stratosphere travelling by working in a vacuum. Thus there are people in the world who can still see a great future for ground transport.

Setting aside that rather ideal plan, there is being tested in the United States of America a large steam locomotive worked on the turbine system capable of hauling a train at the rate of the 100 miles an hour, and silently at that. It might interest the member for Kalgoorlie to hear that this steam turbine engine is controlled by one lever. Experts are apparently determined to show that the future of the railways is still assured. Another point worthy of note is that Canada is allotting its aluminium, of which there is plenty and for which there was a large market during the war, for the reconditioning of the whole of its rolling-stock, and the effect will be to bring about a great reduction in the weight of trains. What was 4,500 lbs. can be reduced by 3,000 lbs., which means that freights and the cost of haulage will be enormously reduced in that Dominion when the reconstruction of the rollingstock has been completed.

We in Australia may not be able to operate a similar plan. Aluminium is a scarce commodity in this part of the world, notwithstanding that works to produce it have been or are to be established in Tasmania. With these facts before us, we can realise that the future of certain forms of transport is still very doubtful, and probably we

would be wise to adopt the attitude, "Let us have all the varieties of transport possible and see which ones work out the best."

Sitting suspended from 6.15 to 7.30 p.m.

Mr. NORTH: Before tea, I was making a few remarks on railway transport, and it seemed to me that I was jarring the atmosphere by speaking on such mundane things as rival airways, rival railways and such things; but I do urge the Committee not to pass final judgment on this controversy over railways and other forms of transport. I urge the Government to give every consideration to all forms of transport—airways, on the sea and under the sea.

The Premier: And byways.

Mr. NORTH: Yes, all ways, so that we may not be taken unawares by what might happen in the next few years in these matters. Descending to more mundane subjects, I also urge that an officer be sent from the Midland Junction workshops to visit different world centres to learn what can be done both in the way of modernising those workshops and the plant. He could also inquire what types of locomotive were available of a later pattern than those we are using here; he might even investigate their method of construction. The Midland Junction workshops might undertake the manufacture of machinery for our State trading concerns which now we have to import.

Mr. J. Hegney: What about a committee?

Mr. NORTH: Yes. It would be very useful for those purposes. If the member for Middle Swan will move for such a committee, I will support him. The officer that I mentioned could also investigate the manufacture of trolley-buses, their chassis and motors, as well as various other matters of that nature. The only other point I had in mind was the question of lunches in schools. This matter has received much support; and I am glad to say that a school in Swanbourne is now endeavouring to arrange a deputation to the Minister for Education on the question of supplying Oslo lunches in that school. I hope that ere long we shall have throughout the State some form of midday lunch provided for our school-children throughout the year—hot in winter and cold in summer—because, as well as meeting the convenience of the children, it

would be economical and the parents would know that their children, while being educated, were getting a square meal. I would like to end with one sentence which I think can be applied to all budgets in any democracy and can certainly be applied here. It is composed of the names of the members for Victoria Park, Katanning, Swan, and Forrest. The sentence is "Read what's owing, old man!"

MR. TRIAT (Mt. Magnet) [7.33]: I sympathise with the Premier on having to submit a Budget such as the one on the present occasion, because in looking down the column of general summary of revenue I discover items such as £390,000, £28,000, £27,000 and £78,000 decreases in revenue. It must be exceedingly difficult for a Treasurer who is budgeting for 12 months to face the fact that there will be a decrease in revenue of approximately a shade over half a million. Even allowing for the increases shown in the Budget, there is still a general deficiency in revenue, as compared with last year, of £454,000. To undertake to introduce a Budget which would be satisfactory to everyone is practically impossible. I intend to make a few remarks that probably will not be too pleasant, although they will not be criticism in the strict sense of the term. I shall make them because some people are requiring information why certain things are not done. The most important industry in my electorate is the mining industry; to me, mining means everything. Yet I find a decrease of £3,535 in the mining vote when compared with the vote for last year. That makes me wonder.

