

ADJOURNMENT—SPECIAL.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West): I move—

That the House at its rising adjourn till Tuesday, the 1st October.

Question put and passed.

House adjourned at 6.13 p.m.

Legislative Assembly.

Wednesday, 18th September, 1946.

	PAGE
Question: Electricity supply, as to provisional scheme of rationing, etc.	913
Ministerial Statement, as to opposition of wool buyers to selling centres away from Perth	948
Bills: Nurses Registration Act Amendment, 3R.	913
Road Districts Act Amendment, 2R.	913
Road Districts Act, 1919-1942, Amendment, returned.	917
Bookmakers, 2R.	917
Increase of Rent (War Restrictions) Act Amendment, returned.	926
Traffic Act Amendment, Com.	947
Annual Estimates: Com. of Supply, general debate	926

QUESTION.**ELECTRICITY SUPPLY.**

As to Provisional Scheme of Rationing, etc.

Mr. SEWARD asked the Minister for Works:

1, Has it been necessary to adopt any system of rationing of electricity, owing to the inability of the East Perth Power House to supply all demands?

2, If not, has it been found advisable to have a scheme of rationing in readiness in case of need?

3, Is any provision in existence for the protection of—

(a) industrial establishments where a sudden deprivation of electric power might result in injury to plant, or loss of material in process of treatment;

(b) requirements of hospitals;

(c) users of electricity to preserve perishables?

4, If so, what is the provision, and how does it operate?

5, How many additional houses is it estimated could be supplied with light and power from present electricity supplies in the metropolitan area, while still meeting the demands of all other services?

The MINISTER replied:

1, The East Perth Power House, except during the period of breakdown, has been able to supply all demands; therefore rationing has not been necessary.

2, Yes.

3, (a), (b) and (c) Yes.

4, Consumers such as described in (a), (b) and (c) would be given special consideration.

5, It is anticipated the additional houses to be built and industry developed prior to completion of the new South Fremantle Power House will cause some minor restrictions in supply during extreme peak loads in the winter months.

BILL—NURSES REGISTRATION ACT AMENDMENT.

Read a third time and transmitted to the Council.

BILL—ROAD DISTRICTS ACT AMENDMENT.

Second Reading.

MR. WATTS (Katanning) [4.35] in moving the second reading said: This is a Bill to amend the Road Districts Act for a specific purpose. That purpose is to enable road boards to spend either their revenue or moneys to be raised by loan on the acquisition, erection and management of buildings deemed suitable for the reception of school children. The existing position is that there is no power in the Road Districts Act to enable a local authority governed by that Act to expend moneys for such purposes. That is borne out, if any further evidence than the mere provisions of the Act itself were required, by a communication which I have here, addressed to a road board, from the Under-Secretary for Works, dated the 4th July, 1946. Before reading that letter I might perhaps explain that the genesis of this Bill is the desire of the Gnowangerup Road Board to expend moneys for the purpose that I have indicated, and in consequence the communi-

cation to which I have referred is one addressed to the Gnowangerup Road Board.

I think it will be readily agreed by most members that, if the law is amended to enable local authorities in their discretion to undertake such expenditure, it is quite reasonable to suppose that before any great period of time has elapsed other local authorities will be taking an interest, and perhaps taking action, in the matter of making such provision, for there is a movement in the educational field to take children to the larger centres of population, in order that they may receive a better education than is believed to be possible in the small country schools. Many country districts are of a type where the population is extremely scattered, and where long distances have to be traversed in order that the children may attend such a centralised school.

The Gnowangerup district is one of the best examples of that type to be found in the South-West Land Division. That board has an area of something over 4,000 square miles under its jurisdiction, and the necessity of bringing children to the Gnowangerup school, if that is to be the centralised school, as is believed to be quite likely, is borne out by the bringing of children by omnibus or some other means of transport for distances of up to 75 miles. The Department of Education, I think very wisely, has limited the daily bus system to a maximum distance of something like 35 miles. Most people would be unwilling to suggest that children should be taken to school at a greater distance than 35 miles if the journey had to be made twice a day. The roads in such areas are by no means first-class and, in consequence, the journey would take a little longer than would be required to cover the equivalent distance in areas where bitumen roads are provided. But even if bitumen roads were provided, obviously a distance up to 75 miles would be too much to expect a bus to cope with on a daily basis.

So the situation has developed and is developing that certain of these children will have to be brought in probably at the beginning of the week, in many instances, by their parents and left in the township where the centralised school is, until the end of the school week, and then taken home for the week-end. There may be some cases where the children will have to remain in

such a hostel during the whole of the week and during each week between school holidays. In those circumstances a rough examination of the proposals about to be submitted to the department in regard to a centralised school at Gnowangerup reveals that there will probably be about 19 children who will be in the position of having to stay in Gnowangerup for either the five-day period or, in one or two instances, probably for the whole period of school terms. The hostel, in those instances, would receive a majority of the children as weekly boarders and one or two as boarders for the whole period during which the school sessions continued between the periodical holidays.

The Minister for Justice: Another problem will be the capacity of the centralised school to accommodate the children.

Mr. WATTS: That is a problem for the department to cope with. While I am suggesting that the Road Districts Act should be amended and the local authorities empowered to tackle this aspect of the problem, it is unlikely that they would expend money without arrangements having been made for a satisfactory centralised school. In addition, if it came to the raising of a loan, which would be quite likely to be the position because the purchase or acquisition of suitable premises would be fairly costly, the proposal to raise the money would have to be submitted in the usual way, after advertisement in the newspapers, to the rate-payers, who would have an opportunity of demanding a poll on the question with a view to ascertaining whether in their case the proposal suited them.

As the position exists, a road board cannot even submit the proposal to its rate-payers because there is no justification for so doing and no legal right, as we are advised and as I fully believe is so under the Road Districts Act. At first it was thought that the provisions of Section 291 of the Act, which allow a local authority to raise money for specific purposes and then proceeds to a paragraph that gives the Governor wider powers, might cover the matter. Section 291 sets out the works and undertakings upon which a road board may borrow money, and paragraph (f) of that section mentions any other works or undertakings whatsoever approved by the Governor.

The Gnowangerup Road Board—the instance I am quoting—made application to the Minister for the approval of a loan under paragraph (f) of Section 291, claiming that this was “any other work or undertaking” that could be approved by the Governor. Now I revert to the reply to its application received by the road board from the Department of Public Works on the 4th July, 1946. The relevant parts of the letter read—

I refer to your letter of the 18th ultimo making application for Ministerial approval for your board to proceed to raise a loan of £2,000 for the purpose of erecting a school-children's hostel I would point out that there is an aspect in this case which your board will require to take into account in considering any proposition at Gnowangerup. A schoolchildren's hostel is not quoted specifically as a work on which a local authority can expend general revenue, and under Section 291 of the Road Districts Act—

That is the section I have referred to—

—which provides authority for the borrowing of money for works and undertakings of the board, no specific mention is made of this or like works. It is accepted as a general principle that the Governor's approval to a work under paragraph (f) of this section, “any other works or undertakings whatsoever approved by the Governor,” is not sought unless the board is authorised to expend general revenue on the work concerned. In view of this, I am not prepared to recommend approval of the raising of a loan for this purpose.

That is the situation as it is developing, and I am inclined to the opinion that that view is the correct one. But even if it is open to doubt whether it is correct, the reasonable course to adopt is to remove all doubt by amending the Act in order that in bona fide cases where the necessity arises for expenditure of this type the point may be put beyond all doubt. That is the intention of this measure—to ensure that the Act shall take such a form in future that if a local authority, having made satisfactory arrangements with the Department of Education and finding that the circumstances of its district are such that the distance over which some of the children would have to travel would be too great for their daily transport, feels disposed to make provision in the township for a place to accommodate the children—because no other premises are readily available—it will have authority to do so by going to the Governor and getting his approval, and then submitting the matter to its rate-payers in the normal way.

In addition, there arises the question, after the premises have been erected or acquired, presumably by the expenditure of loan money, that it would in all probability be necessary to spend some money from time to time on the maintenance of the premises or possibly for improvements or extensions if the number of children should increase to make that necessary. In the present state of the law, as indicated by the Public Works Department and as demonstrated by the section of the Act, there is no provision whatever for the spending of revenue on any such undertaking. Thus at the moment a local authority that is anxious to assist its own people and relieve the Education Department in some aspects of an obligation is quite unable lawfully to do the desired work. Consequently, the prospects of greater equality of opportunity for the children of this district are removed, and they will be reduced to the position either of remaining in the small country schools—and I understand the policy of the department is to have them attend centralised schools—or alternatively of having correspondence lessons, because there is no school for them to attend and they would be too far from a centralised school to be able to attend it conveniently by a daily bus service.

This is the situation that has arisen in the district to which I have referred and it is not unlikely that a similar situation will arise in other districts. When this matter was first discussed, the obvious course for the board to pursue, supposing it received authority to expend money for this purpose, was to seek to erect a building, because at that time there were no premises in the township of Gnowangerup, not a very large one, which were suitable for this purpose and which could be made available for it; and in consequence it seemed that the only course open to the board was to obtain leave to raise money and build something. But in more recent weeks there has been a prospect of an existing building, which has been used as a boarding-house for some years and the proprietor of which finds she can no longer carry on the business, becoming available for the purpose.

If the board should decide to acquire that building, another difficulty in the way of obtaining a permit to build and the requisite materials for building, in view of the existing situation in regard to building materials, will be removed. But even then

the premises will require some improvement and renovation upon which money will have to be spent. So, on all counts, it is quite clear that in this case before us now, unless the Act is amended, there will be no possibility of the board proceeding with its intentions, however desirable they may appear both to the Education Department and its own citizens; and the same circumstances may very readily arise in other areas for which this Bill, if they desire it, will also make provision. There is, of course, no compulsion in this measure on any local authority to do these things. It merely authorises the doing of them if the local authority and the other powers that be that are concerned in the transaction are agreeable that it should be done.

The first clause seeks to amend Section 160 of the Act,—which deals with the expenditure of revenue by a board, specifying the works and undertakings on which the board may expend revenue—by adding to Section 160 a new subparagraph authorising expenditure on the construction or acquisition by purchase or otherwise, and the establishment of premises within its district for the purpose of providing hostels for school children and maintaining and controlling such premises. But there is also the question which may arise of the desire of a local authority to co-operate with an adjoining local authority. It is quite possible that a scheme such as I have been discussing may involve children from the districts of more than one local authority and in consequence it would be desirable for two or more local authorities to join in the expenditure necessary. Therefore this Bill also authorises a road board to co-operate with an adjoining local authority in the provision of such facilities as I have mentioned and in assisting in their maintenance.

The next clause gives the board power to make by-laws for regulating the establishment, maintenance and control of hostels for school children. I think it will be quite obvious to members that it may be necessary for such by-laws to be made. There will undoubtedly have to be some measure of control over the premises; and by-laws, I take it, are the best way of making that control practicable and lawful. It is not easy at the moment to envisage exactly what type of by-law might have to be passed; but it may be, I think, safely conceded that the by-laws when put for-

ward by a local authority will be aimed only at such things as are necessary to provide efficient control of the safety and good health of the children to be housed there for the time being. Like all regulations and by-laws, these would be laid on the Table of this House and of another place by whatever local authority they were made, and they would be subject to disallowance by this House or by another place if a majority of members in either Chamber thought they were not suitable for the purpose for which they were made; but if there were no authority incorporated in the Road Districts Act to enable such by-laws to be made, I am advised that no by-laws could be made, no matter how necessary they might be for this specific purpose.

The remaining clause of importance in the Bill seeks to amend Section 291 of the Act which is the section specifying the purpose for which a road board may raise loans. It seeks to incorporate in that section power for a loan to be raised for the construction or acquisition by purchase or otherwise and the establishment of hostels for school children whether such hostels be within the board's own district or in the district of any board or municipal council whose district adjoins, or is adjacent to the district of the board and with which other board or municipal council the board has united or intends to unite in such construction. That, of course, is merely a corollary to the first clause I referred to, where it may be necessary for two or three local authorities to join on a fair basis, having regard to the number of children involved, in the erection or acquisition of premises.

I think that on all counts the Bill deserves the sympathetic consideration of this Chamber. I am sure the Minister for Education will be able to find it in his heart to lend it his general support, because I feel certain he realises that there are cases where such intervention by local authorities will in the future be essential if the educational programme which I understand the department has in mind is to be carried out to the fullest extent; and this proposal involves the Government in no expenditure whatever in the provision of the hostels themselves but does, I think, lend assistance to the plan which appears to be in the departmental mind in regard to education, for the consolidation of country schools and for the provision of a better type of edu-

education to as many children as possible. It will, to some degree, increase the number of children for whom that type of education is possible, and will throw the onus on the local authority and the local people of providing the facilities necessary for their housing and reception during the time they are away from home.

Hon. J. C. Willcock: How many local authorities have asked for this?

Mr. WATTS: I know of only two that are interested at present. There is one in the Pingelly district. I was leaving all reference to that to my colleague from Pingelly. There is also the one to which I have made reference. I have not gone searching through the State to find out the number of local authorities that may be interested in this matter. I do know that more places than those I have mentioned are considering whether or not hostels are desirable in their districts.

Mr. Seward: I think the knowledge that they cannot erect them has prevented progress in that direction.

Mr. WATTS: Yes; I think that the knowledge that they have no statutory right to do it is probably limiting the inquiries.

Hon. J. C. Willcock: The conference has not asked for it.

Mr. WATTS: I am not concerned with what the conference has asked for but only with the progress of education in this State. I am more interested in trying to procure some approach to equality of opportunity in education for those children who live in the widely scattered districts of Western Australia, so far as is possible. I have cited the particular case which is in my own district and with which I am well acquainted, and with which also the Minister for Education has some acquaintance in view of past discussions we have had on this subject as one which warrants an amendment of the law, to provide for the establishment of these hostels, not on any basis of compulsion but purely at the option of the local authority, if it desires to do so—which it could not do, as I mentioned earlier, unless the surrounding circumstances and the arrangements of the Education Department were such as to warrant the proposals; because, were there no children to be housed, there would be no need for the Bill and children

do not require to be housed unless they are to be brought from a considerable distance in order to attend a centralised school.

Although I am dealing at the moment with a particular case I am aware that there are other districts interested to a greater or lesser degree, and if the Bill is passed it might, to some extent, be of assistance to them. The instance I have in mind is one which is of a pressing nature. It has already been the subject of much discussion between the Department of Education, the road board and myself, and was referred last July to the Public Works Department. At that time it was turned down on two grounds. One was a departmental ground having reference to the Department of Education entirely. But that objection has now been removed because the proposal then made was quite a different one from what we now have in mind. The second, and much more important one, was the legal opinion expressed, with which I do not disagree, that the local authority, having no right to expend money out of its revenue on purposes such as this had no power to raise money, nor was there authority for the Governor to give his approval for the board to raise money by way of loan. Therefore, no matter what the board wanted to do, or how wise its proposals were, or how necessary the facilities might be for the betterment of its district, it could not go on with the job. In order to give this right to the board, without compulsion, and to give it to other local authorities which might find themselves similarly situated, I have introduced the measure, and it gives me great pleasure to move—

That the Bill be now read a second time.

