

however, they cannot raise the loan, notwithstanding that the assent of the Governor-in-Council has been received. After July next the board will be able to borrow up to £7,000 without reference to the Minister. Prior to that date the board cannot borrow £1,000. It should not be necessary for me to say any more. Should members desire any further information when dealing with the Bill in Committee, I shall be glad to furnish it. The Bill will not only help the Mukinbudin Road Board, but any other new board that happens to be similarly situated. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

*In Committee.*

Bill passed through Committee without debate, reported without amendment, and the report adopted.

*House adjourned at 4.58 p.m.*

## Legislative Assembly,

*Thursday, 15th November, 1934.*

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

### LEAVE OF ABSENCE.

On motion by Mr. Doney, leave of absence for two weeks granted to Mr. Griffiths (Avon) on the ground of ill-health.

### ANNUAL ESTIMATES, 1934-35.

Report of Committee of Supply adopted.

*In Committee of Ways and Means.*

The House having resolved into Committee of Ways and Means, Mr. Sleeman in the Chair,

**THE ACTING PREMIER** (Hon. A. McCallum—South Fremantle) [4.35]: I move—

That towards making good the Supply granted to His Majesty for the service of the year ending 30th June, 1935, a sum not exceeding £5,584,095 be granted from the Consolidated Revenue Fund.

Question put and passed.

Resolution reported.

### ANNUAL ESTIMATES—STATE TRADING CONCERNS.

*In Committee.*

Mr. Sleeman in the Chair.

*Division—State Brickworks, £16,072:*

Hon. W. D. JOHNSON: I understand, Mr. Chairman, that one cannot speak on any one division of the State Trading Concerns Estimates, but that one can speak generally on the first item. In the past there have been rulings which I have never been able to understand. I would like your ruling on the subject now, Mr. Chairman. I want to speak on State Sawmills. Can I speak on that division now, or later?

The CHAIRMAN: There has never been a general discussion on State Trading Concerns Estimates. I shall put each division separately.

Division put and passed.

*Division—State Hotels, £10,813:*

Hon. C. G. LATHAM: I wish to ask the Minister representing the Chief Secretary whether it is not possible to instal the septic tank system at State hotels which have a water supply. The Licenses Reduction Board compel all licensees over whom they have control—they do not control the State hotels—to instal that system. In the past the State hotels have been rather an example to other hotels, but their sanitary system be-

longs to the dark ages. The proposal does not involve much cost other than labour. Certainly attention should be given in this respect to the Bruce Rock State hotel. I do not know about the Corrigin State hotel. The Licenses Reduction Board insist on septic tanks for privately owned hotels wherever there is a water supply, and even where there is no supply. Present conditions at State hotels in this respect are absolutely shocking. It is certain that guests would be pleased if the proposed alteration could be made.

**THE MINISTER FOR HEALTH:** The representations made by the Leader of the Opposition will be placed before the Minister controlling State hotels, and I shall urge that Minister to do his best to see that the septic tank system is installed. It is not fair that State hotels should lag behind in respect of something that the Licenses Reduction Board insist upon in the case of privately-owned hotels.

**MR. SAMPSON:** Is it proposed to rebuild that portion of the Caves House which was destroyed by fire? Alternatively, would the Government give an opportunity to some private person or company to carry on the business if prepared to erect an improved building and provide accommodation for visitors? A splendid opportunity is going to waste because the Caves House is a governmental monopoly. If it is not within the financial power of the Government, or if the Government are not disposed, to rebuild, I hope they will give favourable consideration to throwing open this business for leasing by tender. That would enable visitors to obtain what has been denied them for some time past, the opportunity of living at the Caves House under the best conditions. So far as accommodation is available, the Caves House is well conducted, just as the State hotels are; but the Caves House does not afford accommodation which is needed and which should have been provided long ago.

**THE MINISTER FOR HEALTH:** I cannot say offhand whether or nor the Government intend to rebuild that portion of the Caves House which was burnt down.

**MR. SAMPSON:** Burnt down some years ago.

**THE MINISTER FOR HEALTH:** Yes. Since the fire Western Australia has been passing through a period of depression. Whether there is money available for re-

building I cannot say. I realise that there is a demand for considerably more accommodation than is at present available at Caves House. However, let me mention that there was an insurance of some £2,000 on the building. The amount was paid, and the previous Government spent it elsewhere. I consider that the money should not have been spent otherwise than on the reconstruction of Caves House.

**MR. SAMPSON:** I am not looking at the matter from a party standpoint.

**THE MINISTER FOR HEALTH:** Whether private enterprise shall be permitted to cater at Caves House is a matter that has not been discussed by the Government.

**MR. WITHERS:** I join issue with the member for Swan. Prior to the partial burning down of the Caves House the Government were considering whether the accommodation there should not be increased by putting up a new dining room. Caves House has been one of Western Australia's most popular resorts for 30 years. It was popular when access to it was difficult. Today it is within a five-hour run of the city by motor, with a good road all the way, and the Government should give favourable consideration to the rebuilding of the portion burnt down. It appears to me the State Gardens Board are concentrating on Yanchep, notwithstanding that many people prefer to go South, where the Caves still have their attractions. I hope that during this season the Government will endeavour to find ways and means to provide necessary accommodation by rebuilding that portion of Caves House which was destroyed.

*Division put and passed.*

*Divisions—State Implement and Engineering Works, £71,968; State Quarries, £22,270—agreed to.*

*Division—State Shipping Service, £193,750:*

**MR. RODOREDA:** When this division was before the Committee last year the member for Kimberley asked that the Government should provide money for an additional steamer on the coast. The Premier replied that the Government had the matter under consideration. Since then we have heard nothing further about it. I urge the Government seriously to consider the pro-

vision of an extra boat on the North-West coast. Of course there are interests in the State which would like to see the State steamers taken off the coast, and the provision of another steamer would make it all the more difficult for those interests to achieve their objective. Whilst I am in favour of restrictions under the Navigation Act being imposed on the black-labour boats on the coast, I should not like to see anything drastic done until the Government are in a position to provide an adequate service with their own boats.

Mr. Wise: They could not invest their money to better advantage.

Mr. RODOREDÁ: The addition of another boat to the State fleet would not increase the overhead expenses at all. If there be no possibility of another steamer being added, I would suggest the "Kybra" be taken off the South coast and used solely on the North coast.

Hon. C. G. Latham: What about the cockies along the South coast?

Mr. RODOREDÁ: There has been talk of pulling up the Hopetoun-Ravensthorpe railway. The existence of that line, with its carriage of wheat, is the only reason for keeping the "Kybra" on the South coast.

Hon. C. G. Latham: What about Esperance?

Mr. RODOREDÁ: A big new jetty is being built at Esperance to accommodate overseas boats, and when that is completed Esperance will no longer require the "Kybra." Intermediate people along the coast are served by both rail and road, which with one or two steamer trips in the season would adequately serve the South coast. The "Kybra" is doing a lot of work on the North-West coast at present, and if she were used solely on that coast it would give the people there a regular fortnightly service. To my mind the reason for the State steamers being on the coast is that they shall serve the people up there; but it appears that primary object is being made subservient to the tourist traffic. Tourists are granted reduced fares from Fremantle to various ports and return. No such concession is given to local residents. There is a return concession available for women and children, but not for men. I ask that the Minister should make available to local residents the concession granted to tourists. Many people from the North would then seize the opportunity to come down South

and transact business, while at the same time getting the benefit of the sea trip. I also ask that the Minister endeavour to persuade the manager of the State steamers to get his captains to show more consideration for the people on the coast. There is manifested a great lack of consideration for those people, particularly by the "Bambra," and more especially at the lighterage ports. Captain Buckridge is an efficient and able officer, but I should like his efficiency to carry also a little consideration for the people on shore. If he had lived in one of the coastal ports he would realise how much the people appreciate being able to go aboard the steamer for an hour or two. I have seen him refuse to people who have come out on the lighters permission to get aboard the steamer, even though the ship was staying there for two or three hours. Those visitors would do no harm, and there is no reason at all why they should be refused admission to the boat, where they could meet the passengers.

Hon. P. D. Ferguson: Some people complain that they are not allowed to get off a boat and go ashore.

Mr. RODOREDÁ: I am complaining that the residents of the coastal towns are not allowed on board. I ask the Minister to bring that before the manager of the State steamers, who knows quite well what is going on, for he and Captain Buckridge and I argued it on one occasion. The manager says he can do nothing, but I hope the Minister will persuade him to take some action to the desired end.

Mr. SAMPSON: There is a good deal in what the hon. member has said about visitors being allowed aboard to cool off on the boat. I remember that at Shark Bay a group of seven found it necessary to take two complete rounds before getting back to normal body temperature. Also there is something in the statement that the boats should run fortnightly. When in Darwin, I discussed with a business man the use of Western Australian products, and he said that although some of them were very well regarded, the great disability was that the boat came in only on alternate months. He added that if the boats were on a fortnightly or even monthly service it would be a great improvement in every respect. Last year when this division was before the Committee I suggested that something should be done to encourage trips from

Fremantle to Darwin, through Central Australia to Quorn, and thence as tourists might desire. Unfortunately, as usual when suggestions are made, nothing was done.

The Minister for Mines: You can't get away from the party point of view.

Mr. SAMPSON: I am not discussing this from a party point of view. I have no confidence in any Government regarding these matters, for whatever may be put forward no action is taken. I think even the member for Kimberley will agree that it would be a good thing for the North if there were a more frequent service. Whether it is practicable I am not sure, but sometimes an infrequent service means a loss, whereas a frequent service would turn the scale. It would be a good thing if the "Koolinda" were used for the purpose of encouraging through-Australia trips. We see what the Orient company and the P. & O. company are doing in the provision of tours, so why does not the Minister make it possible for the State Shipping Service to extend its usefulness? I am not criticising the State Shipping Service, for I know how well the "Koolinda," at all events, is conducted, and how good is the food and the service generally. It has been said that special consideration is shown to tourists. I hope the Committee will not be misled by that. A return excursion ticket from Fremantle to Darwin costs £25, and I know the cost of a single ticket from Darwin to Fremantle is £19 5s. So it will be seen that permanent residents on the coast to the extent of the case indicated, have nothing to complain of, for the casual traveller pays a reasonable charge. I hope the Government will look into this, for it may be that if the State fleet were increased, thus giving a more frequent service, it would serve to change a losing proposition into a paying proposition. The overhead expenses would be little if any greater than at present. Undoubtedly the State Shipping Service is conducted in such a way as to earn the approbation of all, even of those who are opposed to State trading in any form.

Mr. COVERLEY: I support the argument advanced by the member for Roebourne (Mr. Rodoreda). It is essential that we should have another boat on the North-West coast. I dissociate myself from the remarks of the member for Swan regarding tourists.

Mr. Sampson: Are we to be dissociated after all these years?

Mr. COVERLEY: On this question I am afraid we must be. The hon. member referred to his consistency. If my memory serves me aright his consistency has been to do everything to get rid of the State boats trading on the North-West coast. The previous Government, which the hon. member supported, introduced a Bill to amend the State Trading Concerns Act, giving to the Government the power to dispose of any or all of the trading concerns without consulting Parliament.

Mr. Rodoreda: The hon. member has seen the light since.

Mr. COVERLEY: An amendment was moved to exclude the State boats.

Hon. C. G. Latham: There was an ulterior motive behind it.

Mr. COVERLEY: The member for Swan supported the Bill, and it is rather amusing now to find him shedding crocodile tears over the service and seeking to join forces with those who are urging the Government to provide another boat.

Mr. Sampson: They are alligators, not crocodiles, up North.

Mr. COVERLEY: But for a Labour Government, we would not have had the service that the State boats are providing to-day. It is as well to let members know that we are not silly enough—I cannot use any other expression—to fall for that kind of support in this Chamber. One of the essentials to the North-West trade is an efficient shipping service and we are not getting it with the boats trading at the moment. That is one of the reasons why the residents of the North are dissatisfied with the service. There is only one boat trading between Fremantle and Darwin. The northern coast is peculiar and has to be treated with every respect on account of the tidal ports. The State Shipping Service has endeavoured as far as possible to provide a fortnightly service between Fremantle and Wyndham, and though the boat is working constantly, it is practically impossible for it to maintain the service. I think that explains most of the grievances mentioned by the member for Roebourne. The captain of the vessel is solely responsible for the trip from the time of leaving Fremantle until his return. He has to work out the trip in the best manner possible in order to land and embark passengers and cargo at the various

ports. There are occasions when he cannot allow the passengers all the time they desire, but that is not his fault.

Hon. C. G. Latham: His movements are controlled by the tides.

Mr. COVERLEY: He does not control the tides. He is unable to give the service desired, and that service cannot be supplied until another boat is provided. The member for Swan did suggest something that might be considered by the Government. If we had an additional boat so that a monthly service could be run to Darwin, the trade would increase. I visit Darwin occasionally and have discussed the possibilities of increased trade with business people there. Let me mention one item. A motor truck can be conveyed from Fremantle to Darwin for £5 less than the cost of transporting it from Sydney to Darwin, but most of the trade goes to Sydney because there is a fortnightly boat service from that port as against a monthly, and sometimes a bi-monthly service from Fremantle. Freight, however, is much cheaper from Fremantle than from the Eastern States, and quite a lot of business would be attracted to Western Australia if a fortnightly service were provided. As regards tourists, I would not worry if never a tourist was carried on the State boat. I do not know of any good that the tourist trade has ever done for Western Australia.

Mr. Withers: I hope you will confine your remarks to the North.

Mr. COVERLEY: I am speaking of the State Shipping Service and the trade with the northern part of the State. I repeat that tourists have never, to my knowledge, done anything to benefit the North-West. In the course of many trips I have noticed that the first complaint to be received was that the whole of the decent berths had been booked in Fremantle months ahead, and that tourists had obtained the best of them. Residents of the Northern Territory or of the Kimberleys, desirous of returning North after a holiday, have to put up with whatever accommodation is left after the tourists have made their selection. I do not agree with that. Whatever comfort is available should be provided for the residents of the North, and the tourists should receive secondary consideration.

Mr. Raphael: You are biased now.

Mr. COVERLEY: I am concerned to secure the greatest comfort possible for my constituents. The hon. member may be able to speak of the huge area of Victoria Park, with its open spaces and facilities. If any travelling concession is to be granted, the residents of the North-West should have a prior claim. Tourists may make the return trip from Fremantle to Darwin for the payment of £25, but anyone earning his livelihood in Wyndham and desiring to travel to Perth to recuperate, or have his teeth attended to, has to pay £34 for the trip from Wyndham to Fremantle and back. When tourists have returned from a trip to the North, all that I have noticed published by them in the Press has been of a condemnatory character. Certainly tourists glean a wrong impression of the North-West. They call at Carnarvon and probably have time to travel to the township and back. The same remark applies to all the coastal towns. Tourists hurriedly scoot around the towns, never spend a bob in the towns, but take away anything they can get for nothing. They do not see the good country inland, and they return with a mistaken impression of the whole of the North. I have read some articles in the Press which greatly amused me. Tourists who skip along the coast, and subsequently put themselves up as authorities on the North-West, have not the faintest idea what they are writing about. I hope the Minister will be able to close down on the tourist trade along the coast.

Mr. Sampson: After this everybody will understand all about it.

Mr. COVERLEY: There are many like the hon. member who can speak with authority. I must not class him in that category. He has toured the Northern Territory, though I would not like to say how he did so. I trust the Minister will endeavour to influence the Treasurer to find the wherewithal for the purchase of another vessel for the coastal trade. I also urge that the last boat to leave for the North-West before Christmas may be delayed as long as possible. The idea of this is to cater for the residents who wish to get numbers of knick-knacks up by boat for Christmas, and for the many children attending school in the metropolitan area who will want to get home at that time. Perhaps the Minister will interview the

management of the State Shipping Service and see whether this can be arranged.

The MINISTER FOR HEALTH: One or two remarks which have been made by members on this Vote have rather astonished me. I am not administering the State Shipping Department, and therefore am not in a position to speak as to the correctness of these statements. The member for Kiriaberly (Mr. Coverley) said that the department were catering for tourists from Fremantle to Darwin and return on the basis of £25, and that the return fare from Wyndham to Fremantle and back was £34. I was not aware of that, and did not know that such conditions existed.

Mr. Sampson: That is at a particular time in the year.

The MINISTER FOR HEALTH: I have had some experience of the North. If there is any section of the people who ought to be catered for and have facilities offered to enable them to get away from the North for recuperation purposes, it is the residents who live there from year to year. If concessions are given they should be given the other way round, rather than from the metropolitan area to the North-West. I shall certainly interview the Minister controlling the department, and see whether my influence is able to bring about a reversal of these concessions in favour of the residents of the North-West.

Mr. Thorn: Are not concessions always made for tourist traffic?

Mr. Marshall: Not always; only sometimes.

The MINISTER FOR HEALTH: I do not claim to be an authority on tourist traffic, but I do think in this case the concessions ought to be the other way round.

Mr. Sampson: Concessions are given the other way round at certain times.

The MINISTER FOR HEALTH: The question of a second vessel on the coast is a matter of finance. The reply given by the Premier when this question was last discussed is correct. I assure the hon. member that the matter did not rest there, for it has since been discussed and investigated. Things have not advanced far enough for us to say that we can get the cash with which to supply another vessel.

Mr. Thorn: If it were not for the tourist traffic the service would be losing more

money on the North-West than it is doing now.

Mr. Coverley: Nothing of the sort.

The MINISTER FOR HEALTH: I suppose the captain of the vessel who has been referred to had some object in view when he refused to allow local people to board the ship. There are ports where people have to be transhipped by lighter. These are mostly tidal ports. In some instances, if the vessel is running a little behind time, the captain will neither allow people to leave the vessel nor allow visitors to go aboard. I have had a good deal of experience on the coast. When a boat arrives at a port the local people usually like to pay her a visit and go aboard. Sometimes it is very difficult to induce them to get off again.

Mr. Thorn: That is the trouble.

The MINISTER FOR HEALTH: If the captain cannot get away when he wishes to do so, and is half an hour late, he may find that owing to the tidal influence he will be 12 hours late in getting to the next port. All these things have to be taken into consideration by captains when travelling along the coast. Their actions are controlled by the tides. On all occasions when I have travelled up that way I have noticed that the people at the ports are particularly orderly.

Mr. Wise: Why not have the "Kybra" on the North-West coast all the time?