Mining today, in my opinion, is definitely the industry in Western Australia that will help to solve our troubles. I have heard members of this side of the Chamber—especially the member for Nelson—endeavouring to tell Opposition members that by establishing more farms and growing more wheat and more fruit, we should be bringing extra competitors into the market to sell products upon which they depended for their livelihood. I believe that to be true. I sincerely believe that if we encourage more people to grow wheat in Western Australia, we shall not be able to sell the wheat they grow for the price of the seed wheat, because the consumption of wheat in a few years will not be as great as the quantity produced.

Member: There will be a surplus.

MR. TRIAT: Of course. The member for Nelson is perfectly justified in his remarks. We know that we are bolstering up the export of our primary products by bonuses which are paid by the people of Australia. That is unsatisfactory. It is not necessary to pay anybody a bonus on the export of gold for sale overseas.

MR. THORN: You do not hear of anyone eating gold.

MR. TRIAT: No, but everybody wants it; everybody is anxious and eager to grasp it. We should try to open up in Western Australia the greatest goldfield in the Commonwealth, and yet we find a Budget submitted showing a reduction of nearly £4,000 in the mining vote. I really and sincerely thought that the vote would have been enormously increased, and that we could expect to be working shows today showing a return lower than seven or eight dwts. to the ton, even three to four dwts. to the ton. That could only be achieved by expending money on treatment plants that would recover the gold at a reduced cost to the prospector. A treatment plant which absorbs 30s. of the value of the gold, which is left in the sands, is not an adequate plant. Much as I admire our Mines Department, I say that is one blot on their record. We find that the department is not able to treat ordinary oxidised ore without leaving in the sands the equivalent of 30s. per ton. Not only does the department charge 30s. for treatment, or the equivalent of that amount, but it fixes a certain scale. The prospector gets only 75 per cent. of his crushing; the remainder is supposed to be in the slimes, so that if he sends in 100 tons to be crushed, he only gets the return from 75 tons.

Then some wise man discovered that there was always moisture in the ore, and consequently 10 per cent. had to be allowed for that. So he gets down to 65 tons, and by the time the 100 tons is finished there is little left. That is all valuable gold that has gone by the board. Let us put a plant at one battery at least to treat low grade ore the same as the mining companies do. A mining company does not have a high residue. If the metallurgist cannot recover gold from the sand, another is engaged. But in the State batteries the same old process operates that has operated for 30 or 40 years—the ore is crushed, run over the plates and out on to the sand dump. A bit

of cyanide is placed on it, and if gold is obtained from it 30s. a ton is charged! What is needed is a modern plant; but that will not be provided when we have the vote for this department reduced by £4,000. In 1939-40 and 1940-41, the Commonwealth Government took over £2,500,000 out of the goldmining industry in Western Australia in the form of a tax on gold above £9 per ounce.

What has been taken since 1941 I do not know; but in those years over £2,500,000 was taken from the goldmining industry in Western Australia by means of a gold tax, and to the Western Australian Government was given back during the war period a sum not exceeding £150,000. First, £100,000 was given to keep the mines in working condition on account of the war, and I am given to understand that last year another £50,000 was made available. Over a period of four years all that was given back to Western Australia was £150,000. I trust the Treasurer will approach the Commonwealth Government and ask it to make available to this State, not less than £500,000, for the purpose of rehabilitating the State batteries and fostering the mining industry. The Commonwealth Government could well afford to do that and still show a handsome profit. It has cost the Government nothing beyond the employment of taxation officers to pick up the gold tax as the gold was transmitted from the Mint.

I repeat that in 1939-40 and 1940-41, over £2,500,000 was taken from Western Australia by way of gold tax and out of that only £150,000 was returned to keep the mines in operation. If the goldmining industry were operated in this State as I believe it should be, we would be able not exactly to balance our budget, but to pick up a lot of leeway in work, and we would be able to produce a commodity that is being eagerly sought in every part of the world. In my opinion the price of gold will not remain what it is today but will increase to not less than £15 per ounce. If that is so, why do we not foster the industry? I trust the Treasurer will make application to the Commonwealth for a substantial grant of money for the Mines Department to rehabilitate, not the mines that are prosperous, or the mines that are able to carry on, but the small mines, and the prospectors' mines. Assistance is needed by men who go out and are not able

to obtain any money except what they get out of the ground. In this Budget no provision is made for assistance to prospectors. Those men have only a few pounds, and they require help, and I trust that matter will be looked into.