On motion by the Minister for Works, debate adjourned.

BILL—ROAD DISTRICTS ACT, 1919-1942, AMENDMENT.

Returned from the Council without amendment.

BILL—BOOKMAKERS.

Second Reading.

THE MINISTER FOR MINES (Hon. W. M. Marshall—Murchison) [5.3] in moving the second reading said: I feel that the mea-

sure now submitted for the consideration of the Assembly will be accepted as being no stranger to this institution. Bills of a similar character have been introduced from time to time and on two occasions I, when a private member, introduced a similar Bill. Later, the then Minister for Agriculture also introduced a Bill which, in principle, coincided materially with this. However, on the first occasion that I, as a private member, introduced such a Bill I made extensive research into the laws that might be applicable to the control of betting on horse-racing. Members who would like to study what has happened in other countries or the other States of Australia will find the information in "Hansard" for the year 1935. They can also get further details on the same subject in the contribution made by the Minister for Agriculture in 1938.

The subject-matter of the Bill will not be foreign to any member. It can be argued that any citizen who is public-minded at all would have had brought under his notice, on more than one occasion, the actual happenings of betting on horse-racing throughout the State. I do not think there is a subject that has been so consistently brought under the notice of the public as has been this vexed question of betting—particularly on horse-racing. It is probably one of the most contentious matters that any Government has had to tolerate through the years. So I feel that each and every member will be so equipped with first-hand knowledge of the subject that there will be no difficulty for them to arrive at a decision on the Bill.

In the main there are two contending forces holding entirely different views as to what is a Government's responsibility upon this question. I desire at this juncture to state that the section of the community which would oppose legislation of the nature contained in the Bill, by virtue of conscience or religious beliefs or because such action would be anti-social and immoral, is held in the highest degree of respect by me; and I respectfully suggest that every member of the Government does so, too. The section of the community that prompted by spiritual beliefs or conscience believes it is an evil to bet must have our respect even though we might oppose its views on the subject.

I cannot speak for the Government on this point, but I dissociate myself from the argument that to wager on a horse-race is, in

itself, an evil act. To accept such a theory would be to imply that many individuals, both male and female, who are held in the highest respect in this community and who are high on the social rungs of society, are no more or less than evil-doers. I say that because I feel that a big percentage of the most respectable citizens in this State do wager on horse-racing. To say that to do that is an evil is to declare that section of the community to be evil-doers. I think that wagering on any form of sport, if performed in moderation, is not in itself an evil.

Mr. McLarty: It is not desirable either, in many cases.

The MINISTER FOR MINES: That depends on the viewpoint.

Hon. P. Collier: What is the meaning of the word "evil"?

Mr. Watts: What is the meaning of the word "sport"?

The MINISTER FOR MINES: If members will be patient they will get a fairly full digest of what the word "sport" means insofar as I have used the term.

Hon. P. Collier: What about the word "evil"?

The MINISTER FOR MINES: I cannot quite grip the interjection of the member for Boulder, but if he desires an interpretation of the word "evil" I refer him to his own conscience for the answer.

Hon. P. Collier: Conscience! You talk about conscience! Ask your family about your conscience!

Mr. SPEAKER: Order!

The MINISTER FOR MINES: We find that there is no consistency among the people about whom I was speaking a moment ago. Many of them, individuals and institutions, differ as to what is the right and proper thing to do with this vexed problem. There is a section that contends that if legislation is to be introduced it should provide for the legalising of betting on racecourses but not of betting off the courses, which would suggest to me that that section of opposition to this legislation holds there is nothing actually immoral in betting. If betting in itself is immoral, it would not matter where the transaction actually took place, for wherever it was it would be immoral. One of the fairest pro-

nouncements upon this particular point was made by the Lord Bishop of Adelaide after he had been called to give evidence before a Royal Commission that had been appointed by the then Governor of South Australia to inquire into the prevalence of gambling in that State. His Grace replied to the secretary of the Commission declining to give evidence, but later he delivered an address to members of the Rotary Club of Adelaide on the ethics of gambling and was reported as follows:—

After dealing with the moral, social and economic evils of gambling, he said that legislation directed to its total suppression would do more harm than good, because it would not have the bulk of public opinion behind it; that State control of betting did not go to the root of the evil, and that the most urgent need was the creation of a right public opinion.

Thus that very honourable and religious gentleman held the view that no endeavour for the total suppression of gambling would meet with the approval of public opinion. I think we have some evidence of that today in this State, and particularly in this city, where the law is treated with utter contempt.

Mr. Seward: And the Government permits it.

The MINISTER FOR MINES: The law is actually being defied every day. Every effort that has been made to stamp out betting has only led to the creation of greater evil. That was the experience in South Australia before the legalisation of betting took place there. I concur—and I think the Government does, too—in the utterances of the Lord Bishop of Adelaide in that respect. Members will see that there is not altogether complete consistency in the views of people regarding what is immoral and evil, particularly upon the part of those who have indulged in so much criticism regarding the position as we find it in Western Australia today. One of the greatest shortcomings in the criticism levelled against any effort to legalise betting on horse-racing, and thereby removing some of the more objectionable features that may attach to it at the moment—these people always suggest that the betting evil should be stamped out—is that they never offer any solution of the difficulty.

It is easy to criticise, but I have never yet read of any particular decision arrived at by individuals or organisations opposed

to any such move, indicating that what they suggest is a practical proposition. To indicate clearly how impossible the position is, there is not one State in Australia that has succeeded in stamping out betting—not one. No matter what the law may be in those respective States with regard to betting, we find that wherever the law is restrictive, illegal betting is still in evidence. The Government feels that if there is a possible solution of the problem apart from legalising it, then those who would oppose legalisation might be generous enough to indicate to the Government just how the objective they have in view could be attained. Then there is the section of the community that advocates that the problem should be solved by legalising betting. Between these two opposing forces the Government has had to choose, and it has submitted for the consideration of this House its decisions, having kept in mind particularly the welfare of the people of the State as a whole.

The Government feels quite easy about the position, considering that it is a matter for Parliament to say what shall be done. The Government considers it the right and proper course to adopt, having regard to all the circumstances. The Bill is therefore submitted in an endeavour to get a decision from Parliament either one way or another, and thus the Government will be relieved of any further worry or agitation about it. Strange as it may seem, Western Australia is the only State in the Commonwealth that has not sanctioned betting as such by law. In every other State betting on horse-racing—I think in one State tin-hare racing is covered as well—has been legalised, the authorities subscribing to the theory that betting is permissible and moral in certain directions. Two States have gone a little further and have made provision in their laws for betting off the course. In this State it is illegal to bet either on or off a racecourse.

Mr. McLarty: But it is not illegal to tax those concerned, is it?

Hon. J. C. Willecock: That concerns the totalisator.

The MINISTER FOR MINES: I think all States have legalised operations on totalisators, and that has been the position for a long time. I am talking about betting or wagering as between individual and in-

dividual or between individual and book-maker. Western Australia is the only State that has no law permitting bookmakers to bet either on or off the course. Quite a number of people contend that the Government should go so far as to legalise betting on the course, but should not, in any circumstances, legalise betting off the course. The Bill does not seek to do that, but its provisions have been so framed as to provide for betting both on and off the course.

In a problem such as this it is particularly difficult for any Government to arrive at a decision without first making a very thorough and exhaustive investigation with reference to what has happened in other States and countries. Particularly when problems of magnitude confront a Government, it is under some obligation to take action regarding them and in such circumstances it looks to other countries for a lead. In looking round, we find that—I am now excluding totalisator operations because that is an established form of betting that is recognised almost universally but refer to betting with bookmakers as we know it at the moment—there is hardly a place in the British Empire where betting with bookmakers, in some form or other, is not legalised. In South Africa, Canada, England, Australia and America betting is legalised. In other parts of the British Dominions—India and Malaya, while I was there—there existed legalised open gambling dens where one could indulge in all forms of betting and wagering. At present, all of the English-speaking parts of the British Empire have some law which gives the right to a section, if not all, of the people to indulge in betting on horse-racing, and in England for a considerable time on many other sports and games.

A large section of the community of Western Australia really believes that betting in all the other parts of the Commonwealth and the British Empire is rigorously subdued by virtue of the law. On the contrary, exactly the opposite is the case. In order that we might get some guide to the legalising of betting, it might be advisable to have some review of what has happened in England over a period of years, for we usually look to the Motherland for a lead in problems of magnitude and importance. We can get a fairly good guide by such a historical review. I say frankly and immediately that right down the centuries betting,

as such, has never been declared illegal by law. There were, however, laws dealing with betting and games, so-called. The first of these laws were made in 1388, 1409, 1477 and 1541, either legislatively or by decrees of the then Kings of England.

The Act of 1541 declared what we would accept as healthy forms of recreation to be illegal gaming. There can be no doubt that, although bookmakers were not in existence in those times, wagering was taking place upon the results of those games, including bowls, tennis, quoits, cards and dice. All of them were declared to be illegal games, and the people of that period were not permitted to indulge in them. However, there was a reason, because while such healthy recreations as bowls, tennis and quoits were declared to be illegal games, provision was made that archery and other sports involving military exercises were permissible. No doubt the sovereign head at that time desired that the people should confine their activities to the warlike games, as it would equip them with skill and ability to ward off an invasion by an aggressive army; or, at his dictation, he could form them into an aggressive army. Even so, a restriction was placed on these latter games; they could only be played so long as the Lord of the Manor was present and indulged in them. Nevertheless, over the Christmas period it was entirely permissible for the people to engage in those games. During the years 1560 to 1823 lotteries became very popular in the Old Country.

Mr. Seward: They are today.

The MINISTER FOR MINES: From the records, it would appear that this form of gambling was particularly attractive to most people. It might be well for me to inform members that these lotteries were from the very start State-controlled and sanctioned by law. They were inaugurated for the purpose of providing funds for semi-public and public purposes. Strangely enough, we in Australia have not progressed today very much when we make a comparison, for we too have legalised lotteries, the revenue from which is used for semi-public and public purposes. We find from the records that in 1612 a lottery was conducted for the English planters in Virginia. No doubt the planters were in short supply of money and so the State conducted a lottery or art union to raise funds

to support their industry. Between 1627 and 1631 a lottery was conducted for a water scheme for London.

Mr. Seward: You had better run a lottery for the Great Southern water scheme!

The MINISTER FOR MINES: In 1660 a lottery was conducted to ransom English slaves in Tunis. In 1698 control passed to Parliament. What are now commonly known to us as premium bonds and lotteries were then sanctioned by Parliament. We have had some discussion upon premium bonds from time to time in this House. As a matter of fact, legislation was introduced some years ago in order to make it possible for Western Australia to indulge in this form of gambling. One of the lotteries sanctioned by the Parliament of England was to raise funds for the construction of Westminster Bridge. I desire to impress upon members that in none of the laws I have mentioned was betting, as such, prohibited. Evidently during all that period betting was never regarded as evil in itself or immoral.

About the middle of the nineteenth century most of those laws were repealed. In 1844 a joint committee of the House of Commons and the House of Lords was appointed to inquire into the prevalence of betting, wagering and gambling. As a result, an Act was introduced in 1845 repealing all the other laws; with this exception, that, unless the wagering or betting was excessive, fraudulent or deceitful, it was lawful for the people to indulge in it. How the words "so long as the betting was not excessive" were interpreted I do not know. Placing my own construction upon them, I would say it was about this time that the thimble-and-pea merchant, the three-card trickster and the crown-and-anchor king came into prominence. Those are forms of gambling which I should say would be either fraudulent or deceitful. During the next decade or two it would appear from what happened that betting became particularly prevalent, and it was about this time that the bookmaker made his appearance. Betting was in evidence at all forms of recreation and all games played by the various sections of the community, but particularly horse-racing.

The bookmaker readily appreciated the fact that great opportunities existed for shop betting and so the business

became consolidated in various shops throughout the United Kingdom, but particularly, I should say, in London. These shops became a nuisance. People crowded round them and in and out of them. It became apparent to the then Government that something would have to be done to control betting, at least in shops. Before any law was introduced to remove what was considered to be a nuisance or a menace, all forms of betting being quite legal apart from the excessive form of betting—whatever that might convey—it meant that any argument or dispute which arose between a bookmaker and a person betting with him was the subject of litigation for a settlement. The records show that the courts of London became so congested with cases cited appertaining to betting arguments and disputes that it was impossible for them in those days to get through their ordinary business. As no action was taken by Parliament, the judges solved the problem in their own way. They put all cases cited that were the outcome of betting or gambling at the bottom of the list, and those cases were never reached.

In 1853, Parliament was obliged to take some action with regard to shop betting, and it passed what was known as the Suppression of Betting Houses Act. In this regard a great deal of litigation again arose, because in that Act it was expressly set down that one could not wager in a definite place, which evidently defined shops. The law also prevented people from resorting there. These two words became the subject of much litigation, and finally a decision was given that so far as "shop" was concerned, so long as it was not a definite spot the conductor could carry on his business. This brought about the very self-same factor that has recently sprung into the life of the people of Western Australia. It goes without very much argument or thought that immediately that decision was given by one of the courts of England, that a shop was a definite spot and that anywhere else would not be a shop, it was not long before some bright urchin discovered that so long as he walked along the highways or around the streets it was not a definite spot, so he could bet quite legally—and that is what happened. There was a humorous aspect to this. I want to quote from the records, "Historical Survey of the Laws of Betting" to show members what happened when the

shops were closed down. Speaking of the closing of the shops, this is what the records show—

This is the genesis of the "big umbrella" or the "high top hat" which the bookmaker used to display as indicative of his calling, thereby avoiding the occupancy of a definite spot. A further result of the judgment as to "resorting thereto" was that a bookmaker could receive bets in an office (not open to the public) on credit by means of letter, telephone, or telegram, because in such a case nobody "resorts thereto." This resulted in an enormous extension of credit betting to the exclusion of cash betting. It was not long before some perverted genius discovered that he could carry on the business of a cash bookmaker by merely going into the street and walking about, because he would not then be occupying a definite "place." The result of this was that crowds collected in the streets and municipalities attempted to deal with the nuisance by means of traffic by-laws. This proving ineffectual, the English Street Betting Act, 1906, was passed imposing penalties on street bookmakers. The result was that cash betting became illegal and subject to punishment, whilst credit betting remained immune and gave another handle to the parrot cry, "There is one law for the rich and another for the poor."

That is exactly the position Western Australia is in today, all by virtue of an attempt to force people against their will to do certain things by law. The only other point I wish to stress in regard to the historical survey of the laws governing gambling in England is that, I think in 1669 and 1710, the authorities limited the amount of winnings or losings to £100, and later reduced that amount to £10.

The Minister for Works: They should have limited the losings to nil.