The MINISTER FOR HEALTH: I hope the hon. member does not make that request seriously. If it were taken into consideration he might lose a chance of getting another and a more suitable boat for the North-West. The "Kybra" is not suitable as the second vessel for that trade. The representations that have been made by members will be passed on to the Minister concerned. I will personally see whether something cannot be done for the residents of the North with regard to tourist traffic.

Division put and passed.

*Division—State Sawmills, £469,523:*

Mr. CROSS: This appears to be the most efficiently run of all the State trading concerns. It is pleasing to note the progress that has been made during the past year. The increased turnover is more than £55,000, and the increase in the gross profits exceeds £13,000.

Hon. C. G. Latham: What was the increase last year?

Mr. Marshall: What has that to do with you?

Hon. C. G. Latham: Shut up!

The CHAIRMAN: Order!

Mr. CROSS: This profit was made after the department had paid out £32,000 more in wages. During the year the overdraft at the bank has been reduced by nearly £50,000. I would remind the Minister in control of the department that some years ago it was the policy to make available small ready-made wooden homes, that were cut out in readiness for erection. I do not know if there are sufficient funds at the moment to revert to that policy. If not, I hope the Minister will endeavour to see that funds are made available for the resuscitation of that practice. In approved cases the State Sawmills might be authorised to advance up to £100 worth of timber to men who have blocks of land and want to build homes for themselves. A number of them have already done so, and under severe handicaps.

Hon. C. G. LATHAM: The hon. member said the State Sawmills were making a profit. True, they have made profits over a number of years; but on page 32 of the last report of the Auditor General it is pointed out that the State Sawmills for last year made a loss of £3,579.

Mr. Cross: I quoted gross profits, not net profits.

Hon. C. G. LATHAM: I presume the Auditor General takes into account interest and sinking fund. The State Sawmills pay no rates or taxes.

Mr. Raphael: Yes they do.

Mr. Cross: They pay depreciation and interest.

Hon. C. G. LATHAM: The State Sawmills assist the Government by providing employment and by marketing their product overseas, which facts entitle the concern to special consideration. However, the picture is not as rosy as the member for Canning painted it.

Hon. W. D. JOHNSON: Some years ago the State Sawmills were assisting the export of, in particular, apples by extending consideration in the manufacture of cases. As a result, the Western Australian case, the red case, was established and became well-known on the world's markets. Our apples, generally speaking, command the best

price among Australian apples, though we have slipped a little during the last year or so, owing to carelessness regarding the quality shipped. This year a good deal of difficulty is being experienced in regard to supply of cases, and the State Sawmills are not doing the work they previously did in this respect. I do not know why they have not maintained the supply, which was profitable to them, and moreover was an important factor in export and in the general development of the industry. A considerable number of white cases will be imported into the State this year. All the Mt. Barker fruit, I understand, will be shipped in white cases this year. We could still use our red cases, but unfortunately they are not available. Karri timber is used for those cases. The karri is specially suitable for the purpose, provided it is specially cut and specially prepared. Karri is a heavy timber, but its weight can be considerably reduced by seasoning; and, owing to its strength, the thickness needed for fruit cases is materially reduced. By cutting karri at the right time and then seasoning it, it can be used in sizes that otherwise would not be practicable. This year the State Sawmills seem to have neglected to cut the karri, with the result that the orchardist cannot get red cases for his apples. Strong vested interests in other parts of the world support the use of white timber. People in the Old Country are interested in the utilisation of white timber. They want to send that timber here, and also want to get what is called the Canadian case established here. They have the support of the Eastern States, which in the main do not possess timber suitable for an export case, and therefore use the white case. The Western Australian case is a special advertisement for our apples. Thus there is a combination of interests—the oversea interest trying to get the white timber into Australia, and the Eastern States interest trying to get the white case made the uniform case for Australia. The Minister should get the State Sawmills to realise that the introduction of the white case cannot be withstood much longer if the whole of Western Australia's requirements in the way of cases cannot be supplied by our sawmills. Generally speaking, the State Sawmills hold the whole of the karri bush available. Other sawmills

have a percentage of karri, but the main supply is controlled by the State Sawmills. Thus the State Sawmills are in a position to get the raw material, and our orchardists must look to them for supplies. Other sawmills established here are interested partly in the importation of white timber. That is another factor assisting oversea interests. I speak with some knowledge of the subject, which within the last 48 hours was discussed by the Bridgetown fruit-growers. There would be no difficulty in arranging for fruit shippers, or even the orchardists direct, to give the State Sawmills orders for cases up to a given quantity as a guarantee of consumption. The business could be so organised that the State Sawmills would not carry all the responsibility of fluctuations in the quantity of fruit available. A guaranteed order could be given, so that the timber would be available at the time it was required. We realise there is no chance of speeding-up cutting close up to the season's requirements because the seasoning of the wood could not be effected within the limited period. However, I raise this most important matter because the State Sawmills can help the apple producers and the exporters to a great degree. It is of importance to the State from the exporting point of view, because if we cannot market our apples in red cases, we shall lose the distinction that has been a big factor in assisting in the sale of our products. I recognise the Minister cannot explain the matter off hand, and I merely ask him to make representations to ascertain whether the State Sawmills cannot continue what they initiated a few years ago, and so organise their operations as to supply the export boxes required.

Item, Wages and general working and trading expenses, etc., £429,000:

Mr. CROSS: With reference to the remarks of the Leader of the Opposition I would point out that the returns show a substantial improvement over the previous year. I will read an extract from the report of the manager of the State Sawmills to show that the position is not so bad as the Leader of the Opposition would have us believe. In the course of his report the manager states—

It is apparent, from a dissection of the Profit and Loss Account, that had the State Saw-

mills been an ordinary commercial concern, there would have been available for distribution to shareholders a sum exceeding £18,000, or sufficient to provide a dividend of approximately 4½ per cent. after meeting all usual charges. The overdraft has been reduced by £49,769.

I believe that if the Minister were to take notice of an earlier suggestion I made, and provide small advances to be repayable in very small weekly amounts, he would soon be able to show a profit.

Division put and passed.

*Division—Wyndham Freezing, Canning, and Meat Export Works, £270,000—agreed to.*

This concluded the Estimates of the Trading Concerns for the year.

Resolutions reported.

### BILLS (2)—RETURNED.

1. Road Districts Act Amendment (No. 2).

With amendments.

2. Dried Fruits Act Continuance.

Without amendment.

### LOAN ESTIMATES, 1934-35.

*In Committee of Supply.*

Resumed from the 30th October; Mr. Sleeman in the Chair.

*Vote—Departmental, £87,101:*

**HON. C. G. LATHAM** (York) [5.35]: The Treasurer of Western Australia, in common with other Australian Treasurers with the exception of the Federal Treasurer, is confronted with a very trying proposition. It is extremely difficult to-day to utilise borrowed money in directions that will earn interest. With two possible exceptions, there is no justification for borrowing money because of that fact. It is certainly difficult to know where to expend money so that it will earn interest. For the two important functions I have in mind, we must borrow. In the first place, we must maintain our primary industries in a state of productivity. In these times those industries are able to produce with the assistance of Governments, associated financial institutions and the



public generally. Although we have to borrow money to maintain our primary industries, we know that under existing conditions there is little hope of interest payments being received from those sources for the time being. On the other hand, the expenditure of money in that direction is essential in the interests of the State. That is the most important purpose for which the State is justified in borrowing money under existing conditions. Then we must borrow in order to provide work for those who are unemployed. It is hard to select public works that will be immediately reproductive. Of a truth the financial health of Western Australia, in common with that of other States, is fairly low. So long as we see that we borrow as little as we can and spend what we borrow as wisely as possible in order to produce something of a permanent description that will provide interest and sinking fund payments in the future, that is all we can do for the time being. Our primary industries are suffering a great deal, largely due to the fact that it is so difficult to secure overseas markets. Prices are low and markets difficult to obtain. A little while ago the price of wheat soared to 3s<sup>4</sup> a bushel, and it might have been expected that at that price the State would have sold every bushel of the wheat produced. That could not be done because we could not find markets. That constitutes a grave problem. On top of that, Governments in various parts of the world where Western Australia customarily marketed products, have placed embargoes against us, which has made the position so much more difficult.

Mr. Raphael: And now the Chows have done it.

Hon. C. G. LATHAM: We received information a few days ago, that an embargo had been placed on our beef exports, but fortunately for Western Australia we are not yet affected, though if the embargo continues, it is difficult to say what will happen next year. We must also appreciate the fact that there may be an embargo on our mutton in the near future.

Mr. Mann: There is every likelihood of it.

Hon. C. G. LATHAM: So it will be seen that in so many directions we are confronted with grave problems. The State has been asked to restrict the production of wheat and butter as well as almost

everything we produce. At the same time we are expected to pay our interest commitments overseas. The Home Government will have to look into the question from the point of view of the impossibility of Western Australia meeting commitments overseas with markets closed against our products. That in itself is indeed a very difficult problem. While we desire to foster our industries, the Treasurer has to take cognisance of these facts. In the investment of public funds that are borrowed, we must be extremely careful. In Return No. 11, which was attached to the Premier's financial statement for the current year—I referred to the return when discussing the Revenue Estimates—the Treasurer has indicated how Loan funds are invested, and the table discloses that the borrowings total £85,847,802, out of which £10,618,000 was fully reproductive and earned £150,564 more than the actual interest charged. So we made a profit to that extent. Then on partially reproductive works we have spent £66,518,000. Of course that partially reproductive work may become fully reproductive in the future; that all depends on the state of our primary industries. On this amount the net interest earning for last year was £1,318,000 less than the interest charged for that year. Agriculture generally, water supplies, the Agricultural Bank, the railways—nearly all those items set out there are directly affected by the value of the production we have to export. Then there are the totally unproductive undertakings, such as State Quarries, Wyndham Freezing Works, Public Buildings, North-West mining works, and Miscellaneous. On those items the loan expenditure amounted to £3,035,000, to which must be added the interest payable on this amount, namely £153,000. We should discontinue spending public funds on some of those totally unproductive undertakings. The Government ought to see if it is not possible to divert the money to something more productive. Unfortunately, our State trading concerns on the whole have been very unprofitable. When members were asking the Acting Treasurer to influence the Treasurer to find money for a new boat for the North-West coast, it occurred to me that so long as we can give the people up North a reasonably good service, it is all that can be expected of us at this juncture, because we are losing a large sum of

money on the State steamers. Not that I complain of that; because, after all, they serve a useful purpose and are just as important to the North as are the railways to ourselves. But when we ask for an additional expenditure, we need to be very careful. This year the Acting Treasurer is asking for £3,142,319, or roughly £478,000 more than last year. But this is £78,000 less than the amount approved by the Loan Council. So during last year and this year the State will have borrowed £5,806,000 as against £5,357,000 for the three previous years. We have to be very careful in borrowing this money; it is not because we can borrow it that we ought to borrow it, for we should borrow only what we actually require to assist our industries and provide necessary employment. It is not generally regarded as the function of the Government to provide work for people, but when we find that our industries will not produce the necessary work, it becomes the function of Government to see that our people do not starve. In going through the Estimates I notice that the Government are turning attention in the direction I have mentioned, with a view to finding work that is reproductive and will pay interest. So a great deal of money is being spent on water supply and sewerage. They will be able to collect interest from those works. The amount on the Estimates for that purpose will exceed that of last year by £538,000, whereas the amount to be spent on agricultural water supply, drainage and irrigation is only £125,000, as compared with £244,000 last year. We have to be very careful that we do not overload even the City with public utilities, such as water and sewerage, to such an extent that the City will be unable to meet the payments. The Acting Treasurer will tell the Committee that this is merely a spread of expenditure, which means also a spread of income, and therefore it cannot be affected. But the outlook for our primary industries is so serious that the City cannot continue even its present expenditure unless something is forthcoming to produce increased revenue from primary industry. It is true the goldfields are producing a great deal of wealth, from which, of course, the City benefits. As I say, the amount to be spent on agricultural water supply, drainage and irrigation this year is £125,000. Whilst I would point to the difficulties there are in that sort of in-

vestment, still, in view of the employment it will provide, it might well be a very good plan. What concerns me very greatly is the big reduction in the provision made for the development of agriculture. It is proposed to spend only £485,000 as against £910,000 spent last year. I am afraid that in view of the legislation we have on the Notice Paper, the Government will have to provide a great deal more money if we are to continue to give assistance to those engaged in the industry to-day. We cannot afford to allow men to leave their farms. Many of them will leave in spite of what we may do to assist them, but the Government must endeavour to keep them there in hope of the future, and if the legislation on the Notice Paper serves to restrict credit, the Government will have to do as New South Wales has done, namely provide money to make up what we shall lose. As I say, it is proposed to spend only £485,000 on the development of agriculture this year, as against £910,000 last year, or a reduction of £425,000. That is a tremendous fall.

The Acting Premier: It is more nominal than real.

Hon. C. G. LATHAM: It has been said that it is to balance up the interest payments of the Agricultural Bank. I do not know whether that would account for £425,000.

The Minister for Lands: We have spent a lot on the group settlement at Frankland River.

Hon. C. G. LATHAM: That was only £62,000, over a number of years. If it is the Minister's desire to absorb the unemployed, that was purely an unemployment settlement.

The Minister for Lands: And a lot has been spent on water supply.

Hon. C. G. LATHAM: But unemployed men are not being sent into the country on water supplies, for the amount provided this year is much less than that provided last year.

The Minister for Lands: But on water supply and sewerage.

Hon. C. G. LATHAM: Yes, a good deal larger sum is available for that purpose. I want the Acting Premier to realise that he will be called upon this year to provide more money for the agricultural industry. He knows the importance of the industry just as well as do we who represent country constituencies. The working capital of the

Agricultural Bank has been reduced from £325,000 to £100,000.

The Acting Premier: There was a big balance last year.

Hon. C. G. LATHAM: I do not know whether it is anticipated that the commissioners to be appointed to control the Bank will be able to go straight on to the market under the legislative authority to be given them and raise money by debentures. It seems to be a very doubtful proposition. There is money available, but whether it will be available for that kind of investment remains to be seen. It seems to me that provision ought to be made for the contingencies that may arise. If the Acting Premier made sure by providing for possible contingencies, and experience showed that the additional amount was not required, it could be diverted to other channels at a later stage. This year the amount to be made available for assistance to settlers, industries, etc., is shown as £30,000 or £83,000 less than the expenditure of last year. If we do not keep our people engaged on the land, it will prove to be another way of adding to the number of unemployed. Loan authorisations are being increased by loan repayments. Expenditure against the vote for public buildings includes an amount of £45,817 for maintenance. That should be a charge against revenue. When we were discussing the Revenue Estimates I pointed out that a great deal of maintenance work was being financed out of loan funds, and the Acting Premier told us that it was proposed to recoup revenue over a number of years. Last year under the heading "Assistance to Industries" money was made available for lifting the rails in what is known as the manganese line. I believe that a sum of £19,822 was provided for the purpose. It seems to be extraordinary to charge the cost of removing a railway to "assistance to industries." Whatever outlay has been entailed should be debited against the Railway Vote rather than against "assistance to industries." Unfortunately we shall be adding to the burden on that industry instead of assisting it.

The Acting Premier: I told you that the Railway Department wanted to take the figure at the point where the rails were used.

Hon. C. G. LATHAM: I saw that from the Commissioner's report. Is the £19,822 the total amount to be devoted to lifting that line or is it an additional amount to be provided this year?

The Acting Premier: The whole of the rails have been lifted?

Hon. C. G. LATHAM: But has the cost of lifting the rails been paid for out of last year's vote or is it to be paid for out of this year's vote? Considerable expenditure is shown under "Assistance to Industry." The Auditor General, on page 20 of his report, has set out fully the large amount of assistance that has been granted to industries over a number of years. Many of them are not even paying interest, and it looks as if the whole of the principal will be lost. The W.A. Manganese Company had an outstanding liability on the 30th June last of £171,347, to which must be added the cost of lifting the rails and transporting them to where they will be used. The W.A. Meat Export Company owes the Government £165,079. During the last few years nearly every industry that has received financial assistance from the Government has proved a failure.

Hon. P. D. Ferguson: The whole of that money has not been lost.

Hon. C. G. LATHAM: But much of it will be lost. The W.A. Meat Export Company has not been paying for some time towards the interest, and to the 30th June last the Government had paid £4,000 in rents. Nearly all the money that has been advanced to assist industries has been lost, and the public cannot expect the Government to make further advances in that direction. It seems to me that people approach the Government with any old proposition and, after they have received assistance, very little seems to be done towards turning the industry to profitable account. The Minister for Mines informed us how greatly the unemployed problem had been eased by the prospecting scheme. The Auditor General, on page 24 of his report, gives details of the amount of money made available for the development of mining, and points out that £49,305 was spent last year, plus £13,000 advanced in the previous year, to send men out prospecting, a total of £62,305. He also shows that the amount repaid to the State was

£4,222, of which £4,124 was repaid in 1933-34. That works out at a little less than four per cent. on the capital invested, and so long as we can pay interest on the money I do not suppose there is much reason to complain. I do not know that we shall get back any of the capital directly, but indirectly the State might be advantaged considerably. Dealing with the development of mining loans, the Auditor General points out on page 25 that bad debts totalling £115,559 had been written off during the year. If there is any industry that should be able to pay its debts, it is the gold mining industry. Perhaps the Minister, when dealing with his departmental vote, will tell us why that sum was written off last year. We have to be most careful with the money at our disposal, and surely in times like the present the gold mining industry should be able to pay its way. After having advanced that money to assist the industry in bad times, we should take steps to ensure that it is repaid now that the industry is enjoying a period of prosperity. State trading concerns incurred a net loss for the year of £112,000, which has to be made good from this vote. Looking at the returns relating to water supplies, particularly in the country, it appears that a profit has been made, but in reality there are arrears. It is a pity that we cannot ascertain exactly the position regarding loan excesses. Let me now refer to the work at Frankland River. The Minister told us that he had found it necessary to remove the unemployed from that work. It was purely an unemployed camp to which the men were sent in order that they might be broken in to hard work—most of them had done no hard work—and it was considered that the land chosen was most suitable and could eventually be put to use. The Minister told us last night that £62,000 had been spent there. The figure I have is £60,000, but granted that it was £62,000, a total of 66 blocks have been cleared, each to the extent of 40 acres. Twenty-six blocks have been reconditioned and 26 have been sown down in pastures. Some of them are fenced, and 40 are partly cleared. This information was supplied to me by the member for Katanning (Mr. Piesse) who unfortunately is away in hospital. I accept it on the understanding that it is accurate.

The Minister for Lands: Who supplied it to him?