The Premier: What you are advocating need not mean an increase in the vote for the Mines Department.

Mr. TRIAT: No. I point out that position because I realise that the State has not much money, and cannot put sufficient at the disposal of the department to enable it to undertake the rehabilitation of the State Batteries.

The Premier: There is a claim now for a very big sum for mines that were out of production during the war.

Mr. TRIAT: That may relate to company mines. I do not know. Many of those companies are able to finance their own mines; though I admit they should be entitled to some assistance from the Commonwealth Government. But I want £500,000 made available to bring the State Batteries up-to-date, so that they may crush under the same conditions as those prevailing at the big mines, in order that all the gold may be extracted from the ore. The ex-Premier will recall that three years ago I made an application to him to grant a greater amount of money for men who have to wait for gold from the tailings, sometimes for six to twelve months. I asked that £7 should be paid to them while they were waiting, instead of £4. The ex-Premier agreed to that. At that time a lot of gold was just going into the sands. There was too much of that going on. Sands should be valueless.

With regard to industrial development, the vote is again very small, as it was last year. The figure is £7,505. The amount of £6,867 for fuel technology will be largely absorbed in the provision of buildings and the payment of salaries. Not a great amount is set aside for the purpose of making investigations into the fuel position, into coal and the by-products of coal, and the various uses to which coal can be put. The amount is mostly for buildings and salaries. Even if the whole of the sum were devoted to research, it would not be more than a flea-bite. Again I presume that the smallness of the vote is due to a shortage of cash. The other portion of

the vote—£452—is for making investigations into drug-producing plants. That is not a great sum, but it is something. But industrial development should be concerned with more matters than that.

What about an examination of the fishing industry in the North? That comes under the heading of industrial development. I do not think anybody has the slightest doubt that here we have fishing grounds as good as any in any other part of the Commonwealth. We have an abundance of fish; and what is needed are proper refrigeration and methods of canning, drying, or curing the fish. Not only is there a market in Western Australia, but there is also a market elsewhere. For any surplus fish we might have, there would be markets north of Australia. All the islands north of this Continent are prepared to buy dehydrated foodstuffs, especially fish. They live on a fish diet, which we do not, because it is too expensive! But for dried fish, a market could be obtained elsewhere if we had no market for it here—which we have. I tried to buy some dhu fish the other day. It was 4s. 6d. a lb. and schnapper was 3s. 11d. per lb. filleted. That was the price charged for fish in a place like Western Australia! I could not afford to buy at that price, so I walked out of the shop fishless.

Then there is the whaling industry, and the shark fishing industry. They are worthy of consideration. There is a lot of money to be made out of whale oil and blubber, whale-bone and by-products of whale meat used for fertiliser. We have a wonderful proposition if we could only properly develop it. Again, the production of leather from sharks has been a very attractive proposition. I believe that the Western Australian coast is teeming with sharks. Fishermen say that they can go where they like and get 50 sharks a night. That is another industry that is not fostered. In many instances, private enterprise has been unable to undertake the work, except in a very small way. We have heard a lot about heavy industry, and resolutions have been carried in this House on that matter.

The Government should make investigations into heavy industries. Nothing is done here apart from one big job, namely the production of charcoal-iron. I contacted the Director of Industrial Development, Mr. Fernie, and I do not know that he was able to give me anything very informative regarding heavy industry apart from the pro-

ject I have mentioned. If one talks about bringing down iron-ore by any other method than the charcoal method, one is not listened to. The department is not prepared to experiment. Nobody is prepared to spend money to put in a small furnace to find out whether this can be done by any other means; though, of course, it can. It can be done by two other means: By the use of coke, which I believe can be produced from Collie coal, because I have seen it; and by the gas process, which has not been tried. Yet a gas furnace is operating at Midland Junction. A test could be made there in the crucible in the space of three or four hours.

Mr. North: Has Collie coke been proved?