The MINISTER FOR MINES: Those are all the changes in regard to excessive betting. Never in any period of English history was betting on racehorses totally and unreservedly illegal, and it is not today. The same system practically applies. There was some alteration in 1932, but the exact nature of it I have not been able to ascertain. There are still some laws permitting betting in shops. I know that in 1929 the British Government imposed a tax on the bookmaker in the shop and the premises upon which the business was conducted. The tax was in accordance with the number of telephones the bookmaker had on the premises which, I should say, indicated the amount of business he was doing. That is a survey as we see things today and as they

are in England. We know what has happened in Australia, taking it by and large.

Tasmania and South Australia differ to some extent inasmuch as they have legalised betting off the course, whereas the other States of Australia have only legalised betting on the course. Although there is the usual hush-hush about it, there is no difficulty in getting a bet anywhere in any capital city, outside of Adelaide or Hobart. One can walk in to any part of Melbourne and be accommodated with bets. I had some occasion to inquire with regard to the effectiveness of the law in Victoria, because of an interjection by the member for Boulder when the late member for Victoria Park, Mr. Raphael, was speaking on the Address-in-reply some years ago. On that occasion, the member for Boulder interjected, "You could not get a bet in Melbourne anywhere." I took upon myself to make sure because if the imaginary lines between Victoria and South Australia or between New South Wales and Victoria were instrumental in completely stamping out betting off the racecourse, I thought that was the law we wanted in Western Australia. I thought it advisable to make inquiries and ascertain the position. So I wrote to the Premier of Victoria, the Commissioner of Police and the Leader of the Opposition in that State. This is the reply I received from the Commissioner of Police—

Police Department, Chief Commissioner's Office, Melbourne, 11th October, 1935. Dear Sir, With reference to your letter of the 2nd instant, I have to state that although provision is made in the Police Offences Act for severe penalties against persons convicted of illegal gaming, a large volume of illegal betting is carried on in Victoria off the racecourse, and thousands of pounds are collected every year from fines for these offences. The Acting Leader of the Opposition, Mr. Kent Hughes, wrote as follows:—

With reference to your request of the 2nd October, it is impossible to obtain any accurate information as to how much betting takes place outside the racecourse. Undoubtedly a very great deal goes on and people are continually being caught and fined for being starting-price bookmakers. I do not think that any further legislation would be any more effective than the prohibition laws in America.

Then we have Mr. Tunnecliffe, writing as follows:—

Betting outside a racecourse is illegal—street betting and starting-price betting are widespread and general. It is safe to say

that anybody who desires to put any sum from 1s. to £1,000 on horses will find no difficulty whatever in being accommodated. Every public building has somebody who is prepared to accept a commission, and even in the public offices betting takes place. Prosecutions are frequent and the fines are heavy.

If we like we can close our eyes to the fact and say, "As we cannot see it, it does not matter," nevertheless it goes on. That was the cause of the objectionable aspects that exist today which the Government sincerely desires to eliminate. If members want to know the history of what occurred in South Australia before the legalisation of betting took place, they have only to look up "Hansard" and the speech I made in introducing a similar Bill to this in 1935 where much is quoted of what was happening. The position in Adelaide was something deplorable and damnable. I made a visit to that city for the purpose of personally observing the position and gathering first-hand information as to what happened before legalisation occurred.

Only those who are keenly interested can really believe the deplorable and despicable state and standard to which the community had drifted in Adelaide prior to this legalisation. It was well known to people and to the parents concerned that persons were employed by bookmakers to keep watch for them. I asked the Commissioner of Police the number of people employed by the department to watch the bookmakers, but he said that was not for publication. I assume the number would be considerable. In Adelaide city there was a regiment of young people who were being taught how to be pimps and to be disrespectful towards the laws of the State. In 1929, in private homes known to the police, telephones were attached through which betting went on during race days. Children as well as men on the footpath were instructed to watch closely for any individual who was a policeman or looked like one. Betting went on in stables, in right-of-ways, in lavatories, in billiard saloons, and in hotels, and was rampant everywhere. That was the actual position before legalisation took place; it was the position as it was known in South Australia. May I suggest that we are drifting towards that state of affairs in Western Australia at the moment, or getting

close to it? In South Australia the bookmakers used dummies. The dummy would ultimately be caught and sent to gaol, and the bookmaker would pay his family a premium during the period of the gaol sentence. The Commissioner of Police told me that he did not think they ever caught a bookmaker in Adelaide, though prosecutions were numerous. People were treating the law with contempt and it was not considered a disgrace to be gaolod for dummying for a bookmaker.

I will now deal briefly with the provisions of the Bill, outlining the important principles contained in it, but leaving the machinery and other minor matters until the Committee stage. Under the Bill it is proposed that betting be made legal, both on and off the course. For that purpose a board is to be set up, constituted of five members, all of whom are to be appointed by the Governor-in-Council—a chairman and four members. The period of appointment will be three years. One of the members of the board will be a stipendiary magistrate. Another will be a chartered accountant, practising accountancy. Of the two remaining members one will be a representative of the W.A.T.C. and the other a representative of the Western Australian Trotting Association. The chairman will be appointed by the Government, as it is desirous of being more than careful in the selection of a man for appointment to this important position.

Mr. Seward: The magistrate should be chairman.

The MINISTER FOR MINES: A man of high character and repute will no doubt be the Government's choice as chairman. The board will have complete control and will be empowered to make rules and regulations governing betting. Bookmakers will be divided into two divisions, on-the-course bookmakers and off-the-course bookmakers. This does not imply that the powers now conferred on the W.A. Turf Club Committee will be taken from it. It will have similar powers to those it now has in the matter of controlling bookmakers and the choice of bookmakers to operate on the respective courses. The same will apply to the Trotting Association. There is a provision in the Bill to ensure that if a bookmaker has been operating and the committee of the respective

course or club either cancels or refuses to renew his license, he will have a right of appeal to the board, that his case may be adjudicated on, and the decision of the board will be final.

The board will have power to license premises and to register bookmakers. Only registered bookmakers will be permitted to operate. The board will also have power to license bookmakers' clerks and will have sole jurisdiction over the suitability or otherwise of premises and of individuals to be registered as bookmakers. It will have power to make rules and regulations governing betting, in order that the punters may be treated fairly, as well as the bookmakers. It was found necessary in South Australia to bring in some stringent regulations, owing to the attitude of the bookmakers towards the public who patronised their licensed premises.

Mr. Seward: Is the punter fairly treated in Adelaide?

The MINISTER FOR MINES: It would surprise members to know the number of by-laws and rules governing racing made by the board in South Australia. There were hundreds of them. For a long while they were forwarded to me, but recently I have not been so keenly interested in them and have not followed the matter further.

Mr. Watts: What about licensing punters?

The MINISTER FOR MINES: There is provision in the Bill which says that an off-the-course bookmaker will in no circumstances be permitted to have more than one premises.

Mr. Doney: That will be rough on a few of them.

The MINISTER FOR MINES: The Bill also provides that if it is discovered that a bookmaker has used another person, acting as a bookmaker, to operate a second premises, his license will be cancelled and he will never again be licensed as a bookmaker.

Mr. Doney: Is there any restriction as to the size of the premises or the number to be employed therein?

The MINISTER FOR MINES: There is provision in the Bill to give the on-the-course bookmaker opportunity to transact certain parts of his business off the course. I am not au fait with the transactions of bookmakers but I understand that a book-

maker, licensed to operate on the course, would not be able to carry out all his work on the course. I understand that settling up day is generally a Monday, in the case of credit betting, and unless provision was made for that work to be done elsewhere it would be difficult for that bookmaker. Therefore he is to be given opportunity to complete his transactions in a club that he has used for that purpose. I believe that in this case it would probably be Tattersall's Club. The bookmaker will have the legal right to do that part of his business on those premises. That is to give both classes of bookmakers reasonable opportunity to transact business in the way in which I understand they have been doing it illegally for years—

Hon. W. D. Johnson: Will starting price betting be permitted in the same building, in Tattersall's Club, for instance?

The MINISTER FOR MINES: No. The bookmaker who has premises has the facilities to finalise his business there. The on-the-course bookmaker will not have premises of his own, and therefore provision must be made for him.

Mr. Fox: Will you allow ante-post betting on those premises?

The MINISTER FOR MINES: Yes. The Bill provides for the imposition of registration fees. A bookmaker who applies for registration will have to pay a premium of £1, and 10s. for each clerk or agent. The Bill also provides the machinery necessary for the imposition of a tax on the gross turnover of bookmakers. Members know that it is not possible for such taxation to be mentioned in this Bill, and that under our Constitution all taxation measures must be the subject of special taxing Bills. That Bill will have to follow in the wake of this, provided this Bill becomes law.

Hon. W. D. Johnson: Will that tax apply to both on-the-course and off-the-course bookmakers?

The MINISTER FOR MINES: Not to on-the-course bookmakers. Power is given to the board for all those purposes. From the moneys received by the board a fund will be kept at the Treasury. I must make a correction. I believe the member for Guildford-Midland queried me as to taxation, and as to whether both on-the-course and off-the-course bookmakers would be taxed. The measure provides that the bookmaker on the course will not be subject to the tax.

The Minister for Lands: Except by the club.

The MINISTER FOR MINES: As I pointed out earlier, there is no restriction placed on the club. That is not altogether correct. There is a restriction, because if the club charged a premium that the board considered to be in excess of what should be charged for the right of a bookmaker to operate on the course, the board could deduct from the payment which would ultimately be made to that club from the distribution of the fund, as much of the payment as it thought in excess of what should be charged by the club for a bookmaker to operate on the course.

Sitting suspended from 6.15 till 7.30 p.m.

The MINISTER FOR MINES: Before tea I was explaining the various taxes that will be imposed under the Bill. It will be an obligation on the bookmaker to keep books and furnish returns to the board. The first charge that will be made by the board against the bookmaker will be a registration fee for himself and his clerk or clerks both on and off the racecourse. The second tax will be imposed by way of stamp duty on each and every ticket issued when each and every bet is made, both on and off the racecourse. The third will be a tax at such a rate as may from time to time be determined by Parliament and will be levied on the gross turnover of the bookmaker's transactions and on all bets made by the bookmakers with the exception of bookmakers operating on a racecourse.

Provision is made for the distribution of the fund, which fund will be kept by the Treasurer. The Bill contains provisions to govern the distribution of the fund. First of all, there will be the administrative costs of the board, including all payments made for the services of a member of the board. The Treasurer will take direct from the fund under direction from the board (1) all moneys collected in the way of registration and license fees; (2) all the funds derived from the betting tax imposed on the ticket issued when the bet is made, this being done by means of a stamp affixed to each ticket; (3) the Treasurer will benefit to the extent of all taxes imposed upon the gross turnover of a bookmaker on all bets made on races conducted outside the State of Western Australia. The Government considers that

this is only fair and equitable in view of the fact that races held outside the State involve local clubs in no expense for the conduct of such races. Therefore they are not entitled to share in the proceeds of the tax.

All the money derived from the imposition of the tax on the gross turnover of bookmakers and on all races conducted within the State will be distributed to the respective racing clubs in proportion to the amount of stake money given at their race meetings during the year. Those are the provisions regarding the taxing and the method of distributing the money derived from the various sources prescribed in the measure. The bookmaker will be required to issue immediately a ticket for every bet made, provided the person making the bet with a bookmaker is present when the bet is made. If, however, a bet is made by telephone, telegram or letter, the bookmaker will be obliged to forward the ticket to the person who made the bet within 24 hours after the bet has been made.

Provision is made to regulate the hours of business of licensed premises. The Bill provides that the hours of business shall be from 10 a.m. to 6 p.m. on days when race meetings are being conducted within the State. Licensed premises may be open for business on such other days as may be prescribed by the board, and at the board's discretion. The desire is to restrict the business to the utmost possible extent without inflicting unnecessary obligations that might defeat the object of the measure.

Mr. Cross: What provision is being made for betting when there is night trotting?

The MINISTER FOR MINES: I have explained that this provision applies to licensed premises and does not affect racecourses. Betting may be indulged in on the trotting ground in the usual way. I have been given to understand that very little or no business is done on trotting events in licensed premises. The Government desires to restrict as far as possible the business conducted in these premises and therefore has provided for the hours being fixed as I have stated. Another provision in the Bill prevents a person under the age of 18 years from being on the premises. Severe penalties are provided for a bookmaker who transacts betting business with any person not over the age of 18, and who makes a bet with a person under the influence of

liquor. It is most undesirable that a bookmaker should be allowed to do business with young people or with people under the influence of liquor; and that is a phase to which many people take strong exception at the moment. Apparently, a bookmaker will make a bet with any such person, and it is our desire to eliminate these transactions by preventing youths under the age of 18 and persons under the influence of liquor from having the right or privilege to make a bet notwithstanding that it is otherwise lawful to do so.

Another clause provides that the board shall make its own rules and regulations. Should the Bill become law, I feel the board will be guided in its administration mainly by the by-laws and regulations made under the South Australian Act. These give the South Australian board complete control over the conduct of business premises, the conduct of the bookmaker and those patronising the premises, in fact, over all matters of interest so far as betting transactions are concerned. The other provisions in the Bill are to a degree more or less in the nature of machinery clauses which will make it practicable for the board to carry out its duties. The Government has introduced this measure because of the prevailing circumstances and it has had no better guide than that which can be detected in the measure itself. Having regard to all the features of illegal betting, something ought to be done and this Bill is submitted for the consideration of members and for Parliament to make its decision thereon.

I wish to quote a statement made by Mr. Justice McCardie at a time when betting was giving the Parliament of England great concern. At about that time a writer named F. C. Shoolbred wrote a book entitled "The Law of Gambling and Betting," and I think the preface which Mr. Justice McCardie wrote for that book explains the attitude of the Government to this Bill. Mr. Justice McCardie wrote—

It seems clear that the instinct for gaming and betting is rooted as deeply in the British as in any other nation. That instinct has never been eradicated in the past, and it can never, I assume, be eradicated in the future. Frankness on this subject is plainly desirable. It may, on the whole, be better in the general interest that a legalised and reasonable indulgence should be allowed in respect to several things now prohibited, rather than that the present state of affairs should continue. We must take human nature as it is.

The whole matter is ripe for full and unserved discussion by the public, the Press and Parliament.

I move—

That the Bill be now read a second time.

On motion by Mr. Watts, debate adjourned.

BILL—INCREASE OF RENT (WAR RESTRICTIONS) ACT AMENDMENT.

Returned from the Council without amendment.

ANNUAL ESTIMATES, 1946-47.

In Committee of Supply.

Debate resumed from the previous day on the Treasurer's Financial Statement and on the Annual Estimates, Mr. Rodoreda in the Chair.

Vote—Legislative Council, £2,760:

MR. McDONALD (West Perth) [7.47]: I am indebted to the member for Perth for the opportunity to continue this debate. The Budget which has been brought down does not contain, on the face of it, any unusual features. The figures of revenue and expenditure remain substantially the same as in recent years. Some degree of increase, naturally, on both sides is to be found in successive budgets. The main variation to be found in this Budget from last year's Budget is the addition of £740,000 to our revenue which comes to us from the funds collected by the Commonwealth under the uniform tax law. There is also a movement to be found in the accounts which is represented in the transfer of the Electricity Supply Department to the Electricity Commission; and there is anticipated in this Budget an increase for the current year of £150,000 by way of special grant above the figure that was allowed by the Commission to this State for last year.