Hon. C. G. LATHAM: I suppose he got it down there. I do not object to the Minister having taken the men off the land; that is immaterial, but I do think we ought to use the land that has been cleared. It is not too far from a railway, and there is a good road leading out to the area. There are other settlers a good deal further out. The land was made available there and these people took it up voluntarily. In the dairying industry it is nothing to-day to cart the produce 40 or 50 miles, compared with ten or 12 miles in years gone by. This can readily be done by a motor service.

The Minister for Lands: What do you propose they should do there?

Hon. C. G. LATHAM: I suggest that the people who are put on the land there should go in for dairying.

The Minister for Lands: Do you say they can cart their cream 50 miles?

Hon. C. G. LATHAM: That is only a 2-hour trip, when all is said and done.

The Minister for Lands: What would the Eastern States dairy experts say to that?

Hon. C. G. LATHAM: Let them look at their own irrigation areas first. A motor wagon could pick up the cream at different places, and it could thus be transported much cheaper now than in the old days with a horse and cart, taking time into consideration. Every acre of that land could be used for dairying. It would not be necessary for the settlers to send their cream in every day. In that district, twice a week would be sufficient. From the climatic point of view it is one of the best dairying districts in the State. Probably only Mr. Barker is a little cooler than that locality. From the point of view of climate, therefore, the district ought to be quite all right. No doubt the Minister will tell me about the gentleman who visited the group settlement areas and wrote them up when he returned to New South Wales. I do not know that he is any authority. I have been told that he went to two holdings, and showed that he did not understand how to handle either cattle or horses. In consequence of that, I have discounted a great deal of his report.

The Minister for Lands: And I do not take it for granted, either. One of the weaknesses in our land settlement is that many of the areas are too far distant from each other.

Hon. C. G. LATHAM: They are scattered. Unfortunately we have not the type

of country, such as the Goulburn Valley in Victoria, the Darling Downs in Queensland, and the Northern Rivers of New South Wales, where the land is practically the same right through.

The Minister for Lands: Our timber areas are spread out through them.

Hon. C. G. LATHAM: That feature does not lend itself to success in dairying. Probably in some cases it would be better to leave the timber on the land than to clear it for settlement. Although all of the £60,000 may not be recoverable, I think a good deal of it would be. I trust the Government do not intend to allow this land to revert to nature.

The Minister for Lands: What do you think the improvements are valued at?

Hon. C. G. LATHAM: I do not know. That depends on who values them. I have not been there. If I went there, my going down would be misunderstood, so I have purposely kept away. I believe the land could be turned to good account. If we could have it used for profitable production, the State would be compensated for some of the outlay upon it. We must not forget that the area was used in the first place as an unemployment camp. Last night the Minister for Employment made a statement that when the unemployed were sent down there, during my regime as Minister for Lands, I refused to allow them to have a board. That is not true.

The Minister for Employment: That is absolutely correct.

Hon. C. G. LATHAM: If the Minister will turn up the records kept by his own officers he will find exactly what I did. When three men came to me on the matter I told them they could have a board, but that if the board said that the price was to be reduced, it would have to be reduced. I advised them to go back and tell the other men in the camp that if they were given the board they asked for, they would have to put up with whatever decisions were arrived at by it.

The Minister for Employment: Did not the hon. member say that he would not agree to the appointment of a board unless the majority of the men in the whole of the camps signed up that they wanted one?

Hon. C. G. LATHAM: Yes.

The Minister for Employment: And now the hon. member says my statement was incorrect.

Mr. Patrick: The majority rules.

Hon. C. G. LATHAM: The majority certainly rules in the Labour Party. I was not going to allow a small minority like that to govern the decisions of the majority.

The Minister for Employment: You foresaw there would be a difficulty in getting all the signatures.

Hon. C. G. LATHAM: There would have been no difficulty, because they were all small camps.

The Minister for Employment: Why not give the whole story instead of trying to hide it?

Hon. C. G. LATHAM: Why make statements that are untrue?

The CHAIRMAN: Order! Will the hon. member address the Chair?

Hon. C. G. LATHAM: I am addressing the Minister through you, Mr. Chairman. The statement of the Minister was not accurate. I did agree to give them the board, but I said there had to be a majority of signatures in favour of it before one was appointed. If the board said we were paying too much and that the price must be reduced, I did not want the men down there to be ruled by a minority vote. The statement that they were not given the board is not true.

The Minister for Employment: The men have since accepted the decisions of the board.

Hon. C. G. LATHAM: Just then a change of Government occurred, and of course everything in the garden is now rosy. I will not proceed with that argument. There is no need for me to do so except to correct the statement of the Minister. I hope an effort will be made by the Government to dispose of the blocks at Frankland River. The State cannot go on advancing money on those operations. We have hardly ever thrown open an area of land without saying, "The State will back you if you will take it up." We have reached the stage when the State can no longer do that; rather must we consolidate the men we have settled upon the land, because we have so much money invested in that direction.

The Minister for Lands: We cannot afford to find money for those in need of sustenance to go on this land.

Hon. C. G. LATHAM: I suppose the Government cannot, but perhaps they can provide work for them in some other way. Undoubtedly these Loan Estimates are in-

tended to provide a good deal of money for water supply and sewerage, with a view to the earning of interest from the expenditure.

Mr. Raphael: Water supply and sewerage represent one of the best investments the Government can make to-day.

Hon. C. G. LATHAM: I believe such an investment to be good. I am not complaining about it. But we must be careful not to make the thing top-heavy. The city cannot pay interest charges unless the industries enable it to do so.

Mr. Raphael: You must agree that sewerage is a dire necessity in the city to-day.

Hon. C. G. LATHAM: That may be so. However, in some of the areas now about to be seweraged many septic tanks have been installed recently. When I was interviewed on the subject by the people concerned, I told them they ought to keep in touch with the Works Department.

The Acting Premier: There is not much waste involved.

Hon. C. G. LATHAM: I hope there is not. I told those people they must keep in touch with the Works Department, because policy was determined by that department. If the septic tank fittings are suitable for transfer to deep sewerage, there will not be a great deal of loss. At all events, as I have pointed out, work has to be found in directions which will most nearly produce interest and, if possible, a small amount of sinking fund. I plead with the Government to make sure that there is sufficient money on these Loan Estimates for the needs of our primary industries. I am disturbed because I fear that throughout this year there may be difficulty in obtaining the amount of credit needed. The Government must realise that during the last two years the expenditure on our industries has sometimes been in excess of the amount provided by private enterprise. The banks have done a great deal to assist in that direction. I do not know that we owe very much to them on that account, because the advances to which I refer were made for the purpose of protecting advances already outstanding. I do not suggest that legislation of this kind will prevent the granting of credit in future, but it may render the obtaining of further credit more difficult. I am pleased that the Minister for Lands has already stated that the Government will go to the

aid of farmers who require seed wheat. That represents material assistance, and gives the farmers an assurance that the Government are fully seized of the difficulties confronting the agricultural industry. I am prepared to give the Government my blessing on these Loan Estimates.

The Acting Premier: We need it!

Hon. C. G. LATHAM: I suppose the Acting Premier will agree that it is a pity the State has to borrow money, in view of the position of things in Western Australia. It would be well if we could keep away from borrowing until our industries are consolidated. However, we must borrow in order to enable our people to live; and therefore I do not propose to say any more on the Loan Estimates.

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

HON. N. KEENAN (Nedlands) [7.30]: I regret I cannot agree with the Leader of the Opposition in the blessing he bestowed on the Government's loan proposals. I am afraid I cannot reconcile myself to his belief of satisfaction in the consideration of the Loan Estimates, either as a whole or in their separate parts. The most striking feature, of course, is the colossal figure they amount to. Even if one ignores that feature, it is difficult to find any measure of satisfaction in an examination of the separate parts of the Loan Estimates. For instance, Railways and Tramways show an increase of £152,000 and yet there is not a single railway of any importance accounting for that increase. In fact, there is only the miserable sum of £20,000 to be spent on the construction of a new line. If we turn to Harbours and Rivers, we find an increase of £83,000, and that vote includes a sum of £90,000 that is to be borrowed and spent at Fremantle, not on new work but on mere reconstruction work.

Mr. Tonkin: What is wrong with that? We cannot let the place fall down.

Hon. N. KEENAN: What is wrong is that the charges levied by the Fremantle Harbour Trust are sufficiently high—I should say they are more than sufficiently high—to provide the funds for the whole reconstruction work associated with the harbour. What has happened? Every year the surplus money received by the Harbour Trust, after payment of the year's expenses and the appropriation of the necessary

amount of interest, is passed over to Consolidated Revenue.

Mr. Tonkin: Did not your Government do that, too?

Hon. N. KEENAN: As a result, the Fremantle Harbour Trust Commissioners are left without a penny for the purpose of re-conditioning the harbour. So it is that we jumble up, in a most extraordinary manner, loan and revenue accounts. Here is an instance of money received by a State activity more than sufficient to provide for reconstruction of the harbour works. In fact, one of the reasons given for imposing the harbour charges is that the money is required for that purpose. That is one ground upon which the charges are based. Because that money can be appropriated to revenue, we are forced into the position, when reconstruction becomes necessary, to fall back on loan funds. So it is that the revenue figures present an entirely false picture, because they are buttressed up in a large measure by contributions from loan funds. It is impossible to say definitely what our position is as regards revenue and expenditure that should be charged against ordinary revenue.

Mr. Moloney: What policy did your Government carry out?

Hon. N. KEENAN: I admit the present Administration are not the only Government who appropriated the surplus revenue of the Fremantle Harbour Trust as I have indicated, but I have always protested against that policy. It does not lie in the mouth of the member for Subiaco, who has no knowledge of the facts, to revile me.

Mr. Moloney: I am learning from you.

Hon. N. KEENAN: I hope the hon. member will learn successfully, but, unfortunately, I have considerable doubt. The only decrease of any substantial character to be found in the Loan Estimates is that set aside for the Development of Agriculture. As pointed out by the Leader of the Opposition, the decrease in that vote is £425,000, and the principal item under that heading is a £225,000 decrease in the amount which is to be used as capital for the Agricultural Bank. Inasmuch as this year we are to vote £100,000 only of that amount, and we are going to launch the new institution on this agricultural world of ours, it seems to me that we propose launching it with very small prospects of success from a financial point of view. It will be launched with most atten-

uated resources in a most abnormal manner, compared with previous years. Yet it is expected that this new institution will command success. As observed by the Leader of the Opposition, it may be in expectation by the Government that the bonds that this new institution will be authorised to issue may raise the necessary money. In view of the fact that the bonds are to be guaranteed by the State, we have yet to wait for intervention by the Loan Council. There can be no question that the issuing of bonds guaranteed by the State is the same as borrowing by the State. Borrowing by the State is not allowable except by the consent, and with the authority, of the Loan Council. It is extremely difficult to see how borrowing in this surreptitious manner will be permitted. If it is not, this new institution will be bankrupt from the very inception. An increase is shown under the heading of Water Supply and Sewerage of £538,000. I am leaving out the odd figures; it is obvious that they do not make any difference. The principal increase under that heading is £282,000 that is to be spent on sewerage works in Perth and Fremantle. I am informed—I do not know if I have been correctly informed, but I saw figures on a return purporting to come from the department—that the amount already spent on sewerage work in the metropolitan area is £1,031,000, and the complete sewerage scheme, when finished, will cost £4,400,000. The vote representing portion only of the complete scheme will constitute a step forward in expenditure that ultimately will reach the aggregate figure I have mentioned. As I say, I am not prepared to vouch for the accuracy of the figures. They purported to be embodied in a return from the department but I have not had time to have their accuracy checked. Assuming for the moment that the figures are correct, and that the complete scheme will involve an expenditure of £4,400,000, then it is obvious that the charge that will be necessary for interest, sinking fund, and all other charges in connection with that expenditure, which can be calculated at a minimum of 5 per cent. over the whole amount, will represent £220,000 a year. This return also showed that the works already completed comprise 55 per cent. of the metropolitan area in value. That is arrived at in this way: The water supply has been completed for the whole of the

metropolitan area, except for certain portions not included in the present scheme for sewerage.

The Acting Premier: The hon. member must know that is not right, because he is considering the reticulation works.

Hon. N. KEENAN: I am speaking of the actual reticulation in order to find out how much the present area already served by sewerage represents of the total metropolitan value—

Mr. Moloney: Does not the density of population count?

Hon. N. KEENAN: Only in value. The present figure for water supply at a 1s. 8d. rate is £283,000. The sewerage rate is 11d. Reduce the other rate to 11d. in order to get the proper comparison, and we get £156,000. The amount we received last year from the area already served by sewerage is £89,000, which represents 55 per cent. of £156,000. The total income for the whole area at a rate of 11d. would be in round figures £150,000 per year. But we have to meet a charge of £220,000 at 5 per cent. on the expenditure, so there will be £70,000 to make up, over that revenue to be received at the 11d. rate.

The Acting Premier: What about checking your figures with the department's report?

Hon. N. KEENAN: If I had the department's report I would do so.

The Acting Premier: You have had it before you for weeks.

Hon. N. KEENAN: Well, I have not been aware of it. Is it not a fact that last year's workings showed a debit of £26,000? I say it is so. So if we give the matter only the slightest test we shall find that, in order to raise the necessary moneys to pay interest, sinking fund and charges, representing five per cent. on the capital expenditure, there will be a deficiency of £70,000. That, undoubtedly, must mean that those who are at present receiving the service for a rate of about 11d. will be charged at least 1s. 3d. for the service. That is the picture the Minister presents. He is going to carry out certain works, and they are going to be reproductive. But why? Because he is going to extract the money from the pockets of the ratepayers.

Mr. Wise: Will not there be sufficient profits with which to pay?

Hon. N. KEENAN: So long as the hon. member confines himself to the world of bananas, and to subjects which he knows, I am prepared to hear him.

Mr. Hawke: You do not claim to be an authority in the sewerage world, do you?

Hon. N. KEENAN: The hon. member is not an authority on anything, except perhaps his own importance.

The CHAIRMAN: Order! The hon. member must address the Chair.

Hon. N. KEENAN: However, what I have pointed out scarcely constitutes a cheerful outlook for the ratepayers of the metropolitan area, and scarcely needs the justification for the expenditure of money, which they will find only with the greatest possible difficulty, in order that it may have at any rate the appearance of being reproductive.

The Acting Premier: Are you opposing the extension of the sewerage?

Hon. N. KEENAN: No, but I am pointing to the false picture given. It should be clearly and openly stated that you are going to ask the people of the metropolitan area to bear the payment of an excess rate over and above the present rate, in order that you may present a favourable aspect of your Estimates.

The Acting Premier: You had better not tell the people at Nedlands you are opposing sewerage extension.

Hon. N. KEENAN: The people of Nedlands would be glad if you did not carry it out, except in certain portions of the electorate. But you are not going to confine it to certain portions. Although this little picture which we are asked to admire has no real features demanding our admiration, there is nevertheless another feature about this matter which is far more important, namely, the colossal amount of money, the borrowing of which we are asked to authorise. That is the principal feature. There is a loan of £3,142,000, and there is of course in front of us the certainty that the loan, which will be received in some measure from the lenders, will be supplemented and added to by at least a £600,000 debit on our Budget. Surely, it should be possible to keep within the £600,000, because the Government will enjoy an increase in revenue derived from direct taxation in the current year of



£278,000. That is made up of £60,000 increased probate duty; and I am told on the best of information that that is a very conservative estimate, that if the Bill goes through in anything like its present form, that estimate will be multiplied many times over. Then there is £80,000 from the gold profits tax, which again is said to be a very conservative estimate; and lastly there is £138,000 which will be received in increased revenue returned by the emergency tax this year, because of its incidence over the whole 12 months. Those three sums alone amount to £278,000, and, as I said, they are very conservative estimates. It is more than probable that a very large sum in excess of the £278,000 will be received from direct taxation during the present financial year. Nevertheless, it would be absurd on our part to contemplate anything but a Budget deficit of £600,000, and so the position at the end of the financial year will be that we shall have borrowed £3,142,000 by loans from lenders, and will have taken, without having any lender, £600,000 odd by Budget deficit. In other words, our loan indebtedness, both forced, which is the nature of a Budget deficit, and lent, which is the nature of loan moneys, will amount to £3,742,000. I remember in this very Chamber the present Premier expressing alarm at the borrowing indulged in during the six years which preceded 1930, and of the result that must follow such excessive borrowing. We were experiencing the aftermath—the depression which then began to surround us. I think it was the clear conviction of everyone that, in a large measure, the intensity of the depression, not its actual occurrence, had been brought about by the reckless borrowing during the six preceding years. Yet, in only one of those six years did we borrow more than we propose to borrow in the present year, taking the figures for the present year, as I am entitled to do, as £3,742,000. Let me give the figures which I have obtained from the Treasurer—

Year.				Amount borrowed. £
1924-25	..	..	..	2,446,000
1925-26	..	..	..	3,560,000
1926-27	..	..	..	4,298,000
1927-28	..	..	..	3,569,000
1928-29	..	..	..	3,669,000
1929-30	..	..	..	2,642,000

It must be remembered that our moderation in 1929-30, as it would appear from those figures in comparison with the peak year, 1926-27, was produced by the fact that the money market broke in the middle of that year, and we could not continue to borrow. Only in the year 1926-27 did we exceed the sum that we propose to borrow this year. One might well ask oneself and the country, what is to be the end of all this borrowing? Can we go on borrowing such sums indefinitely?

Mr. Hegney: That has been asked during the last 25 years.

Hon. N. KEENAN: Is it possible to contemplate that year in and year out we shall be able to borrow at the rate proposed for the present year? It is inconceivable that we can go on borrowing at that rate. What is happening? As things stand at present—this fact has been mentioned once or more in this Chamber—the interest on our past borrowings consumes one-half of our total annual income, and this despite some reductions in the amount of interest due to loan conversions. So we are left with one-half of our annual income to meet all the charges that fall on revenue. Of course it is common knowledge that, while one-half of our revenue is given up to paying interest on borrowed moneys, the half that is left is not nearly sufficient to meet the demands made upon it. That is why, for an absolute certainty, we are landed into deficits year by year, and must in future land into greater deficits, because every year the second half, which is already lamentably insufficient to meet the demands on Consolidated Revenue, is being eaten into by the increased interest charges. Is it not plain to all of us that there can be only one end? We must reach a time when we shall not be able to borrow because we shall have nothing left to induce lenders to lend us money.

Mr. Marshall: "Then" will be the days!

Hon. N. KEENAN: Yes, "them" will be the days, a colossal load of debt eating up perhaps three-quarters of our revenue, and not the smallest prospect on earth of being able to find any way out of our difficulties.