Mr. TRIAT: It has been proved to be a high grade commercial coke—not a domestic coke—for the purposes of bringing down iron-ore, and experiments are being proceeded with by officers of the Department of Industrial Development. The man responsible for it said it could be done in six weeks, but it has been going on for six months and is not done yet. Why do we not hasten a little more than we are doing? If it is a good proposition something could probably be done with it. An engineer of standing, working in a Government department in Kalgoorlie, designed a house that would reduce temperatures there by 20 degrees. He told me it would reduce them by approximately 20 per cent., which practically amounts to 20 degrees. He said that by using vermiculite in the linings of the walls and on the ceilings that reduction in temperature in the summer could be brought about. Vermiculite is found in abundance in Western Australia. He also said that there was a South Australian product, pressed straw, that could be used here. It is pressed to a thickness of about four inches and is used for insulation between walls and ceilings.

Mr. McDonald: Is vermiculite in sheet form?

Mr. TRIAT: No, it is granulated. When the moisture is evaporated out of it it becomes extremely light and increases its size about 30 times. It is a mineral.

The Minister for Justice: There is a big deposit of it at Esperance.

Mr. TRIAT: Yes, and at other places. Even though this scheme has been put forward nothing has been done. No experiments have been made to see if, at practically no additional cost, the temperatures can be

reduced, by 20 per cent. as this man claimed. The cost is not great because the stuff is tipped into the cavity between the walls and is spread to a thickness of four inches over the ceiling. This man's claims should be examined before more houses are built on the Goldfields. If it is correct, then the homes there will be more comfortable. When the Commonwealth Government realises that this State produces a very valuable product in gold it should be only too willing to give back to us a small proportion of what it has taken. Certainly it has the legal right to take what it has, but this State was very foolish in that it did not tax the goldmining industry and spend the money so derived on producing gold here. But we considered that the people producing gold were doing a good job and had no desire to tax them. When the Commonwealth Government was seeking additional revenue it had no hesitation in saying, "We will take from you 50 per cent. over £9 an ounce."

Mr. McDonald: It is only justified as a war measure.

Mr. TRIAT: I think it was done before the war.

Mr. Abbott: They pay no income tax in respect of it.

Mr. TRIAT: They took £1,200,000 in the first year, 1939-40.

Mr. McDonald: It was for war preparations.

The Premier: Even Chamberlain did not know of the necessity for those preparations then.

Mr. TRIAT: The Government at that time did not have the foresight to know a war was in the offing.

The CHAIRMAN: Order! The member for Mt. Magnet will address the Chair.

Mr. TRIAT: I have no desire to inflame anything further on the House. This Government is up against a pretty hard proposition. There is a shortage of money and much to do. It is impossible to do it all. Members on the other side have drawn attention to the uniform taxation so there is no occasion for me to deal with it. They have also dealt satisfactorily with the Grants Commission. The Treasurer is an optimist if he thinks he is going to get away with a deficit of only £200,000 in the coming year. South Australia, with twice the industrial development of this State, is budgeting for

a greater deficit than that. I sincerely hope that our Treasurer's estimate will prove correct, but I do not think so. I feel that the House is right behind him in whatever he is endeavouring to do, and if the deficit is eventually shown to be more than £200,000 he will get no rap over the knuckles from this side of the House and I do not think he will from the other, because he is a new man doing a job under difficult circumstances. Costs are increasing and there is not a great amount of revenue coming in. I wish him well and hope that he will assist himself by having more gold produced in Western Australia. It is a product that will be taken by anyone in the world at a high price showing a large profit.

MR. PERKINS (York) [7.56]: The general position affecting the States, as outlined by the Premier, was well covered by the Leader of the Opposition and by the member for West Perth when they went carefully through the general effects on this State of the Budget proposals. I do not propose to cover that ground again because it was dealt with fully by those speakers, but I feel I must say something because after hearing the speech of the Premier and Treasurer, when introducing the Budget, I was left in a very depressed frame of mind. During the last four or five years the people of this and the other States have been fed on all kinds of dreams of what will happen in the way of post-war reconstruction. We have been told of all sorts of things that we could expect in a sort of new Utopia. Anyone who sought to throw doubts of any kind on the possibility of these proposals coming into effect was branded as something worse than a pessimist—indeed almost a traitor!