The Premier: It is £150,000.

Mr. McDONALD: Those appear in three movements in our budgetary figures which are of significance. The other movements are of a minor character and appear to me to be of no great significance except the substantial addition to the Vote for the Department of Education. That is of great importance and is a matter to which I propose to make some reference later on. The

important part about this Budget is the reference by the Treasurer to uniform taxation, and I propose to spend some little time in considering that aspect of our financial position and, indeed, of our constitutional position. A short time ago—I think early this year—the High Court of Australia delivered a judgment in the pharmaceutical benefits case which is, I think, the most important constitutional judgment which has been delivered by the High Court since Federation was established.

It is one of those decisions which are landmarks in a country's constitutional history. It marks a new era in the history of Federation. In fact, it may mark the end of our Federal system and our transition to a new constitutional basis in which the unitary system will become more and more emphasised until it is the basic element in the Constitution of the Commonwealth. I therefore think the matter is of sufficient importance to devote some little time to. The decision to which I refer was notable for the broad way in which the members of the High Court dealt with this important question. In the course of their judgment they put the position in this way: The Commonwealth scheme of imposing income tax rates so high as practically to exclude State income taxation could be applied to other taxes so as to make the States almost completely dependent financially. If the Commonwealth were prepared to pass such legislation, all State powers would be controlled by the Commonwealth, a result which would mean the end of the political independence of the States.

The Premier: Are you quoting from a law report?

Mr. McDONALD: I am quoting from an extract from the Law Reports which is contained in a recent article in the Australian Law Quarterly. The article, I may say, is very significantly headed, "The Euthanasia of the States," and the suggestion is that by what may be described as a painless constitutional method we are being gradually extinguished. I am bound to say that unless we put up a fight and show some vitality, we are well on the way to that particular end so far as the States' sovereignty is concerned. The judgment which I have mentioned, although it was delivered in respect of legislation brought down during wartime, or towards the end of the war,

made it quite clear that the powers to which the High Court referred can be justified under the peacetime powers of the Commonwealth. This is not a matter, like so many of recent years, in which the Commonwealth has been able to rely upon the defence power and would not be able to exercise any such power in times of peace. This power of exhausting the taxation field and leaving nothing for the States is a power which the Commonwealth is entitled to exercise in times of peace. It is a permanent power; it applies, as the High Court has said, not merely to income tax but to any field of taxation upon which the Commonwealth desires to embark.

There has, therefore, been put or confirmed in the hands of the Commonwealth a weapon by which it may, if it so wishes, bring about the impotence of State Parliaments or reduce them to a position of complete subordination. Not only is there this power of monopolising the field of taxation to the exclusion of the States and the ability of the States to obtain revenue; but the Commonwealth has also, and always has had, another power under that section of the Constitution by virtue of which it may make grants to the States. The Commonwealth may impose conditions to its grants and it has very often done so. Recent examples are conditions imposed in the case of grants which the Commonwealth is making for the purpose of soldier land settlement and also in the case of free hospital treatment and in the case of the Commonwealth-State Housing Agreement. In each of these instances the Commonwealth, under its power to make grants to the States, has imposed conditions as to the use of the money which it has made available.

So between the power to make grants to the States and the power to monopolise the field of taxation, it is evident that the Commonwealth has, if it wishes to exercise it, constitutional authority to reduce the States or State Parliaments and State Governments to authorities of minor importance. This matter has been seen on the horizon for a considerable time; though I want to say that I do not think for one moment that such a condition as now exists was contemplated by the founders of the Australian Constitution. They thought they had devised a document that safeguarded the respective powers of the Commonwealth and the States.

Hon. J. C. Willcock: They had it all sewn up!

Mr. McDONALD: Yes; as the member for Geraldton says, they thought they had it all sewn up; that the whole position was nicely balanced and adjusted. The impact of World War 1 shook that position. Shortly after that war, a Royal Commission was appointed, presided over by the late Sir John Peden, to look into the matter of a constitutional revision. I referred to that Commission when speaking on this subject in 1944 when similar Estimates were presented. That Commission, about 1922, recommended as an ultimate objective that the Commonwealth and the States should not tax in the same field. It recommended that the fields of taxation should be divided between the Commonwealth and the States. If that were done, the position which has arisen in consequence of the judgment to which I have referred, would be obviated or minimised.

The Royal Commission recommended a 10-year interim period during which the Commonwealth and the States should both have power to levy income tax and that at the end of the 10 years a separation of the fields of taxation should take place, the Commonwealth being restricted to its field in which it would have sole rights and the States to their fields in which they would have a monopoly affecting such taxes as could be obtained from those fields. Like many other recommendations, that one fell by the wayside, except that force of circumstances brought about the Financial Agreement of 1927 regarding loan raisings. But that agreement was confined to loan raisings and the vexed questions of taxation and taxation fields were left in abeyance. In the meantime writers like Professor Mills and Professor Giblin made some observations on the difficulties involved because of the growing financial power and resources of the Commonwealth and the lessening financial resources of the States. It was suggested by Professor Mills that some of the more onerous activities of the States, such as railways, should be taken over by the Commonwealth. Professor Mills, and Professor Giblin too, also indicated that it might be more just to revert to some basis of per capita payments in order to assist the States from the growing and expanding revenues of the Commonwealth.

I refer again to the matter of per capita payments because I am interested to see that

it forms, substantially, the basis of the new arrangement made recently between the Commonwealth and the States, and referred to by the Premier in the course of his speech when introducing the Budget. The position now is that there is to be a committee of Commonwealth and State officers to investigate the position of the financial relations between the Commonwealth and the States in regard to taxation. But that is only touching the fringe of the matter. We have now arrived at a turning point in the history of the Federation. Nothing will meet the position today, except an authoritative and highly qualified convention or commission to consider the whole of the Australian Constitution in the light of the present situation, and also of the future as we can see it. It seems to be proper that increased authority in some matters must pass to the National Parliament. But there are many, including myself, who believe that such a transfer of power, although necessary and desirable in some directions, must be carefully watched. We are of the opinion that State Parliaments and Governments, particularly those of the outlying States, have an important responsibility and place in the constitution of the Commonwealth. We think it would be a retrograde step and one that would be most disadvantageous to the smaller and outlying States if centralised power became the system of Government in Australia.

Pending the findings or recommendations of the committee about to be set up, a new arrangement has been made to which I shall refer. It was discussed, to some extent, in the speech of the Treasurer last week. For the next two years, 1946-47 and 1947-48, the amount to be divisible amongst the States by way of return of income tax, is to be £40,000,000 and this State is to benefit by an additional £740,000 a year for each of the two years ending the 30th June, 1947 and the 30th June, 1948. I am glad to see from the figures given by the Treasurer that during those two years we are to receive an amount which works out, per capita, at £6 16s. 10d. That is the highest per capita figure to be received by any of the States, and it is more than an act of economic justice to Western Australia, with its particular burdens, should receive—I will not say more favourable treatment—a more just treatment and such as is involved in these payments. After the 30th June, 1948, as the Treasurer said, we enter on a ten-year

period which, I take it, will be subject, or could be subject by agreement, to being terminated if some suitable scheme were brought forward in consequence of the recommendations of the committee about to consider the matter, or in consequence of the recommendations that any convention, which may be set up to overhaul the Constitution, might make.

After the 30th June, 1948, the ten-year scheme becomes one of some interest because we are to go back, as I see it, to the per capita system which was suggested as a possibility early in the 1930's by Professor Mills and Professor Giblin. The £40,000,000 a year during the ten-year period commencing in 1948 is to be subject to increase, for the benefit of the States, on the basis of two factors, the first being the growth of population in respect of which there will be an increase in the amount distributed amongst the States, and the second is that the amount is to be increased by a percentage equal to half of the percentage of the average increase of wages. I take that to mean that the Commonwealth, being better able to pay or distribute amongst the States by reason of higher population, will pass on a proportion of that benefit to the States, and further that if average wages rise the collections from taxation will be higher and part of these additional collections will be passed on to the States in the distributions to be made in that period. Those provisions for increases refer to the total sum to be divided among the States.

When it comes to the proportion that each State is to receive a new formula is to be brought, progressively, into existence. In the first year of the ten-year period nine-tenths of the total to be distributed will be divided according to the old basis, that is it will be dependent on the income tax received by each State Treasurer for three years prior to the 30th June, 1941, and one-tenth will be distributed, according to the new formula, on a per capita basis.

The Premier: Using the population and the national income trend.

Mr. McDONALD: Yes. The new basis is very interesting and significant. At the end of 10 years the whole of the distributions to the States will be according to the new formula, and that means that the distribution will be weighted according to sparsity of

population and according to another factor that is important, namely, the number of children between the ages of five and 15. The reference to the number of children between those ages possessed by any State means that the State with the larger proportion of young people requiring primary education will find that the benefits to come to it from the distribution will be larger, in order to aid it in the carrying out of its responsibility in that direction.

We are now in a transitional period of Commonwealth-State finance in the matter of taxation. It is designed for a 10-year period, but subject to revision at the end of seven years. It is no more than a temporary or stop-gap arrangement, and does not pretend to be a final solution of the problem that has arisen constitutionally and economically. I suggest that, in relation to any representations that may be made to this committee and to the Premiers' Conference—I think the Premier agrees with this view—the States should endeavour to regain a larger measure of control over their own taxation fields. Excise and customs are the prerogative and monopoly of the Commonwealth Parliament, but fields such as income tax have in the past been open to us and, constitutionally, are still open to us, apart from the uniform taxation law.

Hon. J. C. Willecock: The States possessed the sole right of income taxation until the first world war.

Mr. McDONALD: That is so, and according to the usual formula it was a purely temporary measure to meet war conditions. I think it is possible to devise a formula under which the States could retain a measure of taxation sovereignty and control. There may be a separation in the fields of taxation, as was suggested by the Royal Commission of Sir John Peden, which I admit involves some difficulty, or alternatively it might be possible at conferences of the Commonwealth and the States, such as are held in connection with loan matters, for each State to inform the conference how much it desired to raise by way of income tax from its own people, and the Commonwealth could in turn state how much it desired to raise. The Commonwealth would then impose uniform taxation for the purpose of raising the amount required for both Commonwealth and State purposes. Where States desired—as they no doubt would—to

raise differing amounts per head of population, special machinery might be required.

Mr. Triat: And the taxpayer would have to pay two lots of taxation.

Mr. McDONALD: No, there would be one tax. As recommended by the Royal Commission of 1922, the people now want only one income tax and one taxation return. They do not wish to return to the old procedure of two taxation authorities and two income tax returns.

The Premier: Can you see much objection to differentiation in rates between the States?

Mr. McDONALD: No, because all that needs to be done—I do not speak as a taxation authority—is that when the Commonwealth desires to raise a certain amount by way of income tax and one State desires to raise a higher amount than the others, the Commonwealth can raise a tax equal to the amount required to meet its needs and those of the State wishing to raise the highest taxation. The States which desire to raise or lower taxation can, as to their taxpayers, allow a rebate on the amount raised. I am not going into the details of this matter, as it would take too long to achieve, but it really means applying in the case of income tax a procedure similar to that which now obtains in the matter of loan raising.

The Premier: It would be extremely difficult in its application to incomes earned in more than one State.

Mr. McDONALD: That might be so, and I am aware of the difficulties involved, but I think something of the solution arrived at in the matter of loan raising could well be applied to the raising of income tax. I trust that in the deliberations that are about to take place there will be found some means to enable the States to have more control over the amount of tax that they desire to raise, because, if we do not do that, what has been envisaged as a possibility in the judgment of the High Court in the pharmaceutical benefits case will steadily and inevitably come to pass. I do not think it would be to the interest of the Commonwealth that our Federal system should disappear and that the privilege of local government in purely State affairs should be taken away from the people of the States. As I have said, we are now facing what is the most important decision, constitutionally, that has arisen for 46 years. Whatever we decide,

whether we are to let the tide run in favour of unification or are to stand up for the Federal system, the least we can do is to pay some attention to it and have clearly in our minds the objectives that we wish to achieve.

Hon. W. D. Johnson: What is the difference between unification and the Federal system?

Mr. McDONALD: This sounds rather like a quiz.

The Premier: The quiz-master might not know the answer.

Mr. McDONALD: He might be just as ignorant as I am. To my mind, there still remains some difference between the Federal system and unification.

Hon. J. C. Willecock: One is a centralised government and the other is unlimited power.

Mr. McDONALD: To my mind, there was never a time when the distribution of the powers of government was more important than today. If there is any lesson to be learnt from recent history it is that the centralisation of power into one hand is dangerous to the people, while the distribution of the powers of government between different authorities is no small safeguard to the democratic rights of the ordinary man.

Mr. Smith: The love of the Legislative Council is behind all your remarks.

Mr. McDONALD: I never even thought of the Legislative Council, and for the life of me I cannot follow the devious mental process by which the hon. member can bring in that branch of the Legislature. I said that the Budget this year follows the pattern of Budgets in the past. There are three or four deviations of importance that I have mentioned. I do not propose to go into the details of the various aspects of expenditure and receipts that will be a feature of the several divisions. I wish to pass to another aspect of the matter which I venture to think is not without importance. This again depends upon finance and upon our financial relationships with the Commonwealth. There are many people who consider that the year 1965 or 1966 or thereabouts will be the critical year for the Commonwealth of Australia. In other words, we have 20 years in which to make this country secure against aggression.

Mr. Cross: A lot of water will run down the Canning River in that time.

The Minister for Lands: Some of it very muddy, too.

Mr. McDONALD: The hon. member appears to be more pessimistic than I am.

Mr. Seward: He appears to be going with the water.

Mr. McDONALD: Anyone who considers international affairs cannot fail to feel apprehensive not only of the future but also of the immediate future. All of us thought that, after the war was over, we might look forward to a period of harmony that had not obtained before, but so far we find existing all the seeds of discord and of possible future war.

Mr. Leslie: There is one difference between the recent war and the 1914-18 war. No-one this time said anything about a war to end war.

Mr. McDONALD: Perhaps people are taking a more realistic view this time. One thing that is apparent from the occupation of Japan is the remarkable degree to which the people of that country are adapting themselves to the new conditions, and it is possible that within 20 years the Japanese nation may again become a power capable of aggression. That is why many people think that 20 years hence will be the critical period for the existence of the Australian nation. There is no reason why we should not be perfectly realistic in approaching consideration of these questions.

Hon. W. D. Johnson: I think you are optimistic in making the period 20 years.

Mr. McDONALD: I agree. If we can be in a position to maintain our security in 20 years' time, we may be all right but, if we are not in a position to defend ourselves, the consequences may be fraught with considerable danger.

The Minister for Lands: The greater Asia will be an accomplished fact before that.

Mr. McDONALD: My reason for mentioning this is because I am convinced that security is going to be mainly a matter of population.

Hon. J. C. Willecock: And of industrial capacity.