Mr. Hegney: Do away with the interest system.

Hon. N. KEENAN: There always remains, as the interjector suggests, the possibility of repudiation.

Mr. Hegney: I am not suggesting that at all.

Hon. N. KEENAN: And repudiation might be resorted to. Those who resort to repudiation have never profited by it. They may be able for a moment to evade their responsibilities, but they are never able, and never will be able, in the long run, to achieve any success whatever.

Mr. Hegney interjected.

Hon. N. KEENAN: I do not know exactly what the difference is. Some gentlemen say, "Let us repudiate." Mr. Lang said so. He is a gentleman; at any rate, he is candid, and that is one of the most essential attributes of a gentleman. Mr. Lang says, "Let us repudiate," but those who criticize Mr. Lang, or some of them, are not prepared to advocate repudiation. They say, "Let us reduce interest charges; let us pay less and less interest until we pay none at all." Of course there is a possible distinction, but not a moral one, not one that commands the smallest atom of respect.

The Minister for Employment: You repudiated with the Civil Service, and got away with it.

Hon. N. KEENAN: Like everything the Minister for Employment or Unemployment says—I do not know which; I believe one leads to the other—if it had at the back of it only a fraction of truth, it would be worth listening to.

The Minister for Employment: You cannot deny it.

Hon. N. KEENAN: If I attempt to reply to every interrupter, I shall be here until the patience of members is exhausted. What would the Premier and, in his absence I presume his party, reply to the question I have asked, "What is to be the end?" The Premier himself asked, "What is the alternative?" That is the point—not to dispute what the end must be, but to ask ourselves the alternative. I am entitled to ask, "Is this a gospel of despair?" Are those we have appointed to be our governors only going to say to us, "We cannot do anything; let us drift on and drift to the end until we have reached destruction"? Is that what we are asked to assent to—a policy of absolute and utter despair? Is nothing to be done, because apparently nothing can be conceived that can be done?

Mr. Hegney: What did you do when you were on this side?

The Minister for Employment: You only reduced wages.

Hon. N. KEENAN: When the Minister has ceased conversing with another member I shall be prepared to resume my address. If we are to be asked to accept a mere policy of despair, at least let us know it. The Government say candidly and openly, "We are utterly incapable of presenting to you any plan or programme to lift you out of the difficulty. All we desire is to continue to occupy the Treasury bench, to have enough money to carry on, and enough to keep things quiet. That is all." That is the policy.

The Acting Premier: I wish we could keep you quiet.

Hon. N. KEENAN: I have no doubt the Minister does wish that.

The Acting Premier: I know you would not care which side you were on so long as you had a brief to appear.

Hon. N. KEENAN: No doubt the Acting Premier would give me a brief, not only here but in another place.

The Acting Premier: I would give you nothing.

Hon. N. KEENAN: The Acting Premier is very wise in his generation.

The Acting Premier: You will get no brief from me.

Hon. N. KEENAN: The fact is the Government are incapable, grossly and entirely incapable, of formulating any plan to lay before the people that will help them to emerge from their present difficulties. That that is so is no answer to the question.

The Minister for Justice: What Governments in the world are solving that question?

Hon. N. KEENAN: I propose to show how the present Government could at least address themselves to it. The Government in Great Britain and the Government in the United States are doing so. Apparently the Minister for Education has confined his reading to only small dimensions, and has not bothered to read what has happened in other countries.

The Minister for Justice: Have I not?

Member: Wrong again; he is not now Minister for Education.

Mr. Marshall: Minister for lack of education.

Hon. N. KEENAN: Then Minister for lack of education. Had he read about other countries he would have known they are addressing themselves to the problem and endeavouring to solve it. They are putting forward measures that if successful will

lead to its solution. What are we doing here except drift? We have not the smallest conception of what to-morrow will bring. We only hope that to-morrow will not be worse than to-day.

The Minister for Mines: The longer we are here the better will things become each day, as they have improved each day in the last 18 months.

Hon. N. KEENAN: Is there a single direction in which there is a sign of improvement that cannot be more than accounted for by the expenditure of Loan moneys? If we spend £3,000,000 in a country like this, we must produce a seeming prosperity, something that appears to be a prosperity. In reality of course there is nothing in it. The cry that we hear in the Chamber of dissent and anger does not in any way improve the position. The Government have not made the smallest attempt to address themselves to the problem that must be faced ultimately some day. To someone some day will come the duty of facing the problem and trying to find a way out of the difficulty. I have never been opposed to borrowing. I would be prepared to borrow to the last penny of our credit if only the money were used according to some definite and accepted plan, and not merely used to carry us on from hour to hour, not wasted in mere drifting, exhausting our last ounce of strength in producing nothing that will divert our course from bankruptcy. That is why I am not prepared to join in the blessing offered by the Leader of the Opposition. We are doing nothing. We are merely allowing every day to pass by and thanking God we can get enough money from here, there or anywhere to meet the expenses of each day. On one occasion in this Chamber the Ministry candidly admitted and confessed that all they aspired to do was to keep the wheels turning round.

Mr. Cross: You did not even do that.

Mr. Hawke: The previous Government kept the wheels going round the wrong way.

Hon. N. KEENAN: Having got into power by means of a colossal number of false promises the hon. member's Party has proceeded to use every penny they could get to keep themselves in power. (Many interjections.) By the way, Mr. Chairman, I do not mind a couple of interjections, and might even agree to three, but when it goes beyond that limit I feel inclined to protest. When there is a perfect chorus of interjec-

tions I feel that I am entitled to ask you to assure me of a hearing. What is the value to our community of the increased spending which is brought about by these loan moneys? Everyone who has studied even in an outside sense the very rim of the problem is aware that the only path that will ultimately have to be trodden in order that the whole world may emerge from its troubles is that which leads to the re-creation of spending power on the part of the peoples of the world. That is cold hard sense. What gain is being brought about for our community when we increase the spending power in Australia? None whatever. It is true we enable those who manufacture articles in the Eastern States to sell more of their goods. Although I differ on many matters from the Minister for Employment I am very glad to give him a meed of praise for his efforts to promote the consumption by our own people of local products. The fact remains, and the figures show, that we are spending, of the moneys that we circulate by means of loans, by far the greater amount in the purchase from the Eastern States of goods manufactured there.

The Minister for Employment: I do not see many members present wearing suits of local material.

The Acting Premier: Your statement contains no foundation of truth. You said the figures show that we are spending by far the greater amount of Loan moneys on goods manufactured in the Eastern States. You know that is untrue.

Hon. N. KEENAN: The Acting Premier can contradict me if he likes. My figures do show that. I do not propose to answer every interjection at once, so I will answer the Minister for Employment and Industries first. I tell the Minister that if he will look at me next week—at present I am in my old clothes—he will then see me in a new suit, the material of which will be Western Australian, I understand we have to take these things on credit. However, that is a trivial matter, of no importance whatever. The important part is that by spending money here and creating a purchasing ability in this community, we do not create a market for our products. Our products are not sold here, except to an infinitesimal extent. Our products are sold in the markets of the world, and therefore it is obvious that the creation of a purchasing ability in

Western Australia will not establish a market for those products. Actually the figures in this respect are that something less than 5 per cent. of our wheat is consumed in Western Australia, and that something less than  $\frac{1}{2}$  per cent. of our wool is used in Western Australia. Therefore, unless we can create a purchasing power in the markets where those goods are to be sold, we are achieving no useful purpose whatever. That is a matter which we must candidly consider and carefully appreciate. Therefore, if we address ourselves to the problem of finding some way to lead us out of our present morass, obviously that way will have to be wider than the circumference of Western Australia—obviously. It may be said, therefore, that this State cannot deal with that problem. It may be said that it is a problem which must be dealt with by the Commonwealth as a whole. But that is not correct. We have undoubtedly the right to demand that there should be some attempt made by those who are our governors to carry out the first duty of being our governors, and that is to find means whereby our products can, if any proper arrangement may be arrived at, be sold in at any rate the markets of the Empire. That is the position, if I may venture once more to deal with a matter which has been dealt with again and again, which a small number of citizens here have endeavoured to educate the public of Western Australia to understand. We do not stand alone. People of the highest standing in the British world hold exactly the same opinions, and are prepared to act in common with the people of Western Australia, and the people of Australia, in giving effect to those opinions. Until we can produce a purchasing power in the markets where our wares have to be sold, there is no possible end to the path we are travelling on except the end of disaster. Therefore it is that I regard our present drift with such terrible despair. Here we are, exhausting the last ounce of our resources to achieve nothing except merely to hang on. I would be willing, more than willing, to tax the very last ounce of our resources in order to carry out a definite plan that has been outlined by many people, a plan which might lead to the resuscitation of our industries. But I would not for one moment countenance the mere borrowing of money in order simply to hang on. And that is what we are

doing to-day. As I say, I do not attempt to deal with the matter in detail; but it is obvious that the full basis of that plan must be a co-ordinated public works policy throughout the Empire, and an acceptance by us, from other parts of the Empire, in payment or part payment for the goods they buy of us, of their products, within reasonable limits. Here to-day we are indulging in the impossible dream that the world, and particularly our own people in other parts of the Empire, will buy from us while we shall not be under any obligation to accept payment for the goods they buy in anything but currency. We will not allow those people to pay even in part by goods produced by them. I tell everyone, not merely those in this Chamber, but everyone who happens at any time to be good enough to listen to me, that that is absolute and complete nonsense. The time has gone by when we can demand that the people of Great Britain and of other parts of the Empire should throw open their doors to our goods and welcome them, and that we should slam our doors in their faces and refuse them entry. That time has gone by, and in order to appreciate that fact it is necessary for us to examine the conditions which have made it impossible. Those conditions, of course, are the general financial conditions of the world. We have never failed in that commonsense which is the real basis of our national character. We differ in many ways. We differ in our opinions, and sometimes we appear to be more than hostile in those differences. But at the bottom of all there is the substratum of commonsense which is a greater bond of union than the differences of opinion are a factor of disruption. That bond, I hope, will unite us sufficiently to enable us to solve the problems we are called upon to face.

**MR. TONKIN** (North-East Fremantle) [8.17]: The peroration, of course, was the best part of the speech delivered by the member for Nedlands (Hon. N. Keenan). The Leader of the Opposition and the Leader of the Nationalist Party have both dwelt at some length upon the advisability of not borrowing. The Leader of the Opposition said we should not borrow for works which will not pay interest, and then he said that at present there were few opportunities to utilise loan money on works

which would pay. The natural inference is that we should not borrow at all. The Leader of the Nationalist Party expressed the same opinion. I entirely disagree with both of those hon. gentlemen. In my opinion, the determining factors when Governments contemplate borrowing should be these three: Firstly, the need for large public works in the development of the country. Secondly, the price and the amount of money available. Thirdly, the amount of surplus labour. Public works should be so regulated that they would be at their largest extent when private industry is languishing. When private industry is unable to provide work for men and women who consequently are thrown upon the good offices of the Government, that is the time when public works should be indulged in on the largest scale. Of course to-day it is necessary to borrow. We have a young country. There is urgent need for developmental work. I will mention at this stage only two things. We need greater provision of water supply. Even with the work now going on, we know there will be restrictions this year on the amount of water which may be used. Last year restrictions were imposed almost throughout the summer. Whilst it is necessary to impose restrictions, obviously there is room for public works to provide an ample water supply for the people. If I may be permitted to come to something nearer home, a bridge at Fremantle would be an asset not only to Fremantle itself but to Western Australia. The present structure is a disgrace to a young country. There is urgent need for a bridge which would be worthy of Western Australia. Whilst that work remains to be done, there is no excuse for the Government not endeavouring to obtain money to carry it out. The Leader of the Nationalist Party said that borrowing must cease. He gave as his reason that if we did not act accordingly, we would soon have insufficient revenue to admit of the payment of interest and the country would be faced with absolute bankruptcy. Let us follow his argument. Suppose we stop the various public works that are being financed from loan funds. Can it be said we could carry on those works out of revenue? Even to-day, with the advantage of loan funds, we experience deficits. How do we meet them? By borrowing. If we shut down on public works, we would throw more men out of employment and the Government

would have to provide them with sustenance only. That would increase already large deficits. In addition to that, because loan money was not in circulation, trade would suffer, incomes would fall, and the State revenue would be less.

Mr. Hawke: Even lawyers would go out of business.

Mr. Wansbrough: That would be a pity!

Mr. TONKIN: At the end of the financial year, we would be confronted with the necessity to borrow in order to meet a largely increased deficit.

The Minister for Employment: The member for Nedlands would meet that by decreasing wages again.

Mr. TONKIN: That would be his method.

Hon. N. Keenan: Not to 10d. a week!

Mr. TONKIN: The member for Nedlands said that the only way out of the present trouble was to increase the purchasing power in the markets of the world. I agree with him, but I do not know that he would agree with me in the method to be adopted to achieve that end. It is all very well to talk about increasing the purchasing power in the markets of the world; we cannot do that by decreasing wages. The only way to advance the purchasing power of the people is to increase wages. How much support would I get from the member for Nedlands if I were to suggest an amendment of the Arbitration Act to make provision for an annual increase in wages corresponding to the augmented production resulting from the more extensive use of machinery in industry.

The Minister for Employment: The member for Nedlands would run to the Press to express his opinion.

Mr. TONKIN: I am sure I would get little support from that hon. member. Nevertheless that is the only way by which we can increase the purchasing power of the people in the markets of the world. The result of the introduction of various labour-saving devices must be a decreased number of men drawing wages from industry. Those men are consumers. In their place we instal machines that do not consume goods to the same extent as the workers. The machines consume merely a certain amount for depreciation and fuel. Every year we are doing things that increase the production of goods, and the quantity of those goods, available for sale in the markets

of the world. At the same time, we have no system that enables the workers to enjoy an increased share of those commodities. The Arbitration Act provides that as prices fall wages must decline, so that the wages paid this year shall not buy more goods than did the wages paid last year. If we make it impossible for the workers to purchase more goods this year than they did last year, how can we provide markets for the increased goods that are produced? It cannot be done. The only way in which we can secure increased purchasing power in the markets of the world is to ensure that the workers shall be able to enjoy a greater share in that increased production. To achieve that end, wages must be increased, not decreased. The method adopted throughout the world to meet the present crisis has been to reduce wages. That has merely served to accentuate the trouble. I agree with the member for Nedlands that we must increase the purchasing power of the people, but let us set about it in the proper way. We can do so by borrowing additional money seeing that it is cheap to-day. The last loan conversion was carried out at  $3\frac{1}{4}$  per cent. It is evident from the amount the British Government can raise through the issue of Treasury bills, money can be obtained much more cheaply than at  $3\frac{1}{4}$  per cent. I believe that, with the introduction of a Treasury bill market in Australia, it would be possible to obtain money locally at less than 2 per cent. While money is so cheap, it is a crying shame to allow our people to be out of work, seeing that large public works could be put in hand and the unemployed absorbed. It is said it is wrong to use loan funds for work that is not directly reproductive. My mind may be very obtuse, but I have never been able to follow that reasoning. I believe it is a far sounder policy to employ men on public works, for their wages will circulate, the commodities we produce will be purchased, and that will help to provide an outlet for the increased production of goods that are already a glut on the market. Restrictions have been imposed on the export of beef, and not long ago the British farmers asked the Home Government to place restrictions on the importation of cheese from the Dominions. British farmers were producing cheese before there

was a white settler in Australia. In Britain they have the necessary climate, and land that has been so well worked for centuries that their pastures must inevitably be a long way in advance of ours. Nevertheless the dairy farmers of Great Britain had to appeal for restrictions against the products of dairy farmers of Australia. When we are confronted with a situation like that, I believe it would be suicidal to sink public money in increasing the production of goods that will not be sold. It would be a much sounder policy to avail ourselves of money that is cheap in order to put our surplus labour at work and permit the workers to become consumers of goods produced in our own country. There will be additional scope for production, and the producers will have an outlook in life in that they will be able to get rid of their commodities. Let us view the position as it applies in a single district and see how it has worked out. When the weir was being constructed at Harvey, a large number of workers were employed, and their wages were paid from loan funds. As a result of those activities, the business people locally, and the producers themselves, were able to increase their turnover, trade expanded, and most of the business people did remarkably well while those wages were in circulation. The same thing could apply throughout the whole State if there were infused into the community this life blood that is so essential to the well-being of the country. We must have increased purchasing power, but that cannot be obtained unless we put our people to work. We cannot do that if we must rely solely upon revenue. As that cannot be done, the only way open is to borrow. I hope the Acting Premier will use his utmost endeavours to secure the consent of the Loan Council to the borrowing of more money so that public works may be put in hand. We could use as much of our own local material as possible, our workers would be fully engaged, and money in circulation would facilitate business. By that means, we could possibly work our way out of our present-day troubles.

**MR. HAWKE** (Northam) [8.30]: Every member will agree that the question of public borrowing is an extremely important one. I think if some individuals had used their

power of argument against borrowing in the days of Australia's apparent prosperity, it would have been much more useful than using those powers of argument against borrowing in these days of depression.

The Minister for Employment: And much more genuine.

Mr. HAWKE: If there is one thing that has maintained the commercial life of this and the other States during the years of depression, it is undoubtedly the borrowing of money by public authorities. The policy has been forced upon Governments, irrespective of whether they believed in it. It has been pointed out this evening that our borrowings last year totalled approximately £3,000,000, and that this year they will approximate the same amount. This has been pointed out to us as something in the nature of an act of suicide. It has been suggested that if this is continued, sooner or later the whole State will crash down to irreparable ruin. I suggest that if the £3,000,000 had not been borrowed last year, this State would be in a condition of irreparable ruin at the present moment. I ask, what would have happened to the producing industries of the State if financial assistance had not been made available to them from moneys borrowed by public authorities within Australia? I ask, what would have happened to the workless men of this and the other States if moneys had not been borrowed and used for the purpose of giving sustenance to those men and their dependants, and work to them wherever work could be organised? A moment's consideration will prove beyond doubt that borrowing, irrespective of whether we believe in it, has been absolutely essential to maintain the existence of our industries and the peace of our country. Therefore it savours of political hypocrisy for members to rise in this Chamber and condemn the borrowings that are being made by the present Administration. I hate borrowing as much as anybody.

Mr. Marshall: I cannot borrow.