Now it does seem that many of these dreams of the last four or five years may not come true. They cannot come true unless some radical alteration is made in the general financial set-up affecting this State. We all agree that there are many improvements desired from the Government in the general Government services if we are going to enjoy the standards of services and living that we have a reasonable right to expect. We believe that we should have better educational facilities, better housing, better transport and other public services that only Governments can provide because they are

for the people as a whole rather than for particular sections. For that reason private enterprise cannot provide them. We find, from the outline given by the Premier when introducing the Budget, that we are limited to a figure of between £13,000,000 and £14,000,000, out of which is to be taken the sums required to meet our interest payments on principal moneys borrowed and the various expenses necessary in running the different Government utilities. As a result only a small amount is left for all the services that the State Government has to meet.

On going through the Estimates I notice that some small increases are provided. There is an increase of £26,000 in the education vote. I submit that £26,000 will not go very far towards bringing the educational facilities of Western Australia up to the standard expected by our people. That applies equally to other services such as the Health Department. Seeing that it is not within the power of the State at present, by reason of the uniform taxation law that has been ably expounded by the Leader of the Opposition and the member for West Perth, one would think that, as the Commonwealth has the over-riding financial power, it would be prepared to make up to the States the sums required to put those services on the footing on which we desire to see them. Commonwealth officials have been equally as zealous as State officials in painting rosy pictures of the Utopia that we were to see after the war, and I think the responsibility therefore lies equally on the Commonwealth officials to provide the wherewithal to bring about a realisation of that position.

The Premier: I hope you will exonerate me from having forecast such a Utopia.

Mr. PERKINS: Some of the Premier's colleagues forecast it, even if he did not. It appears that the Commonwealth is not going to recognise that responsibility. I noted recently that the Commonwealth had refused a request from the States for an increased grant in aid to improve educational facilities in the various States, and I am afraid that is an indication of the fate awaiting similar requests for reimbursement or grants in aid to improve other State facilities. That belief is fortified by statements recently made in the Commonwealth Parlia-

ment, and by Press statements released by Commonwealth Ministers. Strong objections are being raised by many citizens to the high rates of taxation at present operating and I have no doubt that, unless the Commonwealth Government can forecast some relief from the high taxation obtaining, it will have a poor chance of return at the elections to be held next year.

I think there is every possibility that there will be proposals, in the Federal sphere, for some relief from the present high rates of taxation, and I agree with such a policy, because high taxation is having a cramping effect on initiative, both in business and among people working in different industries. I believe that high taxation is a factor in the absenteeism occurring in many industries, such as on the wharves and in the coalmines, where it has been given considerable publicity in recent times. I think members will agree that high rates of taxation are having a cramping effect on both managements and employees in industry. There is also reason to believe that, with high rates of taxation, there is a considerable evasion of taxation. The fact that the note issue has risen to such astounding heights in recent years leads one to believe that many of the notes are not circulating. It is a comparatively simple matter for any person so minded, if he is running his own business and if his sales are not all put through the cash register, to evade taxation, and it is difficult for taxation officials to check up on the profits of such a business. There is a greatly increased incentive, when rates of taxation are very high, for business people and others to evade taxation. Those facts lead one to believe that it is likely that the rates of taxation will be reduced materially within the next year or two.

Mr. Styants: Wage or salary earners cannot evade much taxation.

Mr. PERKINS: It is more difficult there, but it is not impossible even for wage and salary men to evade taxation. However, I do not want to go into that aspect at length. I believe I am justified in stating that a considerable amount of taxation is being evaded at present.

Mr. Styants: The farmer would have plenty of opportunity to evade taxation.

Mr. PERKINS: A farmer has little opportunity to evade taxation at present, because his income comes through well defined channels and it is easy for the taxation officials to check up on it.

Mr. Thorn: The member for Kalgoorlie is only trying to draw you away from the worker.