Mr. McDONALD: Yes, but I do not think that by any stretch of optimism 7,000,000

people with any degree of industrial capacity can effectively defend Australia. So our security means population, and population within 20 years in numbers sufficient to afford us a reasonable opportunity from the industrial point of view and from the military point of view of defending this continent. So far I have been bitterly disappointed at the governmental aspect on immigration. The suggested programme of 70,000 migrants a year from overseas may be all right for a start, but it will be of no use as a permanent measure. If we are to have any semblance of ability to defend ourselves at the end of 20 years, the flow of migrants into Australia must be multiplied many times 70,000 per year. I know we must exercise care to ensure that our economic position is not disturbed by the advent of migrants and that there will not be any avoidable unemployment, but there is one thing that is fundamental and this is that all our ideals will be of not the slightest avail if this country in 20 years' time is occupied by someone else. Therefore I express the hope that the Governments, Commonwealth and State, will approach this matter of migration in the most adventurous spirit.

The Premier: It will be necessary for those who come here to be married or marriageable.

Mr. McDONALD: I do not follow the Premier's meaning.

The Premier: It would not do for all of them to remain single.

Mr. McDONALD: I agree that that is a material factor, and that is why I referred to the situation about the weighted amount to come to us in respect of children between the ages of five years and 15 years. However, I will allow the Premier his small joke. I am speaking seriously. What happens in 20 years' time will probably be a matter of indifference to me, but it will be a matter of the greatest import to other people. I am one of those who, after World War I, belonged to the League of Nations, believing that thereby we had a chance of ensuring continued peace. But I was wrong.

Hon. J. C. Willecock: There was a chance.

Mr. McDONALD: Yes, but the prospects at present look worse than they did during the period between the two great wars. I

want to see a great expansion of our migration programme. I want to see more done in the way of organisation. We have an organisation capable of good work for the settlement of Servicemen on the land, headed by Mr. Fyfe.

Mr. Leslie: Why has the Government not started to settle any soldier applicants yet?

Mr. McDONALD: Cannot we have associated with the soldier land settlement movement an investigation of the avenues of settlement that could be opened for intending migrants? In spite of our non-success in the past, which has been striking and deplorable, we might hope for some improvement in future. Cannot we also have some organisation set up to investigate the avenues in which migrants might be absorbed into secondary industries? It would be of no use their coming here and being left on the beach with no idea as to what opportunities exist for their employment or for their activity.

The Minister for Lands: It would be no use putting them on the land if they are only to be starved off in a few years.

Mr. McDONALD: I quite agree.

The Minister for Lands: That is the trouble with soldier land settlement. Shove them on and let them starve.

Mr. Abbott: You want a balanced economy.

The Minister for Lands: So the member for North Perth has awakened.

Mr. McDONALD: The whole matter will have to be handled with care. That is why I mentioned secondary and other industries. They also could help to absorb migrants, but I say emphatically that I would be extremely sorry to sit in the place of any Minister and disregard in cavalier fashion the matter of the security of this country.

The Minister for Lands: Who is doing that?

Mr. McDONALD: There is very little evidence, so far, of any organisation. If it exists, then I appeal to the Government to tell Parliament and tell the people about it. A booklet has been issued by the Commonwealth Government dealing with the activities of a committee that went overseas to consider sources of migrants. It was not wholly promising, but it did show that sources of migration existed which I think would be very suitable to our country. There are countries,

such as Switzerland and Holland in particular, putting aside the British Isles, which are the first desirable source of migrants.

The Minister for Lands: The British have no desire to let them go.

Mr. McDONALD: Is that true?

The Minister for Lands: Yes. That is their argument.

Mr. McDONALD: I doubt it, and I advise the Minister to make some more inquiries about it, because I have reason to believe that the Government of Great Britain is contemplating some considerable movements of its population into Dominions overseas, for a very simple reason. It sticks out a mile. In this Atomic age great concentrations of population are simply "for it".

The Minister for Lands: Just as much in Australia as in Great Britain.

Mr. McDONALD: I do not think so.

The Minister for Lands: Why not?

Hon. N. Keenan: The population is more scattered in Australia.

Mr. McDONALD: And Great Britain does not think so.

The Minister for Lands: Scatter the planes, too!

Mr. McDONALD: I have reason to surmise that if the Minister will inquire he may find that the British Government is contemplating facilitating the movements of population from Great Britain and its very congested areas into overseas Dominions, where those people might have a chance to settle, instead of being left in circumstances where they might be exposed to destruction in an atomic war. I do not propose to enlarge on that phase; I mention it because it is of first importance; and I feel it is basic that if we talk about minor movements in our Budget in this Parliament and ignore the great fundamental questions of existence which will be decided within the next 20 years, we are a show that is hardly worth maintaining.

I want to refer to our trade possibilities. I do not know in any detail how much is being done to open up trade possibilities in Australia and, in particular, Western Australia. The Commonwealth may be doing something by means of trade commissioners to ensure that we obtain our share of trade

with various other countries of the world; but as far as I know very little exact information has been forthcoming on the subject. What I do know is that a disastrous situation is now obtaining in Australia in relation to the most natural and convenient avenue of trade, that is, between Australia and the Indonesian islands.

The Chamber of Manufactures pointed out only yesterday that prior to the war this State used to export £250,000 worth of flour to Java and the other islands every year. That trade has, I believe, now been lost to us and has been taken over by the United States. It may not come back to us for many years, if at all, but certainly not for many years. That is because, by a decision of certain extremists on the waterside, Dutch ships will not be loaded in Australia. The result is that they have ceased to come here and may not come again for many years. Only recently, in our own harbour, the services of a tug were refused to a ship, the "Bonaire," when she desired to leave the harbour, by some mistaken act of loyalty on the part of members of the crew of the tug. Recently we had the experience of the ship "Piet Hein." I had some conversation with the Premier and desire to say to him that in connection with this ship he did exert influence in order to ensure, or try to ensure, that she received the hospitality of the State of Western Australia. The story of that ship is about the biggest blot on its good name that this country has ever had.

It is a tradition amongst all countries that there should be mercy extended to a ship that had been damaged at sea; but it was left to Australia to have the ignominious reputation of turning away from every Australian port a ship under British command which had been damaged by collision in the northern waters of Australia or in the waters above Australia, and was in such a condition that she might have sunk with the loss of her crew.

Mr. Leslie: You do not call them Australians, do you?

Mr. McDONALD: How long is that to go on? I appeal to the Premier and his Government to use every power they can exercise to ensure that there will not be a recurrence, because by the decision of unauthorised and unofficial people, who speak against the will of the vast majority of the

Australian people, the trade relations with a friendly allied country have been cut off indefinitely. It is almost inconceivable that such a state of affairs should be allowed to continue.

Hon. W. D. Johnson: Of course, there was an economic angle, too. There were certain economic difficulties.

Mr. McDONALD: There were no difficulties which justified severing our trade relations.

Hon. W. D. Johnson: I am not saying that.

Mr. McDONALD: I repeat, there is no possible justification for severing trade relations with a friendly and allied country, as is the condition today with the Dutch people and the Dutch East Indies.

Hon. W. D. Johnson: There were and are economic limitations. We now propose to make a loan to the Netherlands East Indies.

Mr. McDONALD: The economic arrangements primarily favour Australia.

Hon. W. D. Johnson: Why are we lending them £7,000,000 now?

Mr. McDONALD: We are trying to repair the damage which has been done. The Dutch have cancelled £6,000,000 worth of orders, many of which were in this State. An endeavour is now being made by that means to overcome some of the difficulty that has been caused; but in the meantime this condition still obtains and I want to say that the Dutch authorities have observed most commendable restraint. I know something of what has been said by captains of Dutch steamers. The words they have used about their treatment in Australia would not be printed in most journals for home consumption. I do not blame them; they are entitled to say it.

Mr. Cross: It is a pity the way the Dutch treated the niggers in the N.E.I.!

Mr. Abbott: Anyway, they were a lot of scabs to Australia, as you know.

Mr. McDONALD: What I know is that the President of the Javanese Republic—and I do not propose to deal with international affairs—received the Order of the Sacred Treasure, Second Class, from the Japanese Emperor in return for his co-operation with the Japanese. We know that is a fact. That particular

decoration has never commended the President of the Indonesian Republic or his supporters to me. Not only that, but I am informed—though I will not vouch for it absolutely—that the South African Government has been operating a line of steamers for years, a Government line, which came here and picked up certain products of Australia for use in South Africa; but it has now either terminated its carrying trade with this country, or is about to do so.

Mr. Smith: They cannot get nigger labour here!

Mr. McDONALD: Nigger labour is not employed on those ships, but white labour. The South Africans are terminating their carrying trade because it takes so long to turn around their ships that they find they can be better served by going to South America for their supplies. These are matters on which our budgets are formed and they are immensely more important than whether we are going to spend £10 or £100 a year more on this or on that item, because they are fundamental to the prosperity and trade of the people of Australia and of Western Australia. I appeal to the Government to endeavour to see that incidents such as happened even yesterday with the steamer "Bonaire" are not allowed to continue, and to tell the people of the Netherlands East Indies that, so far as this State is concerned, trade relations are going to be mutual and on a friendly basis, with facilities and hospitality provided at our ports.

I am glad to see that our national debt has fallen. In 1941 we owed £204 16s. 9d. per head. The figure is now down to £195 0s. 7d. Through the diminution of our interest rates and the operation of our sinking fund, there has been an improvement in the debt position of the Western Australian people. While I say that, do not let me be misunderstood. I am not an enemy or an opponent of borrowing on a suitable scale. This is a country requiring development, and loan moneys are necessary for that purpose. But on looking at the loan position, I find that out of £86,000,000 of loan moneys spent in this State, as shown by the tables supplied by the Treasurer, only £2,700,000 is fully reproductive in the investment in which it has been put.

The Premier: There is a lot of it in the Murray-Wellington area.

Mr. McDONALD: Of loan money £77,000,000 has been spent on partly unproductive and £6,000,000 on totally unproductive work. In a pioneering State we are bound to make mistakes. In a new country, we proceed by trial and error.

Hon. J. C. Willcock: We are bound to carry out works that are not immediately reproductive, too.

Mr. McDONALD: Yes. We are bound to look to the future. I did not quote those figures in order to go back over the past, but I quoted them as a lesson to the future; because in any survey of Western Australia's economy which I have ever read from the Grants Commission or in any other work on that subject, the burden of unproductive loan expenditure in Western Australia has always been remarked upon and it is undeniable that it represents a severe burden to a small population with a great area.

Hon. W. D. Johnson: It is the small population that causes it.

Mr. McDONALD: The small population increases the burden; but what I want to suggest is that while we must and should continue loan expenditure on a considerable scale in order to develop this State we can well profit by the past and try to ensure that our loan expenditure is as productive as possible. When I say "productive," I do not mean merely productive in so much money per year, but productive in the broad sense that it increases the value of the country's economy and increases the national income of the people.

The Premier: Do you not think that was the sentiment actuating people who invested loan moneys in the past?

Mr. McDONALD: It may or may not have been. I am not going to inquire into the motives of the lenders. What I suggest is that more discussion in this House of the utilisation of loan moneys might well be advantageous in the future; and, in relation to a matter discussed in this House previously, I cannot imagine a better argument for a parliamentary committee on public works than the figures I have just quoted. While I agree that much public expenditure cannot be reproductive in the sense that it pays $3\frac{1}{4}$ per cent. per annum

which is the average rate of our loan funds now—

Hon. J. C. Willecock: Plus sinking fund.

Mr. McDONALD: Yes. While I agree with that, I do think it is not evidence of the most prudent administration that of £96,000,000 of loan expenditure only £2,700,000 is paying its way regarding interest.

Hon. W. D. Johnson: Our loan expenditure is not attracting an increasing population.

Mr. McDONALD: If that is so, there has been something wrong with it. One of the ideas of loan expenditure is to attract population to develop the State and share the burden of the loan.

Hon. W. D. Johnson: If you do not do that, you cannot make it reproductive.

Mr. McDONALD: No. If, as the hon. member says, our loan expenditure has failed to attract more people to this State, then we have failed in one of the primary objects in incurring this liability.

Hon. J. C. Willecock: The bulk of loan expenditure is tied up in railways and electrical undertakings. Would you have us charge remunerative prices?

Mr. McDONALD: No, not at all. I thought I made it clear that I do not regard loan expenditure as being confined to matters which will bring in $3\frac{1}{4}$ per cent. and sinking fund. I think it can be thoroughly justified by its contribution to national income even though there is not a return of $3\frac{1}{4}$ per cent.

The Premier: It all depends on how the national economy is spread.

Mr. McDONALD: Yes, it all depends on that. But any perusal of these figures in relation to the reproductive expenditure of loan moneys, and any consideration of the comments from authoritative sources on the past administration of our State regarding loan moneys, reveal the lesson that we might well use some circumspection in future when we contemplate a large loan expenditure.

Hon. J. C. Willecock: The income has increased considerably.

Mr. McDONALD: It has.

Hon. J. C. Willecock: That is as a result of the expenditure of loan moneys.

Mr. McDONALD: Yes. Our income, per capita, is one of the largest in the world, and that is highly creditable. But even so we lose much of the benefit of our large production, per head, if it is absorbed in servicing loan expenditure that is so largely unproductive.

Hon. J. C. Willecock: We have not had a deficit for the last five or six years.

Mr. McDONALD: The failure to have a deficit in the last five or six years has been at the expense of maintenance and other expenditure that we could not incur during the war years. I do not intend to derogate from the achievements of the Treasurer of those years, but our success in having no deficit has thrown on the present Treasurer a huge burden that was reflected in his immense deficit of £912,000 last year and, apart from the extra money that has come into the Treasury, expenditure of the same amount would be involved this year.

I welcome the increased expenditure on education. I heard the Leader of the Opposition say it was a pity that so little of that expenditure could be directed to better buildings and facilities for the children. I do not need to tell the Minister for Education—but I do want to repeat it because it is borne in on me, as on others—that the situation regarding the school buildings and accommodation is becoming more acute every day. That is well known to the Minister. He has the strongest possible case in bringing pressure to bear on the Commonwealth Government for some relief from its funds to meet our education requirements.

Hon. J. C. Willecock: That loan expenditure will be unproductive.

Mr. McDONALD: It is open to grave doubt as to whether loan expenditure should be devoted to many things. I would put this into a separate account.

The Premier: A separate account would not pay interest and sinking fund.

Mr. McDONALD: That is so, but I would divide my accounts into loan expenditure which is not meant to be reproductive, in the form of interest, but is for general purposes to assist the economy and the social services of our country, and I would show the servicing of that debt as a direct charge on the ordinary revenue of the State. I have endeavoured to refer to two matters in particular, both of which are fundamental to

this Budget and to every future Budget which may be brought before this Parliament. The first of those matters was: Are we going to continue to have a State Parliament and Government? That is the constitutional issue today. The second was: Are we going to continue to have a country and a State that will be secure from the threat of aggression by any outside nation? I have endeavoured to show that population and development are the most urgent problems of the State today. Bold development of our resources is necessary in order that we may meet the challenges of the two matters that I have just mentioned. I welcome the proposals to increase our water and power resources because those two projects are on the right lines.