Mr. HAWKE: Well, our friend is unfortunate. I am as much opposed to borrowing as anyone, certainly bitterly opposed to it under the present system whereby Governments have to go, cap-in-hand, to private financial monopolies and borrow from them under the interest-bearing system. But I realise, as every practical man must, that although that policy is to an extent undesir-

able, and although to an extent it may be dangerous, it is the only system and policy available to Governments in existing circumstances and under the present economic system; therefore it has to be followed up in order to hold industry together and preserve the State, and give it a chance of benefiting from some fortuitous change that may take place in the future. I feel that some of those people who condemn the policy for queer reasons of their own know that to be the position.

The Minister for Lands: They do the same thing.

Mr. HAWKE: It is all very well for the member for Nedlands to rise and in most vigorous, even vicious, fashion indulge in wholesale condemnation of the present Administration and of the policy of public borrowing; it is all very well for him to characterise the members of the Government as being devoid of constructive ideas and bankrupt of progressive policy, but I would point out that there was a Government in power before this Government.

Mr. Marshall: And he ran away from it.

Mr. HAWKE: The member for Nedlands on the formation of that Government, became the holder of a portfolio in it. I have not discussed the question with his colleagues of that time to find out whether he then condemned that which he condemns to-night, nor the question whether he put forward any brilliant proposals for doing other than public borrowing for the purpose of maintaining industry and providing sustenance for the unemployed. But we do know, and the public know, that when the member for Nedlands saw the first chance to throw off responsibility, the first opportunity to run out and leave the responsibility to his harassed colleagues he took that opportunity and got out.

Mr. Cross: He saw that the ship was sinking.

Mr. HAWKE: So it ill becomes him to rise this evening in a Puritan attitude and condemn present Ministers for carrying out a policy which, to a large extent, is forced upon them, irrespective of whether they believe in the principle. It has also been stated that all that this Government seem to be concerned with is the obtaining of just sufficient money with which to carry on. That is a very important thing. It is very necessary that any and every Government should be concerned with obtaining

enough money to carry on with. But I think if the truth could be known—which is impossible in this instance—the thing which is hurting members who complain in this fashion is the fact that the present Government are getting sufficient money to carry on with, and getting it much better than the previous Government were able to do. What was the cry of our opponents during the last election campaign, the bogey with which they attempted to scare the electors? It was that a Labour Government would not be able to command the confidence of the investing public of this State and the other States of Australia. It was spread amongst the unemployed in the Northam district that if there was a change of Government, Mr. Collier would not be able to get sufficient money to carry the unemployed on the same basis as they had been carried during the previous period. And the most outrageous attempts were made, no doubt by the member for Nedlands, in a surreptitious if not in a straightforward manner, to scare the unemployed into supporting him and those associated with him, rather than the candidates of the Labour Party. So it may be that some of our opponents are annoyed at the fact that this Government have commanded the respect and support and confidence of those who have the privilege to supply money to Governments for public purposes in Western Australia. The Government are deserving of credit for the fact that they have been able to command that confidence and obtain sufficient money with which to carry on primary industries, provide employment and assist in holding together the affairs of the State. It is all very well to condemn and to say this will lead to ruin, that we are rushing headlong down the path of disaster. We may be moving downwards, but we are not rushing downwards. I submit that if public borrowings were to cease, that would be the end of everything. Public borrowings must be continued unless this State is to face a situation that none of us would care to contemplate. There is no doubt that the expenditure of three millions of money in this State each year is not merely benefiting the people who receive it in the first instance. What do the farmers do when they receive money in the form of a bonus? What do the workers do when they receive money for wages done on relief jobs? Obviously they use it in the purchase of commodities, and when they do

that, they assist to keep moving the wheels of industry, assist to keep in existence the retail traders, the wholesale houses, the manufacturing establishments and the primary producers who provide the raw material from which manufactured goods are made. The £3,000,000 of borrowed money circulated last year did a wonderful amount of good in that way, and the £3,000,000 that will be circulated during the current financial year will also do a great amount of good in the same direction. If the impossible and mysterious policy of the Leader of the Nationalist Party were adopted, and that money were suddenly withdrawn from circulation, there would be the greatest crop of business bankruptcies this State or any other State had ever experienced. Even though I may be bitterly opposed to borrowing at interest, even though other members may hate that policy, it is essential and unavoidable in this crisis of the State's affairs. Therefore it must be followed until such time as there is a reconstruction of affairs in this and other countries of the world. When that reconstruction takes place, it will doubtless be possible to obtain higher prices for our products and, by virtue of that, to receive a greater income than we are getting now. When that happens it will be possible safely to taper down our borrowings to a much lower sum than at present. In these days it is the bounden duty of any individual who condemns any Government or policy to put forward in some detail his alternative proposal. What did we hear this evening from the member for Nedlands? Nothing at all, except some hazy reference to a distant, mysterious and impracticable scheme of Empire public works—hopeless, distant and impossible. If we were to wait for that scheme to come into operation, if we were to pin our hope of salvation to that scheme, then there is not a vestige of hope for the people or the industries of this State. The Leader of the Nationalist Party had a good deal to say about repudiation. I remember the time when he evolved a remarkable plan and unfolded it at Katanning, which was possibly a very strategic point for him to choose for the unfolding of such a plan. To those who studied the plan closely, there was no doubt that it was a semi-repudiation plan, too. The question of repudiation does not enter into the question at all. If low prices continue, it might be necessary for



this State to make overtures to its creditors for a further lessening of the interest burden upon the State, but I feel sure that our creditors would be sensible enough to realise that unless they gave some relief in the shape of lower interest rates, they would have something more to lose than they would lose by giving us a reduction of perhaps one per cent. in the interest charges on the public debt. There are one or two other things I wish to mention briefly. I am very pleased that at long last there has been a resolving of the question of the building of the proposed Yarramony railway. I am afraid that that proposed railway was used for many years as a sort of political football. At election time it was used as a means of gaining votes for different candidates, and it became a question which candidate could make the most attractive promises. When a deputation approached the present Premier early this year, he gave them clearly and definitely to understand that the Government had no intention whatever of constructing the line, and under present circumstances were opposed to its construction. The Government, however, put forward an alternative proposal for the construction of feeder roads between the two existing railways. The deputation were quite satisfied to learn that at last there had been a definite resolving of the question. Those feeder roads are now being constructed by the Main Roads Department, and I am sure the provision of those roads will be of great assistance to the settlers in those areas, and will end the controversial question of constructing a railway through that territory. For some time the Northam municipality has been considering the question of establishing a sewerage system for the town. After the speech of the member for Nedlands, in which he said he was an authority on this question, I feel that the Northam people would be wise to get his advice before taking any definite step. If that were done, no doubt the member for Nedlands would refer them to the individual who prepared the case presented by him to-night. It might be necessary for the Northam municipality to approach the Government to discuss this question further. I was interested to read recently that the Federal Government proposed to expend £5,000,000 of additional loan money this year. So far I have not heard the member for Nedlands indulge in any vicious condemnation of that

proposal as being mad, but I suppose it will come in due course. I understand that Mr. Stewart, who will represent the Federal Government on the subject of providing employment out of the Federal moneys, will visit the various States and consult with the State Governments as to how the money may best be expended. I am hopeful that if he knows there is such a place as Western Australia and feels it his duty to come here, the representatives of the State Government will bring before him the proposal of the Northam municipality to establish a sewerage system. In some of the larger inland towns in Eastern Australia sewerage schemes have been in operation for many years and have proved entirely satisfactory. I believe that some time ago the Commonwealth Bank assisted local government bodies in establishing sewerage schemes. I trust if Mr. Stewart does not forget there is such a place as Western Australia, as the Federal authorities often seem to do, that when he comes here this question will be discussed, and that we may have a visit from him at Northam, so that he may talk the matter over with the local authority.

**MR. WITHERS** (Bunbury) [8.51]: We have heard a good deal to-night for and against the policy of borrowing money for public works. It is a question whether we can say definitely what are productive and what are non-productive works. The public works of any State are very far-reaching in their results. My object to-night is not to go into the question generally, but to justify what the Government have done in the way of expenditure on public works in my electorate. The Bunbury harbour works are being continued. I see that on the Loan Estimates there is a sum of £45,000 for expenditure this year. Although that amount may not be immediately reproductive, and the balance sheets of the Bunbury Harbour Board, which controls the harbour, may not disclose the amount of revenue that is paid back to the State, or the amount of interest paid on the money expended, one has only to take into consideration the revenue derived from subsidiary sources, from the railways and other activities, to realise that the expenditure is justified. I have read most carefully the report of the Bunbury Harbour Board for 1933. That is rather a belated document, but I have been able to get the fig-

ures for 1934. The 1933 report mentions a falling off in the timber trade, and says that the trade was practically at its lowest ebb in that year. I am glad that was so. In 1933 only 26,901 loads of timber were exported from Bunbury compared with 60,472 in the 1933-34 period. This represents an increase of 33,571 loads, which was in excess of the total export in 1933. The same thing applies to wheat. For the expired period of this year 90,000 tons of wheat have been exported from Bunbury, and all the wheat destined for Bunbury has not yet been sent there. These figures compare favourably with the export in 1933 when the quantity sent away was 102,000 tons. The imports may seem somewhat considerable for a port like Bunbury. They consisted of rock phosphates and crude sulphur. In 1932-33 the imports amounted to 31,100 tons, and for 1933-34 the quantity was 28,488 tons. The total number of vessels which entered the port was 92 for this year, as against 81 for the previous year, and the gross tonnage was 354,635, an increase of 50,181 tons over the previous year. The total cargo tonnage was 224,836 tons, an increase of 38,000 tons. Such increases in trade surely justify a work of this nature. For many years in this House I pleaded for the work to be done, but such pleas will no longer be necessary as it is now in operation. In 1926 I made a comparison to justify my request that the work should be proceeded with. I took the railway freights at Bunbury at that time with regard to the export of timber. I hope Bunbury will always be a leading port for that class of export. It showed that over a period of five years the timber export represented 18 per cent. compared with 15 per cent. of the whole of the railway freights. The revenue position was much the same. If the increase in the timber trade is as anticipated for the future, and we get back to the position that existed in 1926, the work that has been put in hand in the district will be fully justified. Some people say money should not be spent in building a harbour that does not directly pay interest on its operations. I would point out that a very large area of country is linked up with the harbour, and that its development fully justifies an expenditure there. I have some figures that were prepared by the Public Works Department when the improvements to the har-

bour were proposed. According to those figures, the port served an area of 24,850 square miles of country. This area was classified as follows:—Pastoral land, 7,556 square miles; timber lands, 3,160 square miles; mineral (coal and tin), 1,160 square miles; mixed farming, 3,156 square miles; dairying, intense culture and fruit, 4,580 square miles; and wheat lands, 5,259 square miles. Adjacent to Bunbury exists some of the most fertile land, suitable for irrigation. In one scheme at Harvey there is an area of 4,000 acres, while another Harvey area comprises 18,000 acres. There is also the Waroona scheme and the water scheme at Collie. When one takes into consideration this enormous area, and the development that is taking place there, one must admit there must be an outlet for its products. I have no desire that Bunbury should take away trade from what naturally belongs to any other port. I have never had any port jealousies since I have been a member. People have referred to the expenditure in Bunbury being unnecessary. Now that members have heard the figures with regard to shipping and the prospects of the hinterland, with its numerous activities, they must agree that some outlet must be provided for the district. If Bunbury has the goods to export, then it is necessary to prepare the harbour for that work. It would be of no use having a natural harbour near the Nullarbor Plains, which does not export anything. As a result of the expenditure at Bunbury, the State will derive revenue both from the railways as well as from the harbour. I am glad the Government are going on with the work, which is the means of absorbing quite a number of men who otherwise would be unemployed. There was some controversy regarding the progress of the work a little while ago, and the Minister was good enough to supply me with a statement of the position. He assured me that the £45,000 that was asked for would be spent during the year. I am pleased that is an accomplished fact, that the same amount of money will be made available this year. Another matter I wish to touch upon is not mentioned under the heading "Public Buildings." I refer to extensions, alterations and additions required in connection with the Bunbury hospital. The hospital, since its establishment back in

1897, has served the purposes of a Government hospital. Recently the Health Department have made the hospital a district hospital. The department suggest that the district surrounding Bunbury should be responsible for a certain proportion of the cost of upkeep of the hospital and alterations and additions to it. The proposal might have been all right had it been made ten years ago, but nowadays the Bunbury hospital has opposition from three private hospitals situated almost adjacent to it. The Bunbury hospital is to-day, and for many years has been, practically the same to the people of the Bunbury district as the Perth hospital is to the people of the metropolitan area. To ask the people of the Bunbury district to-day to pay a further tax for the purpose of making the Bunbury hospital a district hospital like other district hospitals, is asking something the people are not prepared to submit to, especially in view of the fact that they are already paying a hospital tax. Had this additional tax been imposed on them prior to the introduction of the hospital tax, possibly they would have borne both. I mention the matter more particularly because the Bunbury hospital requires various alterations and additions to place it in a position to meet the requirements of the district. There has been a proposal mooted that the Government pay one-third of the cost, the Lotteries Commission one-third, and the Bunbury district the remaining third. I can state definitely that the district will not be able to find that third. I want to impress upon the Government the necessity for the works proposed. I also want to impress upon them the necessity for their finding, in conjunction with the Lotteries Commission, the money needed to carry out the various works required. Their total cost, according to a statement furnished to me, would be £3,580, including £700 for a hot water system, £410 for installation of a hand-operated passenger lift, £1,350 for additions to nurses' quarters, £75 for extra windows, £150 for additions to sterilising room, £715 for a casualty ward, and £180 for the subdivision of the men's ward on the first floor. A casualty ward in a large institution like the Bunbury hospital is an absolute necessity. Under the existing conditions an accident case has to be taken

into a large ward containing other patients, and treated there. Last week-end the Lotteries Commission made an inspection of the building, and I can state that they agree, as anyone visiting the place would agree, that the hospital is not in a fit condition to serve the district. The Lotteries Commission are in sympathy with the requests which have been made, and I feel sure will assist towards their fulfilment; but I want the Government to take the matter into consideration in connection with Loan moneys, to see if the necessary assistance cannot be rendered to put the hospital in order.

**MR. CROSS** (Canning) [9.5]: For many years the people of the southern suburban areas have been agitating for the inauguration of a deep sewerage scheme. The fact that the present Government propose to yield to that agitation is keenly appreciated. In opposition to the member for Nedlands (Hon. N. Keenan), those people consider that the time is ripe for raising a loan in order to give them the services they need. They hope that when the work is taken in hand, activities will begin simultaneously in South Perth and Victoria Park.

**Mr. Hegney:** And Maylands.

**Mr. CROSS:** I quite agree with the member for Middle Swan. Operations should be commenced simultaneously in the three districts. The people on the other side of the river also keenly appreciate the manner in which the Government are pushing on with the provision of an adequate water scheme for the greater metropolitan area. As against that, alarm has been expressed in various quarters as the result of certain statements said to have been made by some engineer or other, that when the present Canning scheme is completed, it will prevent any water flowing from the upper reaches of the Canning River. On those upper reaches there is an area of country on which numerous growers are producing vegetables and so forth with the aid of an irrigation scheme operated from the Canning River. Those growers would number perhaps 70 or 80, and some of them are in a large way of business. Their activities are made possible by the Kent-street weir which was constructed on the Canning River some years ago. Improvements have been effected in that weir recently; but the statements of the engineer previously referred to are to the effect that when the Canning

scheme is completed, probably the Canning River will be dried up. Personally I do not believe that, because I do not see how it is possible to include in the scheme all water coming down the Canning River. I hope the Minister will give an assurance which will satisfy the growers concerned, who have spent fairly large amounts of money on their properties. In some cases the investment represents the life's savings of the grower. I suggest an assurance from the Minister that the undoubted rights of the growers to sufficient water for irrigation purposes each year will be maintained, even if the statement of the engineer is correct—which I doubt. I observe that the Loan Estimates make no provision under the heading of "Ferries" for any new boat for the Mends-street service. The agitation for a new boat has been proceeding for a number of years, and not without considerable justification. I notice a reference to this matter in the report of the Commissioner of Railways. The Commissioner says that the profits last year showed a decline that was attributable to the heavy expenditure on the "Perth." It is interesting to note that the old "Perth," which has now reached the end of her usefulness, underwent considerable repairs last year at a cost of £1,200. During the time she was off the run, it cost the Government £180 for the hire of boats to take her place. This is an important ferry service. Nearly 1,000,000 passengers travel by that ferry annually, and when it is realised that the whole of the interest payable on the ferries amounts to £445 per annum—that was the amount paid last year—and that the service has shown a profit for a number of years past, it must be regarded as of paramount importance that provision be made for a new boat capable of dealing with the traffic. I have been informed that, even with the repairs effected, the "Perth" is still unsatisfactory. I do not know whether the boat has been on the stocks since—I think she has—but it would be a good business proposition to instal a modern boat capable of catering for the service. I hope that, despite the omission from the Estimates this year, the matter, about which I receive more complaints than respecting any other requirement in my electorate, will not be overlooked by the Government.

**MR. SAMPSON** (Swan) [9.13]: I regret that the member for Avon is not with us to-night. It hardly savours of a discussion on the Loan Estimates unless we hear some definite appeal regarding the Yarramony railway.

The Minister for Railways: That project is finished now. You heard what the member for Northam said.

**MR. SAMPSON**: I understood him to say the railway would be built, but I rather believe the wish was father to the thought.

The Minister for Railways: The member for Northam said the railway could not be built until £20,000 was spent on the construction of roads to bring the traffic to the line.

**MR. SAMPSON**: Then I will leave the subject and deal with—

**MR. WANSBROUGH**: Those you know something about.

**MR. SAMPSON**: The amount we are to borrow is certainly a hefty sum. It represents £3,142,319, and I hope the money will be used to the best advantage. Someone said that borrowing was the most over-worked industry in Australia, but with others, I do not know how we could possibly develop the country unless loan funds were obtained.

The Minister for Railways: Anyhow, we are borrowing from ourselves, not from overseas.

**MR. SAMPSON**: Just so, but the money borrowed has to be paid back.

The Minister for Railways: Yes, to ourselves.

**MR. SAMPSON**: I hope the Minister will not think I am blaming him for borrowing the money. So long as the money is wisely spent, it will be well borrowed. I cannot understand why, in spite of the tremendous sum we are to borrow, and the burden that has to be shouldered by the small population of the State, the Government find it necessary to budget for a deficit of £644,000. That is a very serious reflection upon our Administration.

**MR. CROSS**: It represents a considerable improvement on what your Government were able to achieve.

**MR. SAMPSON**: I believe, looking at it from those two aspects, that is a fact. They say that a toad looks pretty in a duck's eye. Well, looking at the two back benches, even with another Government, that may be true. I wish members

would not persist in thinking I am constantly concerned about party. I am not concerned about party. I have nothing to thank party for in connection with matters to which I shall briefly refer.