Mr. PERKINS: The revenue from taxation is likely to be considerably reduced within the next year or two, and, coupled with that, we have rapidly increasing expenditure on social services. The Commonwealth Government is committed at present to an expenditure of about £70,000,000 per annum on social services, as against less than £30,000,000 three years ago, and that expenditure does not show any signs of decreasing. If the means test was lifted I understand that the figure would rise to well over £100,000,000. I think it is obvious to members that it will become more and more difficult for the Commonwealth Government to maintain social services at their present level, if it is to reduce taxation, and yet do the right thing by the States, and enable them to expand the essential services in the spheres for which they are responsible. The member for Mt. Magnet said the Premier had a very unenviable task. I agree, but it is a job that we are entitled to ask him to get on with and put this State's point of view very forcibly before the Commonwealth Government. Unless we are able to get some satisfaction from the Commonwealth, the whole position should be made very clear to the people of Australia so that they will fully understand where the responsibility lies for any lack of expansion in the services they demand.

This State occupies a very special position as compared with other States, and the Premier would be fully justified in incurring an even greater deficit in order to bring the facilities here to a level approximating those in other States. Development in Western Australia has taken place at a later stage than in the other States. Victoria and New South Wales 20 years ago probably had much better educational facilities available to people in the country districts than exist here at present. I know what I am talking about because I am familiar with those two States. Throughout Victoria it was possible 20 years ago for children in any of the country districts to receive a secondary school education without having to travel more

than 60 miles to reach a high school, or what our Minister for Education calls a junior high school.

The Minister for Justice: It would take a good bushman to find Victoria if it were put into Western Australia.

Mr. PERKINS: It would, and that is the point I am making. We have a uniform tax scheme and the Grants Commission, as has been clearly shown by the Leader of the Opposition and the member for West Perth, says it is based on a balanced budget and uniform services throughout the Commonwealth. Therefore we are entitled to ask that the services in this State be brought at least to the level that exists in the older States. I think that would be a reasonable request. I would have liked to see that point placed more strongly before the Grants Commission than it has been, in order to emphasise the difference between the facilities that exist in this State as compared with the older States or, as the Premier called them, the standard States of the Commonwealth. Unless we are able to make that point and have our services brought up to that level, if uniform taxation is to be continued, Western Australia will be in a permanently inferior position to the older and earlier developed States.

The general position of the Budget has been fully dealt with and I do not wish to traverse that ground again. If all the rosy pictures that have been painted in the last four or five years as to the sort of Utopia we are going to have in the post-war years do not come true, I want to see the blame laid at the right door. I hesitate to say this, but I am very much afraid that some people who have been so sedulously painting such rosy pictures must have realised the price that would have to be paid if the schemes were really to be brought to fruition.

Mr. North: Are you speaking of the professors?

Mr. PERKINS: I am speaking of Federal Ministers in particular, and some members in this State were equally responsible. The outlook is a very doleful one, and I agree with the member for West Perth that the Premier has a man-sized job to do, and I only hope that he does forcibly put forward to the Commonwealth the peculiar position that exists here and try to get the

facilities in this State brought to a point more nearly on a par with those in the Eastern States.

MR. ABBOTT (North Perth) [8.16]: I do not wish to add much to what the member for West Perth has said because he put forward views that I would have liked to express and do it as ably as he did. But one or two of the matters dealt with by him I desire to amplify. The first is the question of taxation. His point was that as far as possible the taxation returns should be made simple and clear so that everyone should know exactly what he is expected to pay and what he is actually paying. Under the present system, that is far from clear. Many people are taxed twice. They are first taxed as shareholders on profits in which they are entitled to share, and, having received their dividends, they are again taxed on precisely the same profits. They do not realise that their actual rate of taxation is very much heavier than it appears to be from the assessments they receive. I think the people are entitled to know directly what they are actually contributing to Commonwealth and State revenue by means of taxation. The system of taxing to the extent of 6s. in the pound on profits earned by a company is most unreasonable. If it is necessary that shareholders should be taxed, by all means let them be taxed, but they should be taxed in one lump sum. They should not be taxed first at the rate of 6s. in the pound and then be made to pay again on the same profits. This is a matter that the Government might well consider if the State again undertakes the collection of its own taxation.

I agree with the member for West Perth that it would be better in every way and would lead to the saving of much public and private money if there was one return and the State and Federal assessments were made on the same basis. One example of inconsistency that entailed double working under the old conditions was that there was an allowance of £60 for each child under the Federal law and £50 under the State law, or vice versa; I am not sure which. As a result, two separate assessments had to be worked out. Consequently, consistency in this direction would result in the saving of considerable labour in the Taxation Department, and that in turn should lead to a reduction in the charges made by the Commonwealth for collecting taxation on behalf of

the State. I am sure the taxpayers would appreciate the necessity of having to put in a return on the basis of one assessment.