My last word is not on figures. The Budget, after all, is only a symptom, and is limited in its function, although it is most important. It is an index of the social and economic progress of the State, but it is only one index; there are many others. In one of his books, "Full Employment in a Free Society," Sir William Beveridge advocates what he calls the human budget. I think the phrase was first coined by Mr Ernest Bevan. It is a budget that is based primarily upon the obligation to ensure employment for every man and woman in the country requiring it; it is a budget which accepts the obligation of the State to see that there are funds to maintain employment for all wishing to be employed. There is much to be said for such a budget, but what I would like to see is not a budget that is merely a collection of figures, important though they are, such as the Treasurer has brought down, but one which would include the social and economic position of the State and show our vital statistics, national income, average income per head, production, crime figures, education costs and school facilities, and thus present a picture of the economic well-being, or otherwise, of the whole people. Such a budget would paint a picture of the whole country and would help to guide Parliament in the measures necessary for the advancement of the State.

The last thing I want to say is that the real wealth of the country consists of its people. It is in their character, their efficiency and their industry. I am coming more and more to the conclusion that the basic approach to improvement in conditions and

standards, material as well as otherwise, comes through the individual and the attitude of the individual to society in general. I am sometimes pessimistic about these things, but it should be practicable for the Government, which is responsible for leading the people, to do something more to educate everyone on these matters. The progress of the country is going to depend upon the performance of duties so that there must be more emphasis on duties, as well as on rights, in the future than there has been in the past. The whole lesson is one of interdependence and the need for each individual to discharge his part in helping to maintain the well-being and prosperity of the others. That is fundamental to the Treasurer's Budget, but I do not think enough is done in the way of education in those basic principles. If more is done the Budget may reflect progressively better figures, and a broad survey of the country's social conditions and economy may show steadily rising standards

MR. HILL (Albany) [9.1]: I listened with great interest to the remarks of the member for West Perth, who struck the right note when he said that we need population to develop our State. When the then Prince of Wales visited Australia some years ago he said, "What, half the population in the cities? In a young country you cannot progress under those conditions." If we are to progress we must distribute our population evenly over the whole State as far as is possible. I think centralisation is worse in Western Australia than in any other State of the Commonwealth. We must ask ourselves why it is that half our population today is to be found within a radius of 10 to 12 miles from this Chamber. I believe the cause is that Fremantle has almost a monopoly of shipping in this State.

Mr. Cross: Albany Harbour again!

Mr. HILL: The Parliament of this State which consists of more than the member for Canning, realises the truth of my remark. Last year it unanimously agreed to the appointment of a Select Committee to inquire into the possibility of making greater use of our outports. That Select Committee was turned into a Royal Commission and we are anxiously awaiting its report. The report was handed in and I hope will soon be laid on the Table of the House. The Commonwealth Government and the Prime Minister apparently realise that it is es

sential to adopt a policy of decentralisation throughout Australia. I will quote from the "Primary Producer" of the 5th September—

DECENTRALISATION POLICY.

Prime Minister's Statement.

In a telegram to Mr. Nelson Lemmon, M.H.R., at Broomehill on Tuesday, the Prime Minister (Mr. Chifley) said he wanted to make it quite clear that decentralisation of wool selling was the Federal Government's policy.

Mr. Chifley added "This is clearly shown in the decision that this Government has already made to establish wool selling centres at various country towns such as Albany, Geraldton, Portland, Dubbo, Moree, Rockhampton, Townsville and other places. The policy of this Government is to do everything in its power to see that every facility is provided at these centres, in order that wool sent to them by growers will be accepted and dealt with.

"Furthermore, the Government will do all that is possible to assist in the establishment of subsidiary industries such as wool scouring, wool carbonising and the wool textile trade in the country areas of Australia."

Mr. Cross: You should support the Labour Party, after that.

Mr. HILL: If we are to adopt a policy of decentralisation, we must decentralise the handling of wool, which is our main product. I will not discuss the position in the Eastern States, because we are concerned with Western Australia. We must work for the development of Geraldton, Fremantle and Albany as the three main ports and trading centres of this State.

The Minister for Justice: What about Esperance?

Mr. HILL: Esperance is not mentioned as a wool-selling centre, and in my remarks tonight I will deal largely with wool. Before the 1914-1918 war, Western Australia's wool was mostly sent to London, though some went to Sydney. At the outbreak of that war appraisalment centres were established at Geraldton, Fremantle and Albany. When the appraisalment ended, at the termination of that war, an effort was made to have wool sales established at Albany. All the arrangements were made, but at the last moment the woolbuyers refused to attend the sales there, and consequently no sales were held. When war broke out again in 1939 wool appraisements were again conducted throughout the Commonwealth and, after a struggle, wool appraisalment centres were established at Albany and Geraldton. I would at this stage like to pay a tribute to

the hard work done by the late member for Forrest, Mr. J. H. Prowse, in relation to Albany. When the wool appraisements ended, an effort was made to have wool sales held at Geraldton and Albany. The organisations throughout the outlying parts of the State worked to that end and in April last the woolbuyers convened in Perth a meeting of those interested, and explained why they were opposed to wool sales being held at Geraldton and Albany. The chairman of the meeting was Mr. Argyle, chairman of the Woolbuyers' Association. Portion of the statement that he made was as follows:—

I would like to make it clear that our objections to Albany and Geraldton have nothing to do with politics or any question of decentralisation. We have no political feeling in this matter nor have we any antagonism towards the grower trying to sell wool wherever he wants to. We know the physical limitations imposed on the trade. It is utterly impossible to anticipate what buying strength we can muster when trying to be in a lot of places at once, and it is certain that any buying strength will not buy wool at a point where it cannot be absolutely assured of shipping. We know how essential it is that shipping should be part and parcel of our organisation. We know that sales cannot continue unless we are adequately served by shipping, and we feel that perhaps Australia is the only country in the world that has the distinction of trying to dissipate instead of concentrate its buying strength. We feel that the successful establishment of auction sales is conditional on the maximum concentration of buying strength and shipping. Actually the perfect selling centre is the concentrated centre, because the world's accumulated buying strength will require to be at that centre.

Later he said—

Now gentlemen, I have endeavoured to cover this matter from all points as the buyer sees it. In a nutshell our objections are—(1) Shipping. (2) Dissipation of buying strength. (a) By whittling down the quantity available in Perth, already a small centre; (b) Clashing with Adelaide and other major markets. (3) Detrimental effects of irregular and cheap quotes from small centres on the market generally.

His attitude seemed to be, "I represent the buyers and am speaking for them. You must be a lot of good boys and save us expense. We want as few markets as possible, and as large markets as possible." When he laid such stress on shipping I pointed out that Mr. Kennedy, the chairman of the O.S.R.A., had stated that there was no shipping difficulty in relation to Albany, and

that if we had the cargo the ships would call there and pick it up. I said to Mr. Argyle, "You say the bigger the market, the better." He replied, "Yes." I asked, "Would it not pay us to send the 45,000 bales produced in the Great Southern from Albany to the London market?" Mr. Argyle did not like that suggestion at all and said he hoped his remarks had not implied that. After discussion, the meeting ended without a definite decision being arrived at. The Woolgrowers' Section of the P.P.A. continued to work, and finally the brokers expressed complete agreement, saying that they would attend wool sales at Albany and Geraldton if the growers so desired.

On the 5th July the brokers went to Katanning and met representatives of the growers of the Great Southern districts. I think a report from the "Albany Advertiser" of the 8th July will best explain what took place at that meeting. It stated—

When representatives of the Associated Woolbrokers of W.A. met a delegation of Lower Great Southern Woolgrowers at Katanning on Friday to discuss the question of conducting wool sales at Albany during the coming season, much progress was made towards an understanding, and subject to certain difficulties being resolved, it is probable that sales will take place in Albany. The quantity that may be sold here is not yet certain, and will depend on the space that can be assured for show floors and bulk storage. To investigate this and other matters, a committee was formed comprising Messrs. Lodge and McCann (Brokers), Hon. H. L. Roche, M.L.C., and Mr. C. B. Ball (Growers), and Cr. J. Norman (Albany interests), with Mr. R. Houghton as Secretary.

Discussions on Friday were frank but completely amicable. The woolgrowers made it quite clear that they desired the establishment of sales at Albany, not only because of the probable advantage to growers in freight savings and other ways, but also as a step towards the full development of the port of Albany as an outlet for the Great Southern areas. It was pointed out that a failure to establish sales at Albany would induce many growers to sell their wool on the farms, a practice which is not in the interests of either growers or brokers.

For the brokers it was submitted that existing facilities at Albany could not accommodate more than approximately 4,200 bales per sale, as a maximum figure, and with five sales during the season, the total handling would be approximately 20,000 bales. If show floor and storage space could be extended, using existing buildings in Albany the season's total could be raised, it was thought, to 30,000 it being suggested that after allowance had been made for wool which would be sold on

farms and other lots which would in any case be sent to Fremantle, this was the proportion of the Zone's estimated production of 40,000 bales which could be expected to be sent to Albany. The brokers pointed out that the selling of wool on farms was not a sound proposition, as buyers under that system had to protect themselves, and in effect the grower found himself paying a double commission on sales.

Discussion took place on the question of shipping, with particular reference to the problem of shipping small lots, as for instance to America or destinations other than the United Kingdom, for which it might be difficult, if not impossible to find direct shipping from Albany. It was agreed that the Federal Government should be asked to guarantee railage to Fremantle on lots which could not be shipped direct from Albany, but that every effort should be made to ensure shipment direct from Albany if such was possible. Mr. Nelson Lemmon, M.H.R., is to be asked immediately to take up with the Federal Government this question of rail subsidies.

It was mutually agreed that propaganda harmful to both sides should cease, and that every effort should be made jointly to overcome existing difficulties in the way of conducting sales at Albany.

The brokers took the view that it was not competent for them to advise growers where they should send their wool for sale. On behalf of the growers' representatives, it was recognised that much uncertainty existed among growers, and that this will need to be clarified if sales at Albany are to receive the support desired.

The present position appears to be that while it is not yet certain that sales will be held at Albany, the prospects are definitely good that such will be the case.

A pleasing feature of the conference was the clear understanding that was reached on the respective points of view of both sides. It was the first occasion on which both broking and growing interests had had such an opportunity of discussing freely and frankly their difficulties and desires, and no apparently insuperable difficulties were found to separate the two parties.

Those present at the conference were Messrs. Sadlier, Giles and Lodge (Elders); Cameron (Dalgety's); Thomson and McCann (Western Australian Farmers); and Withnell (Goldsbrough, Mort), representing the Brokers; Messrs. Ball, Roche, Irving, House, Brumley, Harris and Bell (representing the growers); and Messrs. J. Norman and R. Houghton (Executive) Albany Zone Conference.

Members will have noticed from the report that the meeting was a very amicable one and I believe everybody left with a feeling of great pleasure. The negotiations proceeded. The "Primary Producer" of the 5th September published particulars from the

secretary of the West Australian Wool and Producer Brokers' Association, Mr. C. H. Merry, of the dates of the wool sales to be held in Western Australia up to Christmas. These were—16th September, Perth; 25th September, Geraldton; 14th October, Perth; 23rd October, Albany; 11th November, Perth; 20th November, Geraldton; 27th November, Albany; 16th December, Perth.

The Minister for Works: Whose itinerary is that?

Mr. HILL: The wool brokers; they agreed to attend those sales. The report stated—

Geraldton and Albany Sales.—Mr. Merry, referring to Geraldton sales, said that growers normally delivering their wool to stations within the area bounded by Pindar, Mingenew, Ajana and Yuna could consign wool to Geraldton, and such wools received at that centre up to about September 14 would be eligible for inclusion in the opening Geraldton fixture on September 25.

For the Albany sales wool would be received from the zone bounded by Moojebing, Kulikup and Pingrup and from all stations south of these points. This zone, it was estimated, would provide at Albany a total of 25,000 bales for the season, and it was proposed to offer about 4,000 bales at each sale. Albany stores would be ready to receive wool on September 9, and growers could arrange deliveries accordingly.

The next statement I shall quote is particularly interesting in view of the fact that Mr. Argyle stressed the shipping difficulty—

The Shipping Arrangements.—The following statement by the chairman of the Australian Wool Realisation Commission (Mr. J. F. Murphy), regarding shipping facilities for the wool sales at Albany and Geraldton, was made available by the State secretary (Mr. H. Rae):

"The Australian Wool Realisation Commission will value wool suitably displayed by the brokers at Albany and Geraldton, and will bid the reserve price for all lots offered at auction at those places on the dates now announced.

"The commission is in touch with the Oversea Shipping Representatives' Association in regard to the provision of ships to lift wool purchased at Albany, and in fixing reserve prices to operate at that place, Albany will be regarded as a port of shipment. That means that reserve prices at Albany will be the same as those operating at Perth for the same classes of wool.

"The commission is also in contact with the Holt Line through Dalgety and Company in regard to the shipment of wool from Geraldton to the United Kingdom and Europe via Singapore. When such shipment is assured, and the facilities at Geraldton are adequate to handle the wool of that district, reserve prices at Geraldton will also be fixed on a port of shipment basis. In the meantime, however, the

reserve prices at Geraldton must be fixed on the basis of Perth less rail freight from Geraldton to Perth or Fremantle."

The Premier: Did he give any idea of the bookings at each centre?

Mr. HILL: No. We at the southern end of the State—and I think this applies also to the growers in the Geraldton district—were jubilant at the fact that we were going to have wool sales. It was not only a question of what the growers would save in rail-age by not having to send their wool to Fremantle. We at Albany are in a different position from the Geraldton growers. Albany is right on the main overseas trade route, and a very small diversion from course is required for ships to call at Albany. But we cannot get a ship to pick up butter or eggs, and sometimes it is difficult to get a ship to pick up meat. If we could be assured of shipping the wool of the Great Southern areas through the port of Albany, it would do more to develop that port than anything else I can think of. As far as Geraldton is concerned, the shipping position there is different. In normal times ships regularly call at Geraldton on their voyage from Fremantle to Singapore, and if we can do anything to encourage the shipment of wool from Geraldton we would also ensure a better shipping service to our North-West ports. Everything, as we thought, was going on as well as could be expected until this morning, when I took up "The West Australian" and read the following:—

Wool Sales—Outside Centres—Buyers Refuse to Attend.—That wool buyers were opposed to the establishment of selling centres at Albany and Geraldton was stated at the opening of the Perth wool sales on Monday by the chairman of the West Australian Wool Buyers' Association (Mr. T. M. S. Argyle). This, he said, was the unanimous decision of his organisation, members of which would refuse to attend sales at either of those centres.

Mr. Styants: They have gone on strike.

Mr. HILL: Yes. The report continues—

These remarks were made during a reply by Mr. Argyle to a welcome extended to buyers by the chairman of the West Australian Wool and Produce Brokers' Association (Mr. R. A. Cameron) on the resumption of the Perth sales after an interval of seven years. At the request of growers, Mr. Cameron declared, brokers had decided to inaugurate sales at Geraldton and Albany and he expressed the hope that buyers would co-operate and attend these out-centres and so make the fixtures a success.