Mr. Hegney: And you have a fair knowledge of parties.

Mr. SAMPSON: I wish to deal with one or two parochial matters. The first refers to the Bunbury-road leading to and from Armadale. The Acting Premier, as Minister for Works, has shown great interest in road construction, and he has done much good in that regard. Nevertheless, a large section of the Bunbury-road is as yet without a surface, and in these days we realise that water-bound roads will not stand up to modern traffic. The road I refer to is a source of constant expense.

The Minister for Railways: Have you perused the programme of road surfacing that has been laid on the Table of the House?

Mr. SAMPSON: No.

The Minister for Railways: Did you not see the particulars in the "West Australian" this morning?

Mr. SAMPSON: I hope the portion of the Bunbury-road I have in mind is included in the programme.

The Minister for Railways: Surely you looked at the published statement!

The Minister for Employment: You should postpone your remarks and have a look at the document.

Mr. SAMPSON: If that section of the road is included in the list, I shall be pleased. I wish to join with the member for Canning in his references to the water from the Canning Weir. The flow of water there must be maintained; otherwise those engaged in gardening or fruit growing in the Swan and Canning electorates will be in trouble. I believe that at common law the Government will become liable because of any injury done to the land through trouble arising from salt. A summer supply in the Canning River is essential for those engaged in vegetable and fruit production, and, failing that, those growers will be forced out of business. I hope that phase will not be lost sight of by the department concerned. With regard to our railways, I wonder if the Minister for Railways noticed some criticism in the "Wiluna Miner"

of the 10th November, in which the following appears:—

In our last issue we had an article on the late running of our train service, and we must say that the railways have backed up our remarks to the hilt, for the trains remain consistently late. On Saturday the passenger train was just the bare three hours late, while Tuesday's Limited was nearly on time, being only 90 minutes behind. Goods trains, it is understood, maintain a fairly good service, but are naturally governed by the amount of freight offering. However, even they are not so punctual as they were in the days of motor transport competition. The local public bodies should combine and place the matter of this irregular and unreliable train service before the Commissioner of Railways, and see that he does something to rectify the position.

I hope the protection afforded by the Transport Board will not have the effect of justifying such paragraphs. I was pleased when the railways brought in the cash on delivery system.

The CHAIRMAN: That has nothing to do with the Loan Estimates.

Mr. SAMPSON: That is one of the activities of the Railway Department.

Mr. Hawke: It is not paid for out of loan.

The CHAIRMAN: I cannot allow the hon. member to proceed on those lines.

Mr. SAMPSON: Very well. I may refer to the Brookton-Armadale railway extension. It is some years since we have heard of it, but I should like to know what is proposed in regard to it. Extensions of the Government electricity supply have been referred to by me and others on dozens of occasions, and we have been told over and over again that the generating capacity of the power station is at its peak, and consequently no extension can safely be made. Nevertheless when the work for the Canning Weir was entered upon recently, there appeared to be no difficulty about getting current. I am glad of that, but what I object to is having been misled in the past as to the lack of current, and being told it was impossible for the Government to make certain extensions. If those extensions were carried out it would make a great difference to the producers in the Swan, Canning, South Fremantle, and Middle Swan districts. The last extension of any importance was that to Canning Vale, which was approved of by the then Minister for Railways in 1922 or 1923. Since then the department has to all intents and purposes called a halt and been marking time. Although small

connections have been made, there have been no extensions of any importance. That is a damning indictment of the way in which successive Governments have failed in regard to extensions.

The Minister for Railways: The consumption of current has doubled in that time.

Mr. SAMPSON: There should be plenty of money for work that will pay, and the Electric Light Department does pay.

The Acting Premier: We have the money for it, but the tenders have not been settled.

Mr. SAMPSON: But the lack of action has extended away back beyond the previous Government and the one before that. It is interesting to note that the percentage earned on capital in 1926 was 6.18, in the following year 5.57, and in 1934, 8.15, which is a wonderful return, bearing in mind that the extension of current creates other important advantages. The Minister will remember that in 1925 we had a big deputation at Mundaring. The Minister was duly impressed, and it was only lack of funds that prevented the requested extension being made. Actually my remarks should be addressed to the Acting Treasurer, who I hope will view favourably the importance of an extension, for in many instances it will make the cultivation of land possible and profitable. The plan of the cables is very interesting as showing how poorly the department cater for this great need. It shows that from Carmel to Blue Rock quarries the cables have not been joined up, and it is one of the principles of electricity supply that there should be a complete circuit. That state of affairs has existed for years. No matter what arguments are advanced, and despite the fact that guarantees have been offered by local authorities and that residents have signified their willingness to have the guarantee endorsed on their land titles in the form of a lien, the Government will not make the extensions. We have not been so short of money during all those years that the extensions could not have been made. Item 22 provides for an expenditure of £150,000 this year. That is nothing very much, even if it were spent and, say, one-tenth of it or so were applied to the outlying districts. I have no hesitation in repeating that it is not right for the Government to be burdened with the carrying on of the electricity supply. It would be far better for the Government to vacate the

field and allow a private company, under strict safeguards, to do what is required.

The Minister for Employment: That 8 per cent. must be attracting you.

Mr. SAMPSON: It would attract any company, and it would attract the Minister if he understood the subject.

The Minister for Employment: That is why an effort was made to get rid of the concern.

Mr. SAMPSON: What is the use of making statements like that?

The Minister for Employment: That is what is attracting outsiders, the 8 per cent.

Mr. SAMPSON: Very well.

The Minister for Employment: It is just as well for the people to have it.

Mr. SAMPSON: I urge the Acting Premier to embrace this opportunity and let the people have that which they have so earnestly requested and for which they are prepared to give guarantees. The non-extension of electric power means more unemployment and more relief; its extension would mean a measure of prosperity which all the districts to which I have referred—Swan, Middle Swan, Canning, and a portion of Toodyay—should enjoy. The Minister for Employment is naturally concerned. He wishes to see as many men as possible at work and as few as possible on sustenance and relief work. Let him join hands with me in the endeavour to secure this extension. The request has been made year after year since 1922, and the last extension of any importance made by the Government, who hold but do not exercise this monopoly, dates back to 1922 or 1923. I hope that the Acting Premier will make it possible for the extension to be provided. The matter is one of importance to a section of his electorate, but it should be viewed in a broad light—the light of what will advantage those people living in the whole of the outer suburban districts.

MR. McDONALD (West Perth) [9.34]: I am glad that we have had the advantage of a discussion on the question of borrowing, which is, if not the most important, one of the most important questions which concerns the Legislature and the people from time to time. Nobody, I think, would ever suggest that we could have ceased borrowing during the time of the depression. Everyone agrees on that; I have not heard a single person suggest the contrary.

Mr. Marshall: Your friend has done so.

Mr. McDONALD: I am coming to that, because that is what the member for Nedlands did not say.

Mr. Marshall: You two have been in collusion for some time.

Mr. McDONALD: Not with the hon. member. No one would suggest that we should have ceased borrowing during the depression, especially as we were borrowing on an extensive scale before the depression. Nor can anyone say we would not have been better off to-day had we had a smaller public debt, because although borrowing to a certain extent is necessary in a young country, our public debt is admittedly too large in proportion to the benefits obtained from our borrowing. The result is that to-day we have a considerable burden of public debt. Very few countries have a burden of public debt equal to that carried by Western Australia. When we have carried the burden of public debt to a certain degree, we shall find that we are in the position of Newfoundland and have to collapse or be taken over by some country able to finance it. Borrowing may be necessary and is necessary. If a country can develop its resources by reasonable borrowing, so much the better, and infinitely better is that country's experience if a time of depression arrives. Still we have borrowed in the past; that has been a general policy and we cannot alter the fact. We can only ask what lessons are to be learned from our past essays in borrowing that can be applied to the future. I was gratified at finding a considerable measure of agreement between the member for Northam, the member for North-East Fremantle and the member for Nedlands. They propose that we should still go on borrowing, and I entirely agree with them. We cannot cease borrowing under present conditions. It might be possible to taper off our borrowing and gradually reach a stage when we shall not have to borrow. That is the millennium for which we all hope.

Mr. Lambert: What do you suggest? How could it be done?

Mr. McDONALD: I shall come to that presently. While we are borrowing to create purchasing power, it is material, as the Minister for Employment has said, and we all agree with him, that we should maintain

purchasing power within the State as far as possible, and if not within the State, in those countries that are prepared to buy our goods. If they have purchasing power and we have purchasing power, there can be reciprocal trade by exchange of commodities suitable to the resources of each country and with corresponding benefit to each country. As the member for Nedlands said—I think the Acting Premier misunderstood his remarks—we are borrowing money and creating purchasing power, but a large part of the purchasing power goes outside the State to import goods from the Eastern States. There is no suggestion that the Government are spending loan money outside the State, but the purchasing power created by the loan moneys we are expending is to a large extent going to the Eastern States and we are not getting the benefit of trade in return. That is the burden of the crusade of the Minister for Employment, and to that extent most people will agree he is on correct lines.

Mr. Lambert: It is one of the fallacies that has brought down trade and commerce throughout the world.

Mr. McDONALD: Everyone thinks other people's ideas are fallacious, and that is why we cannot get very far forward. Some day we shall find out what is fallacious and what is worth trying. We must go on borrowing for the time being, but the question is the purpose behind that borrowing.

The Minister for Lands: It is hope.

Mr. McDONALD: The problem is not an easy one to solve. I am aware that Governments the world over are finding the problem difficult to solve. We all admit that, but there are some Governments that are trying to find a solution. They are borrowing, but are doing so with an end in view.

The Minister for Lands: In the United States they are raising unparalleled sums of money on hope.

Mr. McDONALD: I remember the debate on the Address-in-Reply in this Chamber last year. The example of the United States, then in the initial stages of a new scheme, was pointed out to us as something from which we might hope. It was referred to as an example of enterprise, and of an attempt to get away from orthodox economics and to lead the country forward to

better times. Since then things have not gone so well in America.

The Minister for Lands: That may or may not be so.

Mr. McDONALD: No one would be more pleased than I if President Roosevelt came to be hailed as one of the greatest men of the age, and as having carried forward the people of his country to a better condition through its having solved the problem of the depression. Nevertheless the American experiment is still an experiment.

Mr. Patrick: President Roosevelt has the chance, for he has absolute power.

Mr. McDONALD: The conditions in the United States are such that many people would not like to have them brought here. We still retain our Parliamentary and representative Government and that is something we seek to retain. We may be prepared to put up with some disadvantages and keep our present representative system, rather than to experiment by handing over our powers to what is virtually a dictator.

Mr. Lambert: Do you mean taking away from the people who are in want to-day?

Mr. McDONALD: I have heard that story very often, and have read a good deal upon the subject. We are in the happy position, whether we blame or praise the Government, that taking it by and large the people of Australia are perhaps the most fortunate in the world.

Mr. Moloney: Quite right.

Mr. McDONALD: We have better conditions here than exist in any other country in the world. Whilst we all hope and believe they should be improved, and can be made better, we must realise, and so must the people of the State, that we are enjoying better conditions than are found elsewhere. I recently read a book on the insurance laws of England by an American professor, who lived in Woolwich and other places and studied the conditions. He praises the English insurance system, but one cannot read his books without realising that we are enjoying better conditions in Australia than are enjoyed even under that very far-seeing, successful, and humane system of insurance law in Great Britain. Whilst we have to go on borrowing for the time being we should try, even though it may seem impossible, to borrow with some plan in view. That plan may not be very ambitious. England is not borrowing. It

is the home of the orthodox economist and is the most economically stable country in the world.

The Minister for Lands: Only because they are living on their fat. In ten years there will be nothing left. They are taxing the shirts off the people's backs.

Mr. McDONALD: I do not agree with the Minister on that point. If a country by its industry and the enterprise of its people has been able to accumulate reserves, and has put them out to help younger countries in the world, we can praise and not blame it. England to-day is not borrowing because she has resources of her own. France is an extraordinary rich country. I have travelled through it and know it. It has a more thrifty race of people than any other country on earth.

The Minister for Lands: It is richer than any other.

Mr. McDONALD: Notwithstanding these things, the people of France are experiencing grave economic and political difficulties. That is generally recognised. I do not care if people do run down Great Britain. It is looked upon as the most stable of all countries, and is proceeding on fairly orthodox lines. It is certainly proceeding on some kind of plan. Whilst it proceeds on orthodox lines it is establishing trade treaties. Rightly or wrongly it recognises that economic nationalism is no good for it.

Mr. Lambert: They have adopted it in part.

Mr. McDONALD: They have adopted the principle of the exchange of commodities between different countries. They have a trade treaty with Denmark and another with the Argentine. They initiated and carried through the Ottawa agreement. They even have trade treaties with Russia. These things are brought about to create a reciprocal purchasing power in both countries concerned. I now come to the point of my speech. It may be hard for the Government—I fully appreciate their difficulties—to formulate a plan. It may be hard for any Government to do so, but it is not impossible to make the attempt and to direct their course, if they can, to that end.

Mr. Lambert: What do you suggest?

Mr. McDONALD: The member for Northam (Mr. Hawke) always makes a thoughtful speech, but I am sorry he decided the plan of Empire works to which he referred as a fantastic scheme and an



essay on imagination. The scheme is one for the exchange of commodities between parts of the Empire. We get goods from them and they get goods from us. It is carried through to a certain extent by each country establishing plans for public works of the kind referred to by the member for North-East Fremantle. I think the chief exponent of that plan was Mr. John Curtin, a member of the party to which the member for Northam belongs. I ask for justice for Mr. Curtin. I believe he is held in very great respect for his ability and his views by all sections of the community. I would ask for justice for his plan. I would ask that his plan should not be condemned as if it were a trifle, a figment of the imagination proceeding from a person of no account and no responsibility. I do not think it is. I consider the fact that he has sponsored and advocated that plan, and assumed the responsibility of putting it before the people of this State, to be an indication that the plan deserves examination. So I beg that the member for Northam (Mr. Hawke) will not discourage the plan of Mr. John Curtin, a member of the same party as that to which the hon. member himself belongs. My last words are these: When we have to borrow, though we may be able to establish no very definite plan, let us examine, in conjunction with the Federal Parliament, who after all wield the chief power—we here have very little power—this plan of Mr. John Curtin. Do let us be sufficiently open-minded to examine the plan of Mr. John Curtin and his followers, and see whether it is worth considering. Let us not only examine the plan of my friend the member for Northam, who says we can get money without paying interest on it—

Mr. Hawke: I did not say that.

Opposition Members: Oh!

Mr. McDONALD: I am sorry, but I understood the hon. member's plan was to get money without incurring an interest burden of a similar nature to that which we have to bear to-day. I should be delighted, in my humble way, to take part in the examination of such a plan. I sincerely hope the hon. member is right. I do say that if we go on borrowing large sums, we should be open-minded enough to examine the plan of the member for Northam, or that of Mr. John Curtin, or any other plan which may lead us to a stage where we shall be able

to reduce our interest burden and get back to a balanced budget, which, if we can achieve it consistently with the progress of the State and the welfare of our people, is the goal that this country, like every other country, would desire to attain.

**MR. McLARTY** (Murray-Wellington) [9.53]: I wish to refer briefly to one or two matters connected with irrigation. I hope the Acting Premier has not a fixed idea that irrigationists are desirous of being represented on the Irrigation Commission for the one object of fixing rates. That is not their idea at all. They want representation so that the practical side will be represented. In view of the fact that the whole of that irrigation area will soon be worked, practical advice is highly necessary. The settlers should also advise in regard to drainage matters. Will the Minister be able to tell us anything about the roads for which money was to be made available in those areas? If that can be given, I shall be glad. In connection with the Development of Agriculture Vote, the Minister for Agriculture the other evening referred to the fact that an experimental farm had not yet been started in the irrigation areas of the South-West. One of the inducements held out to people in the South-West to accept irrigation was that an experimental farm would be established in their midst. The Minister, on the occasion I refer to, suggested that the farm should be both an irrigation farm and a dry farm; and I agree with that suggestion, which is entirely practicable. Such a farm would show the people of the South-West what mixed farming really is; and the South-West is eminently suited for mixed farming, which should be encouraged in that way. We have dairying as our main industry. The experimental farm could also go in for pig-raising, fat-lamb production, poultry-raising, and fruitgrowing. It should be run as nearly on a commercial basis as possible. There is one other suggestion I would offer the Minister. He can, if he so desires, obtain expert advice from some of the Eastern States. I made inquiries on that subject while in the East; and if the Minister would issue an invitation to some of the eastern experts—men who have years of experience in connection with irrigation—to come here, it would be to the advantage of our settlers. The boys in the South-West are forming what they are pleased to call

calf clubs. I consider that money would be wisely spent in encouraging those boys. When in Queensland I noticed that the boys similarly engaged there were encouraged to come to Brisbane several times a year for the purpose of attending lectures. The boys are picked out from the various districts—bright boys—and they return to their districts and lecture to members of the various organisations to which they belong.

The Minister for Employment: Is that expenditure met out of Loan funds?

Mr. McLARTY: I do not know from what source the money comes. It has, or I hope it has, something to do with the development of agriculture. In my opinion it would be wise on the part of our Government to encourage our boys. It would also be wise to spend money in providing the Department of Agriculture with decent accommodation. We are trying to find ways of spending money wisely. I see no better way at present than to encourage scientists. As a State we are worse off than any other Australian State in this direction. I hope that before long our scientists, and the officers doing experimental work in the Department of Agriculture, will be given decent housing accommodation.

**MR. LAMBERT** (Yilgarn-Coolgardie) [9.58]: I was rather interested in listening to the member for West Perth (Mr. McDonald), who spoke about the necessity, in the expenditure of loan money, for drawing up a really definite plan. But I did not hear him make one reference to these Loan Estimates. From that aspect I do not think a more telling utterance could have been made by one of the old professors at the University lecturing upon everything and nothing, and conveying even less.

Mr. McDonald: I used to be at the University, and perhaps caught the habit.

Mr. LAMBERT: It is regrettable that the hon. member since leaving the University has not acquired some practical knowledge of the requirements of the State.

The CHAIRMAN: Order! There is nothing about the University in the Loan Estimates.