With the member for West Perth I think that a policy of migration to Australia, and to Western Australia in particular, is essential. I would like to see as soon as possible a revival of the system of nominated and assisted migrants. Those who came out under that system proved to be among the best class of people that settled in Australia in the past, and this was largely due to the fact that when they arrived they had someone directly interested in them and who, to some degree, was responsible for their well-being. That system should be resorted to again as soon as possible. Such migrants could possibly be employed on public works of a description that would enable them to become acclimatised. It would enable them to get accustomed to the country, to make friends and, so to speak, to forge a niche for themselves in the community. Irrigation works would be well suited to such a purpose. The migrant would be living in the country and would get used to the life there. He would become acclimatised and he would soon fit in to the life of the community.

To the average citizen our public utilities are a source of amazement because of the difficulty in ascertaining whether they are making profits or losses. I would like to see our public utilities placed on the same footing as the Metropolitan Board of Works in Victoria. That board is a separate corporation which has been very successful and by means of the accounts that it publishes periodically people can see exactly what it is costing them to carry out the works that the board was designed to control. Under our system there is too much hiding of costs. In the accounts it is very difficult to locate and ascertain accurately what is paid out in overhead charges, rent and in a hundred and one other directions. It would be much better if the State Shipping Service and the State Brickworks, for instance, were established as separate corporations, subject to the necessity to pay municipal or road board rates just as private concerns are required to do. If the shipping service and the brickworks were in that position, an apt comparison between them and private enterprise could be made. If it were necessary that some of these concerns should be subsidised, it would be by

means of a direct vote of Parliament, and people would know exactly what the community was paying for the services received.

It has been said by members on both sides of the House that a Minister for Transport is necessary because transportation has become such an important matter in any civilised community that there is a definite need in this State for a Minister to take charge of the whole of the transport operations conducted here.

Mr. J. Hegney: Do you think all forms of transport should be placed under the control of one board, as in Melbourne?

Mr. ABBOTT: I would like to see all Government transport undertakings under one authority. I have never yet found any Government authority that could conduct transport operations with the success and efficiency that characterise private management. Under existing conditions some farmers have to cart lambs from Wongan Hills to the Midland line because it takes longer to get their stock to market if sent via the Wongan Hills line.

Mr. J. Hegney: What about the Melbourne system?

Mr. ABBOTT: I do not know enough about that system to comment on it, but I can say most decidedly that many private concerns are providing transport facilities that are conducted with at least equal efficiency and more success than can be claimed for the majority of State public utilities.

Mr. Needham: The Melbourne system will take some beating.

Mr. ABBOTT: If a Government board is necessary, I favour semi-governmental control or control by representatives of local authorities because such people would have a more direct interest in conducting the affairs of the board than would be manifest in bureaucratic control by a purely Government department. The Melbourne Board of Works is controlled by the municipalities and road boards and the board members who represent the different local authorities sink whatever political views they may have—and certainly, from the information I have gained, they have their political views—when they enter the board room, and they make every effort to ensure the success of the utility. In my opinion, the Metro-

politan Board of Works in Melbourne is one of the most successful public utilities in Australia.

In this State we know that certain towns have been deprived of the advantage of the most modern form of communication because the Transport Co-ordination Board, in order to bolster up a State utility, refuses to grant permission for aerial transport to towns in the Great Southern and elsewhere. When we find that policy being adopted it is time a protest was entered against the practice. I see no reason why Albany should not receive its copies of "The West Australian" about the same time as the citizens of Perth receive their morning papers. We are continually endeavouring to encourage people to live in the country areas and so secure decentralisation, yet on the other hand we put every obstacle in their way to discourage them from doing so.

Mr. J. Hegney: You can get the daily paper in Carnarvon earlier than you can get it in Albany.

Mr. ABBOTT: That bears out my contention.

Mr. J. Hegney: Perhaps the Carnarvon people are more important!

The Premier: I agree with that.