The establishment of outside selling centres, Mr. Argyle said in the course of his reply, was not in the interests or to the advantage of either growers or buyers. The buying trade at the moment was confronted with great difficulties. He suggested that brokers inform their grower clients of his members' decision.

[This statement is in direct contradiction to remarks made at Geraldton last week by the Minister for the Interior (Mr. H. V. Johnson), who said: "Wherever there is wool the buyers will come and likewise ships will come wherever freights are offering." Earlier, Mr. Johnson had said that the Government had displayed confidence in Geraldton by authorising an expenditure of between £60,000 and £70,000 for the provision of a building for handling wool at that centre.]

Before Monday's sales commenced reference was made by various speakers to the loss sustained by all concerned in wool activities in this State through the death of Mr. J. L. Prevost, late wool manager of Dalgety and Co. Ltd., who had been associated with auctions in Western Australia since their inception about 25 years ago.

That report was a bombshell. As the member for Kalgoorlie just interjected, the buyers have gone on strike. The interjection was a very sensible one. What would we in this Parliament think if the lumpers said, "We are not going to load ships at Geraldton; everything has to go to Fremantle. We will not load ships at Albany or Esperance; everything has to go to Fremantle"? There would be an outcry right throughout the State and the lumpers would be very emphatically condemned. To my mind, the Wool Buyers' Association is just as bad as the Communists, who take up that attitude in other parts of Australia.

The Minister for Lands: Why the Communists?

Mr. HILL: Or any undesirable section that causes trouble. To my mind this is a direct challenge to both the Commonwealth and State Governments. Both those Governments are sincere in their desire to establish a policy of decentralisation. We have to do so. We have to build up a sound policy of decentralisation if we are to lay a foundation for a prosperous Western Australia.

The Premier: What would be the attitude of the agents to the brokers' decision?

Mr. HILL: Which agents?

The Premier: The wool firms.

Mr. HILL: I think they would do whatever the growers wished. From my experience of them I feel sure they are out to

build up a prosperous State and they realise that the development of our most suitable outports is desirable and in the interests of the State.

Mr. Watts: Have they not signed the Great Southern circular about Albany?

Mr. HILL: Yes. It is published in the "Primary Producer" of the 5th September, and is as follows:—

Albany is our port, and it is definitely to our interest to use it. Seaborne freight is cheap freight, but freight carried by rail will keep you poor. With one of the finest natural ports of Australia languishing on our doorstep, we are bled white for the benefit of others three hundred miles away. Every article we buy through Fremantle costs us more, and every article we sell through Fremantle brings us less because we are loaded with the extra freight. In proportion that our costs are higher our receipts are less, our production is less, and the value of our land is less. These facts are self-evident.

The matter of holding wool sales at Albany has lately been much before the public. Much discussion has been held, and the wool-growers' organisations have taken active steps to promote the project, and in this they have had the full support of the wool-broking firms. The woolbrokers and growers, working in co-operation, have now brought the matter to a stage where the success of these sales seems assured. The difficulties which at first seemed formidable have been overcome by the loyal co-operation and untiring efforts of these two bodies. Ample storage space is now provided for, and showroom space sufficient for the proper display of all wool proposed to be offered. Shipping difficulties have now been happily resolved. The Commonwealth Wool Realisation Commission have now informed the member for the district (Mr. Lemmon) that the Overseas Shipowners' Representatives' Association has assured it that ships will be in position to lift all wool desired from Albany. The Commonwealth Wool Realisation Commission has given an assurance that all wool will be valued on a seaboard basis, and not on an inland basis; and that it will protect wools to the full value under the scheme. With this position, both the growers' organisations and the woolbrokers are satisfied.

I think that is very definite. I fully realise that the Government has not the power to say to the buyers, "You have to go to Albany," or "You have to go to Geraldton." I feel sure, however, that both the Commonwealth and the State Governments will do all in their power to develop those two ports. The man most concerned is the wool-grower. He is the man who will stand to lose if the sales are not held there. I suggest that the Government take up an attitude

similar to that adopted by me at the meeting with Mr. Argyle in April. First of all, we should do everything possible to secure the co-operation of the wool buyers. If that co-operation is not forthcoming, I hope the Government will not see its plans upset by a handful of men.

I also suggest that the Government make a definite announcement today asking all growers in the Geraldton and Great Southern areas to send their wool to Albany and Geraldton. The Governments, both Commonwealth and State, should on their part guarantee the growers against any loss. The Commonwealth Wool Realisation Commission could, if necessary, in the absence of buyers, purchase all the wool and ship it to London. I am sure no loss would be sustained either by the State or the Commonwealth. If we can insist on wool sales being held at both Geraldton and Albany, I feel sure we shall go a long way to laying a sound foundation for this State of ours, and I sincerely hope that both Governments will co-operate in giving effect to these suggestions.

HON. J. C. WILLCOCK (Geraldton) [9.29]: I desire to support the remarks of the member for Albany with regard to this particular aspect of the wool selling arrangements for this season. It is a distinct breach of faith for the wool buyers to allow us to get within a week of a sale, when a considerable quantity of wool—some 3,000 or 4,000 bales—has been consigned to centres where wool sales were to be held, according to the brokers themselves, and then to make a pronouncement that they are not prepared to go to those centres. The Commonwealth Government has been anxious, since the appraisalment centres have been established at Albany, Fremantle and Geraldton, to continue having wool sales at those centres. There has already been a sale in Perth of the wool stored at Fremantle and elsewhere.

A sale is to take place at Geraldton next week, followed two or three weeks later by a sale at Albany. It seems to be said on behalf of the buyers that there is only a comparatively small amount of wool to be sold in Western Australia. They say it is comparatively insignificant. But when I point out that there is approximately 100,000,000 lbs. of wool produced in Western Australia and that there are only three centres where it can be sold, it will be realised that there

would be considerable congestion if all the wool produced in this State were to be sold at the one centre. I think it is generally conceded that the policy of the State and the Commonwealth Governments in regard to the decentralisation of industry and commerce is something which all parties should agree to; and I was very pleased to hear the member for West Perth stress the importance of that in his very good speech this evening.

The Commonwealth Government has not hidden its light under a bushel. It has made arrangements and called for tenders—in fact, I think tenders have been accepted for buildings to cost from £60,000 to £70,000 for the proper display of wool. It has expended a considerable amount of money in making facilities available at Geraldton in a proper condition to display wool for this comparatively small sale, and has done everything possible to ensure success in the decentralisation of the commercial operations of wool selling. The State Government co-operated. The Town Planning Commissioner accompanied the Minister for the Interior, Mr. V. Johnson, M.H.R., to Geraldton to see that the site of the proposed display floor accorded with modern requirements of town planning. A block of land was purchased of 15 to 20 acres, contracts have been made, and the whole process of providing for these sales has been put in hand. Now we get what the member for Albany termed this bombshell!

This is only a repetition of the traditional objection to sales being held in decentralised places. Originally, all the wool produced in Australia was sent to London. Subsequently it was felt that it would be in the interests of the commerce of the country if a portion were sold in Australia. Sales were held in Sydney and Brisbane, and subsequently in Melbourne. Eventually they were held in Perth. But there was strong opposition in regard to buyers coming to Perth, similar to the opposition that exists to buyers going to Geraldton and Albany at present. Wool production plays such a tremendous part in the State's economy that it is very important to see that everything possible is done to encourage the sale of wool and proper commercial arrangements in that regard. Our wool production will be almost equal in value to £7,000,000 or £8,000,000 before very long. Calmly to say that that tremendous amount of valuable

wool is all to be bought willy-nilly from every small hamlet in Western Australia and concentrated in one place, where it would be very congested and in consequence the best prices would not be realised, is to do something against the interests of the country generally.

Of course, the Commonwealth Government has said that so far as it is concerned the wool will be placed on the market. Whatever the appraised value of it is, there will be a bid by the Wool Realisation Committee to that extent; and if there is a rise in price above the appraised value, it will be sold in the open market and allowed to go into consumption. The experience of Sydney, Brisbane and Perth during the last two or three weeks of wool sales has been that wool, instead of being sold at the appraised value of approximately 18s. per pound, has realised from 30 to 50 per cent. more. If the wool sales at Geraldton and Albany are to be on the basis outlined by the Commonwealth Government—that is, that it will be passed in and the grower will only get the appraised value—those growers will be losing approximately 33 per cent. of the price they would otherwise expect to get.

That would be a distinct disadvantage. It means that the wool producers of the Albany district and the Geraldton zone will necessarily have to dispose of wool at 30 per cent. less than would be the case if the procedure outlined were carried out. I have no doubt that some steps will be taken to conserve their interests. It would be unfair for growers to receive that treatment. No Government would allow itself to be put in that position. This is a direct negation of Government policy by a comparatively small number of people who have set out wilfully to oppose what is supposed to be in the best interests of the country's economy. I do not know what steps can be taken. I have discussed the matter with the Premier and the Minister for Agriculture and I understand that they are taking some steps, or propose to do so.

The Premier: We have taken steps.

Hon. J. C. WILLCOCK: Yes, I understand steps have been taken. I do not know what they are. I think perhaps we might get a statement from the Government dealing with what has transpired, from the Government's standpoint. I know the Gov-

ernment is fully in accord with the policy of sales taking place both at Geraldton and at Albany. The State Government has been anxious to make arrangements to have wool sales at those outports. At Geraldton it has constructed a harbour costing £1,000,000. It is not a natural harbour, like that at Albany, but it is an eminently safe harbour on the commerce route to the older parts of the world. It will not be very long before a considerable portion of the wool produced in Australia will be sold to Asiatic countries. A fair amount will go to India, and there is a potential market in China and Japan. Japan, before the war, on account of its very cold climate, wanted immense quantities of wool to enable it to clothe its population adequately. Most of the people—the women particularly—are clad in silk. Japan has a very cold climate, and tuberculosis is rife. It is one of the dread diseases of that country. In order to combat it, the Japanese, before the war, spent immense sums on the importation of wool which they made into fabrics to clothe their people, to the great benefit of their health.

China, too, is a potential market for wool, and India, on account of the industrialisation which has taken place there during the war, will be able to undertake a considerable amount of manufacturing of woollen goods. So Geraldton and Albany in Western Australia will naturally do a large trade with Asiatic countries. Certainly there is not a very big volume of wool to be sold in Geraldton during the next two or three months from the present wool-clip. That is not because wool has not been produced there but because the facilities for displaying wool are not available. But, as I have said, the Commonwealth Government has made arrangements for display floors so that the wool can be sold to advantage. It is not a small quantity. When it is realised that 100,000,000 lbs. of wool will be produced in Western Australia, at least one-third in the zone of which Geraldton is the centre, it will be seen that there would be 30,000,000 lbs. of wool that would sell at Geraldton at about 2s. per lb. That means that over £2,000,000 worth of trade will be done even if the production of wool remains as at present, but it has been improving during the last five or six years. The production of wool has increased by about 25 per cent. in this

State. We can recall the disastrous pastoral drought years of 1936 and 1937.

The Premier will remember that at his own port, Carnarvon, instead of about 30,000 bales of wool going over the jetty there were only about 12,000 or 13,000 bales. There are prospects of the seasons improving and the production being augmented to what it was previously so that a greater volume will be available for selling. The Premier and the Minister for Agriculture have taken some steps in regard to this matter, and I hope that some information will soon be given to members. Every possible move should be made to see that the commercial life of the State is decentralised as much as possible, particularly in places where trade to the value of £2,000,000 is offering. In the area that I represent there are distinct types of wool required, and no arbitrary action should be taken by a small coterie of people to heap burdens on the producers.

The idea of having sales at different centres was so that appraisements could be held as near to the point of production as possible. That would permit the producers of the wool to attend the sales to compare the class of wool they produced with the production of other people, and it would allow them to meet and make arrangements with each other about the culling and marketing of sheep and rams so as to ensure good quality wool of the types required by the buyers. If at the sales it appeared that a certain type of wool would bring a better price, the producers could make arrangements to breed for that type so that in two or three years they could market a wool that would return them a better price than at present. I do not want to labour this question. I associate myself with the protests made by the member for Albany when he requested that the State Government should do everything possible to ensure that the original arrangement made with the Commonwealth Government will be carried out, and that we will not have the spectacle of two or three districts in this State having their wool hung up for, perhaps, 12 months.

Mr. Seward: That could easily happen.

Hon. J. C. WILLCOCK: The producers must await that period before getting any return over and above the appraised value. The wool would certainly be taken into

the store by the appraisal committee, but only at the wool price with the result that the 40 per cent. increase, now being received by growers in other parts of Australia, would be denied to our producers.

Mr. Seward: They might even lose it by the time the wool was offered.

Hon. J. C. WILLCOCK: That is so. People want to sell when there is a seller's market, and there is an excellent seller's market at present. It would be a calamity if we were denied the opportunity to sell any portion of the wool of this State now. I again urge that the Government make a statement, as soon as possible, defining its attitude which, I know, is favourable to the selling of wool at both Albany and Geraldton.

MR. NEEDHAM (Perth) [9.46]: Of late years the Budget speech has lacked a great deal of interest. On this occasion, however, the manner in which it was presented compensated considerably for that lack. When the State was master of its own financial destiny we looked forward to the Budget speech because it was the highlight of the session. But times have changed. Since the introduction of the Financial Agreement, the passage of the Commonwealth Grants legislation and, of recent times, the uniform taxation measure, very little, as the member for West Perth said tonight, of interest in our Budget speech remains. I took the opportunity this evening to look back on the speech I made in the Senate when the State Grants Bill was going through that House. I then expressed very strong opposition of the Labour Party of that day. I also voiced the strong opposition of the people of this State. I pointed out that Western Australia would reap very little, if any, benefit from the change due to the abolition of the per capita system of payment and the inauguration of what is known as the Grants system. That has been borne out by facts. This State has suffered financially because of the Grants Commission.

Mr. McDonald: The grant is stabilised and it did not increase population.

Mr. NEEDHAM: Yes. I am under the impression that during the existence of that legislation the real benefit received by the State was in the recent wiping out of the deficit of £912,000.

Hon. N. Keenan: That has ceased. It cannot happen again.

Mr. NEEDHAM: It may not.

Hon. N. Keenan: It cannot. The Act has been repealed.

Mr. NEEDHAM: Another feature of our financial relations is that it is difficult for the State Treasurer to calculate, with any degree of certainty, our expenditure and income. That is particularly so during the period of reconstruction and rehabilitation through which we are now passing. I was glad to hear the Treasurer inform the Committee that there was a move afoot to establish a new body to handle this question of the financial relief of the States. I hope it will not be long before that body is established, and I understand it will be comprised of men of considerable standing. I think the move outlined by the Treasurer is a step in the right direction and an important development in the financial relationship of the States and the Commonwealth.