Mr. LAMBERT: The member for West Perth must realise that in connection with the expenditure of borrowed money our plan for the year is expressed in the Loan Estimates. It may not be a five-year plan such

as the hon. member desires; a plan similar to the five-year plan of Russia. It may not be similar to the British Government's plan for the settling of power stations and other great national works. But, so far as our Loan Estimates can intelligently express us from year to year, they are the plan we adopt to meet the requirements of Western Australia. When Loan Estimates have been framed, they represent the only plan so far as the present Government or any other Government are concerned. The member for West Perth, in an extremely generalised summary of the Loan expenditure resorted to in various parts of the world, did not touch a single item on the Loan Estimates. No one's remarks could be more divorced from the requirements of the State than his. I suppose his attitude was pardonable seeing that West Perth is not concerned with the need for any public work—water supply, sewerage, transport, or the development of our large national resources.

Mr. McDonald: West Perth is an absolute model.

Mr. LAMBERT: The hon. member was quite right in saying that when we borrow money, we are entitled to get value for the expenditure. Neither the member for Nedlands, with all his eloquence, nor the member for West Perth, with his very fine speech, went into detail with regard to the plan we have to follow to-day.

Mr. Thorn: You would blind them with your eloquence.

Mr. LAMBERT: At any rate, I do not deal in stupidity. It is hard to lay down a clearly defined formula to govern, effectively and conservatively, the expenditure of public money available for the development of the State.

Hon. C. G. Latham: As soon as we lay down a plan, the people change the Government.

Mr. LAMBERT: That, of course, is regrettable, but if there were a more frequent change in the personnel of Parliament, it would be more effective than an alteration in the Government. It is all very well for members to talk about laying down a definite plan. Russia adopted a plan that is doubtless most effective, and the achievement that has been manifest in the economic situation of Russia itself indicates that ultimately the effect will be to alter the whole economic structure of the world.

Mr. Hegney: What was that plan?

Mr. LAMBERT: I do not know that I am here to give the member for Middle Swan his first lesson in world economics.

The CHAIRMAN: Perhaps it would be better to return to the Estimates for Loan expenditure in Western Australia.

Mr. LAMBERT: It would certainly be better for some members to learn more by listening than by speaking. The plan adopted in Russia was a definitely conceived plan.

The CHAIRMAN: Does the hon. member intend to connect that plan with the Loan Estimates?

Mr. LAMBERT: Yes, in a more effective way than did the member for West Perth.

The CHAIRMAN: I ask the hon. member to deal with the Estimates.

Mr. LAMBERT: That was the only thing I could gather from the lecture delivered by the member for West Perth.

The CHAIRMAN: Leave that to the Chairman!

Mr. LAMBERT: Following up the remarks of the member for West Perth, I agree there is every justification to refrain from indulging in a promiscuous system of borrowing and spending. However laudable it may be for the moment to provide the unemployed with an anaesthetic to relieve them from present day worries and tribulations, such a policy would be short-sighted in the extreme. It is regrettable that in our public life to-day there is not sufficient unselfishness on the part of those who constitute Parliament to enable them to get together, irrespective of Party considerations, and declare that the State is dependent upon a certain definite plan for the rehabilitation and encouragement of primary and secondary industry. Notwithstanding any efforts made by the Minister for Employment, we are not likely to have any great degree of development in our secondary industries.

Members: No!

Mr. Hegney: What nonsense!

Mr. LAMBERT: If the member for Middle Swan fancies we can pay our way with a per capita indebtedness of £185, and that the mere fact that a couple of coffee stalls have been established at Bassendean, as a result of which our problems will be solved, he has a very mistaken idea of the economic difficulties of the State.

The position is that we are hamstrung and handcuffed economically.

Mr. Marshall: But thank God we are not tongue-tied.

Mr. LAMBERT: It is a pity some of us were not. Until we have an altered economic structure, we are not likely to get much further ahead.

Mr. Hegney: What are your suggestions?

Mr. LAMBERT: Despite the objective of those who seek to make economic sacrifices in order to secure the establishment of secondary industries to absorb an increasing number of our population, there is a feeling of despair. It resulted in a movement aimed more or less to smash the State as an integral part of the Commonwealth. There is considerable justice for that secession movement. But that was not along the lines of the remarks of the member for West Perth, who did not touch one item of the Loan Estimates.

Mr. Thorn: If you are touching one item on the Estimates, he certainly did not.

Mr. LAMBERT: In reply I might say I do not desire to touch the untouchables. Our railways have to be repaired or left in a state of disrepair. The member for West Perth has hundreds of miles of railways running around King's Park, and a large number of settlers trying to grow wheat and other cereals. Did he show any concern about the necessity for increasing railway and other transport facilities in this country? He never mentioned it. Did he in his fantastic plan for expending loan money make the slightest reference to the necessity for increasing and improving harbours and rivers in West Perth? Not a word.

Mr. Thorn: Do you suggest that we should pull up the railways in West Perth?

Mr. LAMBERT: The tramline in Colin Street ought to be pulled up, as I suggested years ago. I can quite understand the member for West Perth—

The CHAIRMAN: Order! I must ask the hon. member to get back to the Estimates for a while. He has had a fair go and he cannot be allowed to discuss the member for West Perth all night.

Mr. LAMBERT: Very well, I will say to the hon. member that I should like to know how the plan embodied in the Loan Estimates and criticised by some members will affect the development of agriculture,

the roads and bridges and the public buildings. But I tell the member for West Perth and others that the only way this country can be developed is by the expenditure of loan moneys. I agree that we should endeavour to see that we get value for the money expended. If the hon. member and others would join with those on this side and say that we can never meet our obligations under the present economic system, we should be in agreement. I will not belittle the efforts of Great Britain in her endeavour to rehabilitate the economic life of that country, but the hon. member should realise that from the work in hand by the primary producers of this country we are paying toll to the Mother Country to the extent of half a million pounds per week, and that the countries of the world are paying toll, by way of interest, to the extent of £13,000,000 per annum at the lowest estimate.

Hon. N. Keenan: Is that per week?

Mr. LAMBERT: No, per year. Apart from territorial and other revenue which we are allowed to take from the people by way of tax, we have to borrow money. I would welcome the idea of somebody getting into close touch with a properly organised scheme to develop the State. There is latent wealth in the State, and possibilities as yet unexplored. That has been shown by the recent revival in gold mining. And it applies, not to gold mining alone, but to other big mineral wealth as yet unexplored in Western Australia, and until public men have a closer appreciation of this we shall not get very far ahead.

Mr. Thorn: You refer to the manganese deposits?

Mr. LAMBERT: No, I was not, but if our public men had stood up to that to one twentieth the extent they have stood up to the agricultural industry, it would have been working to-day. History will clearly assess the lack of foresight which compelled that enterprise to cease operations. We boast that we have a Mines Department writing bulletins every week, and that we have an Agricultural Department writing up our great agricultural wealth.

The Minister for Employment: And the Observatory.

Mr. LAMBERT: Yes, there is the Observatory.

The CHAIRMAN: The hon. member cannot discuss that on the Loan Estimates. He

has had a good spin and has gone pretty well round the world.

Mr. LAMBERT: I am not going to suggest that the Minister for Employment should use the telescopes up there to look for unemployed. I join with the member for West Perth in desiring that we should have a clearly defined plan for the expenditure of loan money. We have countless resources to develop in my district. Water supplies are needed in the Yilgarn area for they alone will make it possible for the settlers to remain on the land. Unless we get water supplies at the miners' settlement and at Moorine Rock, it will be totally impossible to expect the people on the land to meet their obligations either to the Agricultural Bank or to the Lands Department. The Government, instead of committing themselves to the orthodox Loan Estimates which, though closely scrutinised by Ministers, are to some extent prepared by the departmental heads, should make it their first obligation to provide water supplies in the agricultural areas. There is no need to provide transport or build further railways. In the farming industry, it is necessary to get down to tin tacks and say to the men on the land who are trying to meet their obligations, "You have to get a living. We cannot continue to keep you on a dole or grant." We have to get back to the time when a man put on the land was not allowed to speculate on climatic vicissitudes or wheat prices. The first essential is that he should get a living from the block for himself and his family. In the district I came from, people were able to bring up large families on blocks of 10 or 15 acres carrying a little livestock and poultry.

The CHAIRMAN: They are not dealt with on these Estimates.

Mr. LAMBERT: I wish to draw an analogy between districts in which 15 or 20 acres provided a decent living and enabled the children to be educated, and yet in this State we are endeavouring to provide men with blocks of 1,000, 1,500 or 2,000 acres to enable them to speculate on climatic conditions and wheat prices. That has cost the State, according to the report of the Royal Commission on the Agricultural Bank, something like £12,000,000. That policy must not be continued. Instead of wasting money in the metropolitan area, we should utilise it to buttress the rural industries. Unless

members recognise that patent fact, there is no hope for the rural industries and no hope for the economic structure of the State. As the member for West Perth said, New-foundland will prove to be only our predecessor in the necessity for defaulting. If a definite plan of loan expenditure were formulated and the money spent under proper direction, there would be hope of our achieving something.

**HON. J. CUNNINGHAM** (Kalgoorlie) [10.25]: For the metropolitan area and for the South-West large items of expenditure are proposed for the coming year. The prosperity of this State, however, is bound up with the developments that are taking place some hundreds of miles from the metropolitan area, and I am rather disappointed to find that such small sums have been provided for interior roads and water supplies. It may be pleasing to the member for Murray-Wellington to know that additional money is to be spent on land drainage in his electorate. Various Governments have spent large sums of money on land drainage and irrigation that will not return interest or even sufficient to pay maintenance costs. Yet we find the present Government, my Government, prepared to spend additional money for the further development of drainage and irrigation in the South-West. Recently I travelled over some hundreds of miles of country in the interior where people are spending their own money to repair roads. I ask the Acting Premier to be a little more liberal, to get away from the expenditure of so much money in the South-West, and to give our people who are opening up the country better roads and additional water supplies. Group settlement is another item to which I should like to draw attention. Not only substantial, but huge sums of money have been spent on group settlement in the South-West, and yet, according to these Estimates, the Government propose to spend thousands of pounds more in the current year. The Minister in charge of group settlement finds that his greatest task is to keep the settlers in occupation of their holdings. Those who are desirous of developing the industry on the goldfields are not even mentioned on these Estimates, and yet £73,000 is being spent on group settlement. It is time the Government and Parliament took a little notice of the large sums of people's

money that have been sunk in the development of the South-West. I do not wish to speak in any derogatory way of that part of the State, but I do feel some attention should be paid and money spent upon the water supplies and roads in the drier areas. The South-West could look after itself, as it has had a fair deal. If the people pay their rates and do the necessary maintenance work, I think they will get along quite well. I want to see more money spent further inland, beyond the Darling Ranges. It seems to me that the Government, especially that which is headed by the Acting Premier, is rather short-visioned. It would seem that the settlement for wharf labourers and Fremantle lumpers near Rockingham must have occupied the whole of his attention. Those who are doing the spade work and proper development work have been overlooked. I have been rather unsuccessful myself. I represent a gold mining constituency. Apparently there is no money available for necessary works in my electorate. There is this scheme for settling wharf labourers and lumpers on land near Rockingham. Unless soil is imported there to permit people to grow onions, I cannot believe they will get any crops. The Government should pay more attention to water supplies on the goldfields, and to the roads there. We do not ask for much, but we do want some money. We have been neglected. I have heard that the Workers' Homes Board are particularly active in the metropolitan area now that wages are low and materials cheap. I have made repeated requests to the board for the provision of workers' homes on the goldfields, but they have been very inattentive to those requests. The Acting Premier should take the matter up with the board and issue instructions that these homes should be built. I know it is said there should be no political interference with Government departments. Some years ago the Premier of the day interviewed the Workers' Homes Board, as a result of which they built homes in the agricultural areas. I want the Acting Premier to interview the board himself. I want him to do something. The goldfields people are prepared to pay and put up the cash. They can get a 99-years lease of a quarter of an acre of land for 10s. a year. There is no question about the land, but there is one about the provision of homes for the people there. Some years ago, during a dry season, it was possible to

secure a reduction in the price of water on the goldfields to assist people in carrying themselves over a difficult period. When the season is dry, the cattle hang around the water supplies and eat out the whole district. My constituents have to buy fodder for their stock, hay, bran and pollard, in order to keep the animals alive. This is a costly business for them. Recently a deputation waited on the Minister for Health to ask for relief in this direction. He passed the request on to the Minister for Water Supplies, but up till now we have had no relief. Although our people have to keep their stock alive at great cost, and have had no relief afforded them, they also have to stand up to the competition of milk suppliers from the metropolitan area. Possibly tons of milk are sent to Kalgoorlie. I hope the Acting Premier will give some consideration to the people who are the main providers of milk to the population of the goldfields. The Acting Premier does not appear to be very interested, or to be taking any notes of the matters I have mentioned.

The CHAIRMAN: The hon. member cannot bring up that question on the Loan Estimates. Fodder for stock on the goldfields is not referred to in these Estimates.

Hon. J. CUNNINGHAM: I am not asking the Acting Premier to buy the fodder, but to provide additional water supplies for the people.

The CHAIRMAN: That matter does not come under the Loan Estimates.

Hon. J. CUNNINGHAM: It comes under the heading of Goldfields Water Supplies.

The CHAIRMAN: But not the administrative side.

Hon. J. CUNNINGHAM: I am referring to the expenditure. There is also an item dealing with workers' homes on these Estimates. I am under the impression it is the duty of the Acting Premier to consider the cases I have put before him.

**THE ACTING PREMIER** (Hon. A. McCallum—South Fremantle—in reply) [10.40]: The Leader of the Opposition appeared to be concerned mainly with the reductions shown in the votes for irrigation and drainage and agricultural development. When introducing these Loan Estimates I explained why the figures for this year and the previous year seemed so far apart. I said that the differences were more

imaginary than real. As regards irrigation and drainage in the South-West, the difference is accounted for by the fact that the big works which were in hand have been completed. Now there are only a few channels being constructed and lined. The great bulk of the work, right down to Bunbury and even beyond Bunbury, is done. That is the reason why this year's vote does not approach last year's, or that of the year before. There is a substantial difference between the vote for agricultural development on this year's Estimates, and that which was proposed last year; but, as I have said, the difference is real rather than actual as regards the amount to be spent. For instance, there was an amount of £83,000 in an old suspense account, relating to the special groups which were started at Nornalup and elsewhere. The suspense account was cleared during the year, and the amount charged to Loan. That accounts for £83,000 under one heading alone. Then there was £75,000 paid back last year to the Commonwealth Bank, on account of an old accommodation loan provided by the Commonwealth Bank for our own Bank. There was a further sum of £133,000 on the Bank's own suspense account. That amount has been brought forward, and will be available for expenditure this year. I gave hon. members an explanation concerning interest and the Agricultural Bank. I also explained that the clearing works at Frankland River had been closed down, and that the men employed there had been provided with more reproductive work. We propose a further amount of £80,000 this year for remission of interest. Thus hon. members will see that there is not so much difference, in the aggregate, as regards the amount of money actually available for the agricultural industry this year, as compared with the amount spent last year. As to the amount of capital to be available for the reorganised Agricultural Bank—if the Bill passes, and when the re-organised institution gets into working order—it must be borne in mind that the amount here provided is only intended for carrying on to the end of the current financial year. I do not think that by any stretch of imagination it can be said that the new organisation—always provided the Bill passes—will be able to do very much during this financial year. It will take the new commissioners all that time to get a thorough understanding and a com-

plete grip of the situation, and to have all necessary information tabulated. There is no likelihood of any great launching out on new expenditure in the meantime. Therefore I do not think there can be much complaint with regard to the vote, once it has been carefully examined. Now I think I have dealt with the chief complaints of the Leader of the Opposition. As regards the member for Nedlands (Hon. N. Keenan) we are now used to his outbursts. His Hibernian temperament seems to demand these outbursts occasionally. We have observed that the hon. gentleman has been bottling up during the last few weeks, and so we knew he was due for an outburst. His very appearance during the last two days indicated that the overflow was coming. We have no objection at all to his criticising and faultfinding. The hon. member is a trained lawyer, and he undoubtedly does know a good deal about his profession; but in the opinion of the Government he knows nothing about politics, nothing about practical economies, and nothing about any plan for the stabilisation of the economic affairs of this country. He has not the outlook. He knows nothing whatever about the matter. That is how the Government view the hon. member. We take no notice whatever of him. The member for Northam (Mr. Hawke) dealt quite effectively with him, and we do not pay much attention to any of those supposed schemes the member for Nedlands talks about but cannot either explain or make anyone else understand. After such an exhibition as that of to-night, when he sat down and thought matters over he realised that, having made such an unholy hash of things, it was necessary to get his lieutenant to rise and explain matters away. Undoubtedly, after resuming his seat this evening, he found he had made so many irresponsible and rash statements and pronouncements which the public would not understand, that he realised the damage he was doing to his own party out in the country, and therefore he worded his lieutenant, the member for West Perth, to get up and explain the speech away.

Hon. N. Keenan: That is absolute nonsense.

The ACTING PREMIER: Everyone who was watching the hon. member noticed him passing the word over. The hon. member should be careful before letting his tongue

run riot as he did this evening. The member for Northam (Mr. Hawke) took the words out of my mouth when he said that the member for Nedlands, as a member of a previous Government, when they got up against things and had to face difficulties and get down to tinctacks and evolve a practical method of meeting the situation, dropped his arms and ran away, deserting his colleagues. I wish to inform the member for Northam that that was not the first time the member for Nedlands did that. He did the same thing in connection with an earlier Government. The moment that Government got into difficulties, he dropped his arms and deserted his comrades. These facts go to prove that the hon. gentleman knows nothing about handling affairs of State. He has lived in a narrow groove, and cannot see beyond it. He has no conception of the State's business. His experience in more than one Cabinet proves that. When asked to deal with anything in a businesslike way, he gets out and refuses to carry on. He has done that on two occasions. I feel inclined to leave the hon. gentleman just at the stage where the member for Northam left him. Now as regards the scheme of Imperial work which the hon. gentleman claims the British Empire should undertake. He talks about reckless borrowing. The whole of that scheme is based on borrowing.

Hon. N. Keenan: Yes.

The ACTING PREMIER: Only to-day I was reading through articles that the hon. member signed together with other people. They dealt with public works that they claimed must be put in hand throughout the British Empire. The whole of their proposals were based on borrowed money. Yet the hon. member for Nedlands lectured the Government and the country about our sins because we are borrowing! Notwithstanding that, he argued in the articles I refer to that, although it might not be possible for some years to reach unanimity regarding policy and complete agreement throughout the British Empire, it should not prevent any unit of the Empire from proceeding with such a public works policy. I was looking through those articles in the "West Australian" to-day because I anticipated, from his demeanour, that the hon. member was due for one of his characteristic outbursts. I thought I would be prepared for him. Now, from his seat in

this Chamber, he denies the very foundation upon which his articles were based. He urged throughout the necessity for increasing the purchasing power of the people. I have read the speeches that the hon. member delivered during the last elections and those he delivered in public. The whole basis of his policy, if what he put forward could be described as a policy, was free-trade. He built up his case upon that policy.