Mr. ABBOTT: Recently a man who lives on the Geraldton line wanted to travel by aeroplane and to be landed at his home-stand. The company conducting the aerial transport facility there was quite willing, if permission were granted for the plane to land. That permission could not be obtained although on the man's property was a very good landing strip.

Various members have made reference to the fishing industry. I assume they are aware that an aerial survey of the fishing grounds along the North-West coast was made some time ago by the Commonwealth Government. I am led to believe that it was very successful, and that it is the opinion of the officer who made the investigation that some of the finest fishing grounds in the world are on our coast. I doubt, however, whether this State will profit from those fisheries, because most of them are beyond a 10-mile limit. The Premier could well take up with the Commonwealth Government the question of bringing a 10-mile limit under the protection

of the Commonwealth. We all know that years ago when America was trying to prevent illegal liquor traffic, she claimed jurisdiction over a 10-mile limit; and I noticed the other day that she is now claiming a 10-mile limit for oil rights, which are believed to exist under the sea, off the Californian coast. If the Commonwealth fails to declare such a limit, we shall find other countries sending out mother-ships and exploiting our fishing grounds which we are unable to work. That is what actually happened at Pt. Cloates. A successful whaling station was established there and subsequently Swedish companies sent out mother-ships upon which was carried out the work that formerly had been done at Pt. Cloates. Thus we lost the revenue which previously had been recovered from the industry at Pt. Cloates. The question is one that should be taken up at an early date. I am pleased to note an increase in the vote for education.

Mr. Needham: A very small one!

Mr. ABBOTT: Unfortunately it is very small, but we know the Premier was faced with great difficulties in preparing the Budget. In my opinion, the Commonwealth is continually encroaching upon the State's domain; it is making a good fellow of itself at the State's expense. Nearly all the money that we receive from the Commonwealth comes out of the taxation of the people of the State. I would therefore much prefer to see the taxation directly imposed by the State and distributed by the State entirely on its own responsibility. Education is of supreme importance. The longer we live the more we appreciate how important it is to direct a child's mind in the right way. We have learnt how easy it is to train a child in a comparatively short time to think in a particular groove. So it is of the utmost importance that children should be trained to think rightly, particularly in a world where we are hoping that a higher standard of living will be achieved by closer co-operation and establishing a sense of responsibility in the community. Many young people today unfortunately still think that power politics are the right politics to follow. Just recently I was talking to a railway worker, to whom I pointed out the power of the union. He replied, quite genuinely, "What is the good of power if you do not use it?" He was very surprised when I

pointed out to him that it was thought of that kind which established such forms of Government as national socialism.

Mr. J. Hegney: You do not say that the unions use their power unnecessarily?

Mr. Thorn: Not half!

Mr. ABBOTT: The Collie miners used their power unnecessarily.

Mr. Wilson: Leave them alone! Give them a spell!

Mr. ABBOTT: They did do so, and as a result we find today that the cement workers have been out of employment for three weeks. That is the kind of power which I think is wrong. Notwithstanding that the Collie miners knew their case was being heard by a man who had been closely connected with them—he was a past president of the union—

Mr. Wilson: Your talk does good to nobody.

Mr. ABBOTT: If we do not stand up for our thoughts—

Mr. Wilson: You can stand up for nothing!

The CHAIRMAN: Order!

Mr. ABBOTT: If we do not stand up for our thoughts and talk rightly, we will get nowhere.

Mr. Wilson: Are you thinking of yourself?

The CHAIRMAN: Order! The member for North Perth will address the Chair.

Mr. ABBOTT: However, all that has nothing to do with the Budget. After that little digression, I want to say that education is so essential that every person should make it his duty to advance it in every way possible. It is only by our combined efforts that we shall be able to achieve the higher level of employment we are seeking, and in that way our national income will be high enough to pay for the social amenities that everyone is talking about, hoping for and asking for. If we do not increase our national income, we certainly will be unable to afford those social amenities. The whole community should be imbued with a sense of responsibility, and each member of it should be prepared to make some extra effort for the general good. By those means we shall be able to achieve that standard of living which we all hope will come in the near future.

Progress reported.

House adjourned at 8.10 p.m.