I am glad to see an increase in the Estimates for education this year. The expenditure on salaries for 1943-44 was £798,616, and for contingencies £75,121, making a total for that year of £873,737. For 1944-45 the expenditure on salaries was £793,608, and for contingencies £95,335, a total of £888,943. For the financial year 1945-46 expenditure on salaries was £862,051 odd and for contingencies £140,469, the total for the year being £1,002,520, whereas for this year the estimate is £1,143,540, an increase of £141,020. That increase is worthy of note, and I welcome it. I think the Leader of the Opposition, when speaking on that question, did not altogether agree with the increase as regards salaries. My only regret is that the salaries were not increased to a greater extent. I would have liked to see a greater increase in the Education Estimates.

Mr. Watts: So would I. I said plainly that I would like to see a greater amount spent, and not a lowering of salaries.

Mr. NEEDHAM: Then on that point the Leader of the Opposition and I are in agreement. The labourer is worthy of his hire, and I venture to say that even with this increase the salaries of our teachers are not as high as some of those in the Eastern States. They are not as high as those in

New South Wales, for example. I think we should be at least equal to the other States in the matter of our teachers' salaries. I commend the Minister for Education on the progress that has been made in his department recently. I understand that it is planned to raise the school-leaving age to 16 years followed by compulsory part-time education up to 18 years, but, as lack of accommodation is the obstacle, extra buildings must be provided.

We have already passed legislation to increase the school-leaving age to 15 years. It is difficult at present to get sufficient accommodation for the children attending school up to the age of 14 years, and we will have to be patient until we are in a position to provide the extra buildings. In the building line housing is of first priority and until housing needs are met I do not see much possibility of implementing the legislation already enacted to raise the school-leaving age. I note also that playgrounds are to be controlled by teachers belonging to the National Fitness Organisation. That is a step in the right direction, because we must have both vigorous minds and bodies in our children. I am glad to see that provision. It is also intended to provide playgrounds near public recreation grounds, so that the children will not have far to go to indulge in their games.

Another advance is the provision of hostels, though I understand they cannot be erected for some time to come. The first requirement is more schools and in order to meet the need of the children the Government intends to grant living-away-from-home allowances. That is another matter on which the Government should be congratulated. I understand that the living-away-from-home allowance is to be £30 per annum in the North, the North-West and the outer Goldfields areas. It is to be £15 per annum in the South-West Land Division for children up to the age of 15 years and £30 per annum for those above that age. People are to be encouraged to provide accommodation for children.

I understand that the Government will also encourage the building of hostels by lending money for that purpose. The allowances will be of considerable assistance to parents in cases where their children have to go some distance to school. I understand also that boys are being encouraged to go

on the land and scholarships are to be granted to Muresk, Narrogin and Denmark. In co-operation with the Departments of Land and Agriculture efforts are being made to place the boys on suitable farms, as workmen in the first instance, so that they will gain experience to help them become their own masters, while at the same time providing a steady flow of well qualified young men to go on the land. These boys, by going on the land, will be able to engage in agricultural pursuits in a more practical and scientific way.

I congratulate the Minister on the progress that has been made in technical education. Junior technical schools and up-to-date technical schools have been provided at Lord-street and Leederville and at country centres such as Collie. We are also to have junior technical schools and mobile workshops for smaller centres. Holiday camps for school children are also being provided for. Instruction in afforestation is being provided to a limited extent for school children and the practice of hobbies and handicrafts is being encouraged in the schools. In the field of visual education the department hopes to provide for cinemas. A State advisory committee on visual education is being set up with experts in attendance. All these things point to the fact that the Government has been paying special attention to our education system with a view to bringing it up to date.

I understand that all new schools will be built on modern lines and will be up to date in every respect. The period of training for teachers has been doubled and every possible care has been taken in the selection of trainees. This is a very important matter. Not long ago we had reason to complain—and justifiably so—of the fact that teachers were receiving only one year of training. This has been stopped. I do not consider that two years' training is sufficient for a teacher and I am under the impression that the Minister is of the same opinion. I hope it will not be long before the period is increased to that which obtained formerly, to at least three years' training. The provision of equipment is another matter that is being attended to and everything possible is being done to ensure that the schools are adequately equipped. I understand that the Minister has been giving attention to this phase of education and that, as more equipment becomes available, it will be provided.

As to scholarships, the Minister considers that Western Australia has gone further than has any other State of the Commonwealth. In the year before last the scholarship system was extended from 50 odd to a number approaching 200, with allowances to every child who qualifies for entrance to a high school. This year the means test has been lifted, and on top of that the living-away-from-home allowances were in the nature of scholarships available to every country child not within reach of a school. This put Western Australia in the forefront of education in the Commonwealth, as no other State has extended its scholarships so liberally. The annual cost thus entailed has been between £60,000 and £70,000. All this shows that the Government is sincerely trying to improve the education system and to meet the requirements of the children.

Another important matter in connection with schools is the medical and dental attention being given to the children. This was in the hands of the Health Department, but that department has been seriously handicapped by the shortage of doctors and of dentists consequent upon the war. The importance of this matter cannot be over-estimated. The Minister for Health received a deputation from the West Australian Progressive Education League and assured the deputation that every attention would be paid to the matter. I have figures to show the necessity for this attention, and they indicate at the same time that the Government is fully alive to the need for providing for all educational requirements.

We all appreciate that the health of the children is a matter of the greatest importance. Recently the Teachers' Union sent out a questionnaire to all teachers throughout the State to ascertain how many visits had been made to the schools by doctors and dentists. The figures show that 671 questionnaires were issued and that 380 were returned. Head teachers to the number of 291 did not trouble themselves to reply. The 380 replies received show that the record number of schools visited by medical officers in any one year was 88, equal to 23 per cent. Of these schools, 149 had had no visit for five years if they ever had been visited, and 12 had had no visit since they were opened. In the last four years medical officers have visited schools once on 253 occasions, twice on 52 occasions, thrice on one occasion, and four times on two occasions, while 72 of the 380

schools have had no visits at all during those four years. In practically every case, the medical officers examined all classes. While some teachers say that where treatment can be had locally advice is generally followed, others report serious neglect to follow advice. On this important aspect, many of the teachers who replied made no comment. That is as far as the medical inspection is concerned. Now we have comments on the dental examinations—

From the 380 replies it will be seen that of these 380 schools the record number of schools visited by the school dentists was 29, i.e., 7.6 per cent., and that 236 of the schools have no record of any visit at any time.

It will be seen also that in the last four years dental officers have visited schools once on 76 occasions and twice on 15 occasions, while 289 of the 380 schools have had no visits at all during the last four years.

It will be seen that during the four years at five schools 10 to 19 per cent. of the children were examined, at 37 schools 20 to 39 per cent. were examined, at six schools 40 to 59 per cent. were examined, at five schools 60 to 79 per cent. were examined, and at 59 schools 80 to 100 per cent. were examined. Those in the 80 to 100 per cent. group in practically all cases were visited by the dental van.

I have quoted these figures to show what has been done by the department, and I allow for the handicaps the department has worked under because of the shortage of medical and dental officers. However, we are now in times of peace again; it is over a year since Japan ceased hostilities and there is possibly some chance of securing additional medical and dental officers. That being so, I hope the schools will get better attention from the medical and dental points of view.

I have mentioned a few of the difficulties of the Education Department in recent times; but I realise that it is beyond the power of the Government to do very much more than it is doing because of the limited supply of finance. We are entirely dependent on the Commonwealth for finance. We are no longer a sovereign State, nor have we been for many years, and I think it high time the Commonwealth Government realised its responsibility in the matter of education. The Commonwealth has entered the educational field by its assistance to returned Servicemen to attend universities, for which, of course, I commend it. No State Government, so long as uniform taxation prevails, can devote the amount of money necessary for education without extra help from the Commonwealth. I understand that at a

Premiers' meeting a suggestion was made that £10,000,000 should be given to the States for this purpose. That would be a help, but I still think more might be wanted to bring our education system up to date.

The other matter I want to refer to is migration. It has been touched on by the member for West Perth. I agree with him that it is of paramount importance to Australia that we should have a planned immigration scheme; not only that, but that the plan should be put into operation as soon as possible. I notice that the Minister for Lands, on his return from the State-Commonwealth conference on migration held in Canberra a little while ago, said—

A voluntary organisation would be set up in each State to assist with the accommodation, reception and after-care of migrants. Plans were well advanced in connection with child and youth migrants under the auspices of approved voluntary organisations such as denominational bodies, including the Fairbridge Farm. After a survey they had stated their absorptive capacity immediately as amounting to about 2,000, and they could take about 1,000 annually in future. Financial assistance would be required for additional buildings in some cases, and this would be given on the basis of one-third to be paid by the State. The Commonwealth would determine how the remainder would be shared between it and the organisation concerned.

That is a very fine statement by the Minister. Immigration should be divided into two phases, adult and child immigration. I understand the target is to bring 70,000 children here within a certain time. Of course, child migrants will be the most important part of the migration plan. When they arrive here it will be easier to imbue them with Australian ideas of citizenship than it would be to imbue adults. We have a different problem with the adult migrant. I hope that when the plan is put into operation we will avoid the mistakes of the past. We should make sure that we have not only the right type of migrant, preferably of British stock, but that we will be able to absorb him into productive industry as soon as he arrives.

I realise there has been, of necessity, some delay in implementing the migration plan. The member for West Perth pointed out the inability of Australia, with its population of seven millions, properly to defend itself. In regard to that matter, we have had our lesson. We have had a chance and it may be our last chance. It is imperative that the population be increased. The ques-

tion of shipping is not now so difficult as it was four or five months ago and, if the Commonwealth Government were a little more alive to the question, we could provide a steady flow of migrants within a very short time. I am presuming that, before that is done, we shall have placed our ex-Servicemen and women back in employment. There is no getting away from the fact that the permanent defence of Australia and the development of its natural resources require an increase in our population. As has been frequently said in this Chamber, the best migrant is the natural migrant. Unfortunately, our birthrate is not very encouraging. The best way to develop our land is by increasing the natural population. I realise that the operation of the Commonwealth-State migration plan cannot be fully developed until all members of the Fighting Forces have been returned to civil life; and even then the plan must be a long-term project spread over a number of years.

There is only one other question to which I desire to refer and that is the matter of housing. The position is still very acute, and I am wondering when it is going to become any easier. I do not know when Mr. Wallwork will present his report on his inquiry into this matter, but I hope when he does so we will receive some information as to why the cost of houses is so high, and why there is such a delay in getting the necessary materials. I realise that the Workers' Homes Board, considering all the difficulties with which it has to contend, is doing a fairly good job; but I am hopeful, when the Government has Mr. Wallwork's report in its possession, more houses will be built and that more permits will be given to those who have blocks of land on which to erect dwellings. I made inquiries at the Workers' Homes Board to find out exactly how we are getting on with the building of houses. I have some figures which I propose to read to the Committee. This was the position at the 31st August, 1946—

Commonwealth-State Rental Housing Scheme.

Houses completed	369
Houses under construction	372
Contracts made (work not yet commenced)	184
Total	925

(Note.—First contract signed in August, 1944; first houses completed in December of that year.)

McNess Housing Trust Cottages.

Completed and occupied	10
Under construction	9
Contracts pending	6

25

Private Building Permits.

1944	668
1945	1,109
1946 (six months)	880

Workers' Homes.

Under construction	2
Contracts let (Goldfields)	20

In view of the great number of houses wanted, I think we will have to try to get a move on and expedite the building programme. In his Budget speech, the Treasurer referred to the many public works that are envisaged in this State. I venture to say that with Commonwealth co-operation there will be a very prosperous era for this State. I believe also that the Government, through the Minister for Works, has been instrumental in inducing a number of companies to come to Western Australia and start production in factories here. I await with considerable interest his speech when presenting the Estimates for the Public Works Department for the ensuing year. During the recess I had the pleasure of visiting the works at Wundowie, and I was very much impressed with what I saw. I could see every indication of the charcoal industry being of vast importance to Western Australia.

There are a few other items I desired to mention; but in view of the lateness of the hour I shall defer them to the time when we are discussing the departmental Estimates. Now that a year has gone by since the cessation of hostilities, with the gradual restoration to civil employment of the men who protected us from an aggressive foe, and with the schedule of public works indicated by the Government, if the Commonwealth Government will co-operate with the State in peace-time as generously as the States co-operated with the Commonwealth in wartime, I can see prosperity ahead of us.

Progress reported.

BILL—TRAFFIC ACT AMENDMENT.

In Committee.

Resumed from the previous day. Mr. Rodoreda in the Chair; the Minister for Works in charge of the Bill.

Clause 11—Amendment of Second Schedule (partly considered):

Clause put and passed.

Clause 12—Amendment of Third Schedule:

Hon. N. KEENAN: I would like to draw the Minister's attention to the possible necessity for his amending this clause in consequence of the amendment the Committee made in Clause 10. The words "trailer" and "semi-trailer" occur in this clause but were struck out of Clause 10. I would ask him to consider whether it is not necessary to strike them out here.

The MINISTER FOR WORKS: I doubt whether we should strike out these words, but I will have the matter investigated by the Crown Law Department; and if it is subsequently found necessary to delete them, action will be taken.

Clause put and passed.

Clause 13—agreed to.

New clause:

Mr. HILL: I move—

That a new clause be inserted as follows:—

6. Section twenty-one of the principal Act is amended by inserting after subsection (4) hereof a new subsection as follows:—

(4a) The police in the metropolitan area and the traffic inspector or inspectors of any local governing district shall have in the respective area authority to control or enforce all traffic laws and regulations over all roads open to public traffic notwithstanding the fact that the road concerned may be on Government or private property.

At present there are certain roads and areas—

The CHAIRMAN: Order! Will the member for Albany resume his seat? I regret that I am unable to accept the new clause. It is an amendment of Section 21 of the Act which deals with traffic inspectors, their appointment, duties, etc. It is foreign altogether to the subject-matter of the Bill under discussion. It has no connection with anything mentioned in the Bill nor with any section proposed to be amended. On these

grounds I am unable to accept it, and must rule it out of order.

New clause ruled out.

Title—agreed to.

Bill reported with amendments.

MINISTERIAL STATEMENT.

As to Opposition of Wool Buyers to Selling Centres Away from Perth.

THE MINISTER FOR AGRICULTURE: (Hon. J. T. Tonkin—North-East Fremantle): Reference has been made to the fact that wool buyers have carried their opposition to the establishment of selling centres outside of Perth to the point of refusing to take part in sales carried out at those centres. The Government was very concerned at the statement, and the Premier has been in touch with the Albany Municipal Council on the matter. The member for Geraldton conferred with the Premier and myself, and I communicated by wire with the Hon. Mr. Scully, the Federal Minister for Commerce, pointing out that it was very wrong of the wool buyers to attempt in this way to flout the plans of the Commonwealth Government and the desires of the State Government to have wool sales established at these different centres. I asked that action be taken to prevent the wool buyers from carrying out their threat to concentrate all selling in the metropolitan area. The announced policy of the wool buyers would cut right across that of the Government to give all possible facilities to outlying centres, and would make it extremely difficult for us to develop those places in the way that we desire. I have not yet had a reply from the Minister for Commerce but I understand that representations have been made to him by Mr. Lemmon, the member for Forrest, and I have reason to believe that the Commonwealth Government will take whatever action lies open to it.

House adjourned at 10.34 p.m.