Hon. N. Keenan: What nonsense!

The ACTING PREMIER: The hon. member knows nothing about freetrade; that is what he wants. It is the only thing he seems to have any concern about. He advocated Empire public works to increase the purchasing power of the people in England and he urged that we should arrange for trade agreements and reciprocity between Western Australia and elsewhere. Does anyone believe that this Parliament could do anything in such a matter? The member for Nedlands must know that we have no jurisdiction enabling us to handle such a proposal.

Hon. N. Keenan: I told you so.

The ACTING PREMIER: Yet the hon. member lectured us for not having done so. His is the most impracticable political mind we have ever had in this House. The moment any Government he has been associated with were asked to undertake work of a definite description, he ran away from it, and would not devote any attention to the task at all. Regarding the policy of borrowing, the Labour Party was the first to put in the forefront of its platform the proposal that borrowing should be limited to reproductive works. I will not weary the Committee at this late hour with a dissertation upon the policy of borrowing. The member for Northam set out the Labour Party's policy clearly and precisely in a manner that members could thoroughly understand. No one for one moment would wish to heap a load of debt on the State if it were at all avoidable. But what did our predecessors in office, with whom the member for Nedlands was associated, do with the loan funds at their disposal? They borrowed as much as they possibly could. Their only complaint when Ministers returned from Loan Council meetings was that they could not secure enough money. The then Premier's plea to the people was that the Government could not get all the loan funds they required,

and that being so, Labour Ministers would not be able to get as much as he could. That was the plea put to the people. The whole complaint was that our predecessors in office could not get the money, and that if they could possibly have laid hands on it, they would have accepted all that was available. What did they do with the money that they did get? They employed thousands of men about the metropolitan area chopping grass off the footpaths, grass that grew up again with the next rain.

Mr. Wansbrough: And one gang followed another on the job.

The ACTING PREMIER: That was the type of work our predecessors in office put in hand, and the member for Nedlands was a member of that Government for a time. How much did his Government pay out in sustenance, for which they received no return whatever? We were always asked in those days: What is your alternative? Do you suggest putting men on sustenance and not providing work for them and then paying them out of borrowed money? That is what it amounts to. If such undertakings are financed out of the deficit, the State must borrow to meet the deficit and that means that borrowed money has to be spent in order to achieve absolutely nothing. That is what happened during the three years prior to the Labour Government once more taking office. Did the member for Nedlands outline any plan? Did any member on either side of the House understand what his plan was?

Mr. Hegney: He did not understand it himself.

The ACTING PREMIER: No member could understand it and, of course, he does not understand it himself. His remarks represented merely one of those tricks that lawyers indulge in by a play upon words. He was due for this outburst and he has cultivated the habit of using most insulting language towards Ministers. He makes use of terms that are quite unusual in this Chamber and until he was re-elected to this House, such language was not heard in Parliament. He adopts the attitude that he is entitled to insult, abuse and belittle others, and should any member retaliate, he resents their action. He regards himself as a little god who must be regarded as beyond reproach: fault must not be found with him



at all. Let members have regard to his attitude to-night. He referred to one member of the Cabinet as "Minister for Want-of-Education." He insulted Ministers throughout, and he said they did not know what happened in America or England, and that they could not, or would not, read or understand what other countries were doing. Then he read figures from which it was quite obvious to anyone having any experience of the subject as to the source of his information. He quoted from statements that appeared in the "West Australian" over the signature of a man who has become a paranoic on water supply matters. Despite his statements, and the suggestion that he had not had an opportunity to verify the accuracy of the figures, he had in front of him the full details that were presented to every member at the conclusion of the Budget Speech. He had at his hand the whole of the figures dealing with the water supply returns for six years. The particulars included capital cost of construction and equipment, working expenses, interest charges, sinking fund, total annual cost, gross revenue, surplus and deficiency. There he had before him the exact figures over the period I have mentioned. Yet the hon. member quoted some figures from some other individual and then denied it in his impetuous insulting of Ministers. All the information that he required was on the desk in front of him. The hon. member did not know what was under his own hands.

Mr. Hawke: And the information has been there for weeks.

Mr. Cross: That shows what little interest he took in the matter.

The ACTING PREMIER: Although he had the information readily available, the member for Nedlands could make references to Ministers such as he did. I hope members will note that the member for Nedlands quoted extraneous figures, although the actual figures were in his possession. He said that the Water Supply Department had shown a deficit last year, yet the figures with which he and every member of the Committee had been supplied showed that there had been a surplus.

Hon. N. Keenan: On sewerage?

The ACTING PREMIER: Despite that, he claimed there had been a deficit on the operations of the department. He insulted Ministers and condemned them for not

knowing what had happened in England and America, although he himself did not know what was happening next door.

Mr. Hawke: He does not know what is on his own desk.

The ACTING PREMIER: In face of that, what reliance can any member place on figures the member for Nedlands places before them in future?

Hon. N. Keenan: Was there not a deficit last year on sewerage operations?

The ACTING PREMIER: No, there was not. Look at the figures for yourself.

Hon. N. Keenan: Not on sewerage?

The ACTING PREMIER: The hon. member would not understand even if I were to tell him. I put it to the House, how can we place any reliance on the man or on any statement he makes in the House?

The Minister for Employment: We don't.

The ACTING PREMIER: Regarding the sewerage of the metropolis, we hope to be able to complete it within the next couple of years. The scheme is ready and will be up for Cabinet decision at the next meeting. If the hon. member will tell me that the people of Nedlands, whom he represents, do not want the sewerage put into Nedlands, I will seriously consider going on with the work. If he thinks sewerage can be constructed throughout the metropolis without spending money or striking rates, it is only another evidence of his impracticable mind. But the work will be gone on with. If anyone can argue that in a thickly populated centre such as the metropolis, the old, obsolete, disgusting system now in force should remain, I say it is a blot on civilisation. Take that enormous school at Victoria Park. Let any hon. member go out there on a hot summer's day and see the conditions those youngsters there have to put up with. My idea is that the loan that will be put on the market in the Commonwealth during the next few weeks will be the cheapest ever raised in the Commonwealth. We should take advantage of the opportunity to get necessary work, important, urgent work such as this, done and employ labour that we are sure will give a return. I say we should undertake that when we can get money very cheaply. If that is not good business when we know that it will return interest and sinking fund on the expenditure and will give healthy conditions to the metropolis—and when we can get money

for it at a price we have never been able to get it for previously in Australia—if that is not good business I do not know what good business is. The engineer's report reached me to-day, and Cabinet will have it under consideration at the next meeting. I have not much doubt that work will be put in hand and will provide employment for approximately 1,000 men at full time for three years. And that will be employment on work that will give a return; not like the chipping of grass on foot-paths or the clearing of country 40 miles from a railway, but work that will show a decent return very quickly. As to the question of the blocking of the Canning waters from the time the reservoir is built, and the use the irrigation people lower down put that water to, I want to tell those members interested that before the Canning Weir was decided on a number of conferences were held with the growers and the position was clearly set out. They were told that sufficient water would be allowed to run down to meet the irrigation required. So they know they have nothing to fear.

Mr. Sampson: And that will apply in the summer months?

The ACTING PREMIER: Yes, when the water is wanted. That work was agreed to from the commencement. Regarding the point raised by the member for Kalgoorlie, I will discuss it with the Workers' Homes Board. I do not know what their attitude is, for this is new to me, but I understand the board are an independent authority. The Premier has consulted them on a number of occasions, but the board members, I understand, are not inclined to adopt his ideas.

Mr. Hawke: It is a question of Government policy.

The ACTING PREMIER: No, I understand it is a question of policy for the board. I will certainly look into it and ascertain what the situation is. Regarding the water supplied to dairymen, a request has been made that a deputation be heard by the Minister in charge, so I suppose if a case is put up the Minister will see what can be done. That deals with the points raised. As I said in the House last year, it is becoming increasingly difficult to find works that will warrant the expenditure of loan money. The Leader of the Opposition said to-night that the Government of which he was a member found difficulty in

getting works that would return to the State any substantial amount of interest and sinking fund and at the same time have a reasonable percentage of the cost going to labour. Many works could be put in hand of which a large percentage of the cost would go out of the State for the purchase of material. If the material be made in the State it means that a lot of work will be created. All the pipes for that work will be made in the State, together with the great bulk of the fittings. So it will not only give work to the men directly employed, but will find work for others employed in the manufacture of the pipes and fittings. I agree with the Leader of the Opposition that if the State is to have a future the primary industries must be looked after, because if they go out the City will not last very long. The Government have indicated just how they view the situation, and there will be no effort lacking on our part to see that all possible assistance shall be given. But to imagine that this or any other Government in Australia, or in most other parts of the world, can get on at present without borrowing money, is beyond the realms of possibility altogether. It is far better for us to employ our men by borrowing money from ourselves, than having to keep the men in idleness and still have to borrow the money somewhere, because we could not hope to raise anything approaching our loan programme out of direction taxation. It is not to be got from the people, even if it were desirable to take it. But we do not propose to go in for an unlimited loan expenditure. Our whole programme has been to try to put in hand work that will reflect in private enterprise. By the Government undertaking certain works, those works will create employment in private industry. Everyone knows that the private employer to-day is unable to employ all the men out of work. Individuals are not inclined to invest their money in industry, and if it were left to private enterprise to cater for the unemployed, starvation would be rampant in the community. If private enterprise cannot do it, the people cannot be left to starve, and there is no alternative to the Government stepping in and doing the job. We believe that the works we are carrying out are good substantial works. If any fault is to be found with them, we should like particulars of the objection. The big employment works

at the moment include the regrading of railways and the making of roads. The construction of roads is financed with the money received from the petrol tax, and on that money there is no interest or sinking fund to pay. An amount of loan money was spent on roads last year and the year before, but we have stopped that arrangement and do not propose that it should be adopted again. We propose to use the money obtained from the petrol tax for road work. The expenditure on railway work is returning substantial interest. The relaying and regrading of railways is good work which will cheapen railway costs. Nobody can expect any civilisation to exist unless a plentiful supply of fresh water is provided, and this city has been lacking in that essential. With our long, hot, dry summers it is more expensive to provide a water supply here than in most countries. The work at the Canning Weir will go a long way towards placing the city in a safe position for many years. The sewerage scheme is designed to serve the city for the next 40 years. It is based on the estimated increase of population, and no patching or duplication should be required later on. Such work will return a fair amount of interest, and the bulk of the expenditure will represent labour costs. We shall not lose sight of the importance of the development of local industries, particularly primary industries, on which so much depends. I think I have replied to most of the points that have been raised. We hope that by the end of this year conditions will have improved, and if money is then as cheap as it is to-day, it will pay to go on borrowing for such works. By this time next year I hope the Government will be relieved from the necessity for finding work for the number of men for whom we are responsible at present.

Vote put and passed.

*Vote—Railways and Tramways, etc., £117,250—agreed to.*

*Vote—Harbours and Rivers, £317,000:*

Item, Ashburton Jetty (Beadon Point) £30,000:

Mr. RODOREDA: On behalf of the electors of Onslow district, I thank the Government for their prompt action in dealing with the matter of the reconstruction of

the jetty. Undoubtedly the Minister in charge handled the matter as expeditiously as possible, and the residents are very grateful to the Government for their promptness.

Item, Roebourne District, Harbour facilities, £5,000:

Mr. RODOREDA: I am in the position of representing an electorate in which both jetties were destroyed by cyclones. I am pleased that the Government have provided £5,000 for the reconstruction of the jetty for Roebourne. I am also pleased that the item reads, "Roebourne District, Harbour Facilities." A similar item has been on the Loan Estimates since 1926 or 1927, but previously it was listed as Point Philip Jetty. The altered wording, I take it, means that the Government have decided not to build the jetty at Point Philip. That is in accordance with the wish of most of the people concerned with the harbour facilities. Four or five years ago a proposition was put to them by the Government, but it was like a gun held at their heads. They were told they could have a jetty at Point Philip or not at all, and were asked if they agreed to the proposition. On the principle that half a loaf is better than no bread, the people agreed, under protest. Various circumstances precluded the building of the jetty, principally the change of Government, and all expenditure was stopped. It is a good thing that that happened, because a jetty at Point Philip would not have suited the district. It would have entailed an extra haulage of 36 miles for all time, and that would have represented a great expense to impose on the district. Recently a largely attended meeting was held in Roebourne, as a result of which a resolution was forwarded to me asking me to impress upon the Government that the residents of the district desired the jetty built at Point Sampson, and nowhere else. I hope the Minister will take particular notice of that request. Undoubtedly it is the only suitable place for a jetty that will suit the district, and the point in its favour is that it will cost the Government only about half as much as a jetty at Point Philip.

Vote put and passed.

*Vote—Water Supply and Sewerage, £1,330,500:*

Item, Metropolitan Water Supply, £135,000:

Mr. TONKIN: There is at Buckland Hill a reservoir that I understand will not increase the facilities at Buckland Hill; that is, it will not enable the supply to be extended to houses not possessed of a water supply. A proposition has been put up by the local road board that it should be possible to heighten the walls of the reservoir and provide a water supply for the higher land near Mon Repos. I hope the Minister will consider the matter and ascertain whether it is possible to supply water to the people in that part. The lack of a water supply has retarded the development of the district. I cannot say whether the idea is feasible, but it seems to me that it should not be beyond engineering skill to make the reservoir capable of serving the whole district. The water supply is urgently required.

Item, Water Supply in agricultural and North-West districts (including drainage and irrigation and loans and grants to local authorities), £125,000.

Hon. J. CUNNINGHAM: I should like an explanation with regard to the drainage of Peel and Bateman Estates. There has been an expenditure there of £600,000, but the drains are said to have silted up. Apparently the money has been thrown into the inlet.

The MINISTER FOR JUSTICE: This money is to cover the completion of certain works that are nearly finished. There are also works between Waroona and Drakesbrook that are provided for under this amount. Work has to be done at Coolup, on the Peel Estate, and at Herdsmans Lake. The item provides for work for snagging rivers, such as the Serpentine, Wokalup, and Wongong.

Hon. J. CUNNINGHAM: I want some information with respect to the rates struck for irrigation. The department strikes the rate and supplies the water. Boards have been formed but are not functioning, and the responsibility is thrown on the officers of the department. There are 13 irrigation districts, and irrigation boards are drainage

boards as well as road boards. In most respects the boards seem to have gone out of existence.

The MINISTER FOR JUSTICE: The boards are in process of reconstruction. Now that the works are approaching completion, and it is possible to make effective use of the water, the departments concerned in the irrigation of the land must be represented on the boards. Nothing has yet been decided as to their constitution.

Vote put and passed.

*Votes—Development of goldfields and mineral resources, £70,000; Development of agriculture, £485,000—agreed to.*

*Vote—Roads and bridges, public buildings, £3,142,319:*

Item, roads and bridges throughout the State (including feeders for railways and grants to local authorities), £75,465:

Mr. TONKIN: There is nothing on the Estimates for the commencement of the bridge over the Swan River at Fremantle. Men have been engaged in putting in timber on the existing structure. I hope that does not mean the Government have abandoned the idea of a new bridge.

The ACTING PREMIER: A design was got out for a new bridge in steel. That meant spending a huge proportion of the money outside the State. The Government could not face that. The engineers are now considering altering the drawings to provide for a concrete bridge which would keep the money in the State. The proposition has not been lost sight of. It depends on whether the estimate for a concrete bridge is within reach of the Government. At the moment we have no further advice from the engineers.

Hon. J. CUNNINGHAM: There is a work under construction between Kalgoorlie and Broad Arrow. That is necessary for the people who live north of Kalgoorlie. The road between Broad Arrow and Goongarrie is in a bad way. Perhaps something is provided on these Estimates to put it in repair. I would like the opportunity of taking the Minister along that road. Travelling over 26 miles of rough country would enable him to make up his mind to spend the necessary money to put things in order.

The ACTING PREMIER: We want to see that there shall be some return from the spending of loan money. There is no direct return from road construction, though of course there are indirect returns.

Hon. J. Cunningham: Why is this item termed "Roads and Bridges"?

The ACTING PREMIER: The item appears because money was spent in this connection last year, and a little remains to be spent this year. The present Government took over roads which were in hand and which were being constructed out of Loan, and we have to finish them. Some of them are not finished yet. However, the moment those jobs are completed, the practice of spending Loan money on roads will be discontinued. In fact, the Government intend to make recoups from Revenue to Loan for a large amount of this expenditure, because it is not directly reproductive. The item appears in order to afford hon. members an opportunity of expressing their opinions on the subject. Previously members had no opportunity of discussing the question of roads at all. For three years, although a million was being spent annually on roads, there was no opportunity for such discussion; and we gave an assurance that opportunities would be provided. Members can now examine the subject; and if they consider that justice is not being done to their districts, let them raise the question. The Government want to know what is in the minds of members in connection with the matter. As regards the road to which the hon. member refers, the proposal to put the work in hand was made to Cabinet by the Minister for Lands, as the result of the great difficulties he experienced in getting through.

Vote put and passed.

Resolutions reported and the report adopted.

*House adjourned at 11.33 p.m.*

## Legislative Council,

*Tuesday, 20th November, 1934.*

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

### ROYAL PREROGATIVE OF PARDON SELECT COMMITTEE.

On motion by Hon. H. Seddon, the time for bringing up the report of the select committee was extended until Tuesday, the 27th November.

### BILLS (2)—THIRD READING.

1. Gold Mining Profits Tax Assessment.  
Returned to the Assembly with an amendment.

2. Road Districts Act Amendment (No. 3).  
*Passed.*

### BILL—GOLD MINING PROFITS TAX.

*Second Reading.*

Debate resumed from the 15th November.

**HON. W. J. MANN** (South-West) [4.35] : I have no hesitation in supporting this Bill, but it contains one or two features about which I should like an explanation. It seems that the whole of the tax in question is to fall upon properly incorporated companies.

Hon. J. Cornell: That particular Bill has been passed; this is the tax Bill.

Hon. W. J. MANN: Then I have not much more to say. I merely desired to stress that there seemed to be a chance that private individuals owning gold mines, which are paying well, will escape any contribution towards the fund that will be created by the tax.