

Legislative Assembly,

Tuesday, 27th October, 1925.

	PAGE
Questions: Bread, white and brown	1564
Police Inspector Duncan	1564
Bills: Brookton Recreation Reserve, 1r.	1564
Municipal Corporations Act Amendment, 3r.	1564
Newcastle Suburban Lot S 8, 3r.	1564
Annual Estimates 1925-26, Committee of Supply—	
General debate	1564

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

QUESTION—BREAD, WHITE AND BROWN.

Mr. NORTH asked the Hon. S. W. Munsie (Honorary Minister): 1, Is he aware that at the Interstate Master Bakers' Conference held at Adelaide recently—while it is true that a Mr. Birbeck is reported to have contended that the slanders against white bread should be checked in the interests of the community and of the trade, and that the home of the brown loaf was the home of the faddist—Dr. Philpots, of Melbourne, was credited with the observation that "To feed growing children on white bread was nothing less than a national calamity, for the reason that in the milling process all parts that contain the essential vitamins were removed, and that for health's sake people should eat wholemeal bread"? 2, If so, do the Government intend to introduce legislation on this matter?

Hon. S. W. MUNSIE replied: 1, No, but I have no reason to doubt that the matter is correctly reported. 2, It is not proposed to introduce legislation on the subject, but to deal with it by educational methods, especially through the schools.

QUESTION—POLICE INSPECTOR DUNCAN.

Mr. SLEEMAN asked the Minister for Justice: What were the meritorious services for which Inspector Duncan was paid the sum of £100 in 1921 by the direction of the then Minister?

The MINISTER FOR JUSTICE: His actions in connection with the two woodline

strikes, the industrial disturbances at Kalgoorlie and the mines, and the railway strike.

BILL—BROOKTON RECREATION RESERVE.

Introduced by the Minister for Lands and read a first time.

BILLS (2)—THIRD READING.

1, Municipal Corporations Act Amendment.

2, Newcastle Suburban Lot S 8.

Read a third time and transmitted to the Council.

ANNUAL ESTIMATES, 1925-26.

In Committee of Supply.

Debate resumed from the 20th October on the Treasurer's Financial Statement and on the Annual Estimates; Mr. Lutey in the Chair.

Vote—Legislative Council, £1,423.

HON. SIR JAMES MITCHELL (Northam) [4.40]: In introducing the Estimates the Premier did not deal very extensively with the different departments. I think that is rather a good idea, because each Minister will introduce his own Estimates and the Committee will be able to discuss matters relating to each department separately. I envied the Premier his task on Tuesday night last. Ever since 1911, year after year, we have had deficit upon deficit, growing each year until for one year it reached over £700,000. It was due to the policy of development which we had adopted, with liberal advances to agriculturists resulting in increased production, and also to the fact that we brought in many people to assist in the task and thus increased trade activities in many directions, that the Premier was able to tell a different tale this year. It is true that he did not tell the tale that I expected from him. He told us that the deficit for the year would be £98,079. In my opinion he will have a very considerable credit balance at the end of this financial year. Of course, he did not take into account the special grant we are to get as a result of the Commonwealth Royal Commission that inquired into our disabilities under

the Federal regime. However, there are some other items to which I shall refer later in order to show him how well the ledger will look at the end of the present year. I have already said, Mr. Speaker, that I envied him his task the other night because the tale he had to tell was the best possible evidence of the progress that has been made. If a few years ago we doubted that the old ship of State would right itself easily, we should now no longer doubt it. If we have achieved comparatively small things during the last few years, and yet made such progress, we can look forward to much better results by continuing the same work but doing bigger and better things now and in the years that are near to us. The Premier's speech dealt fully with the revenue and expenditure of last year and the estimated revenue and expenditure for the current year. I regret that the Premier did not deal much with the policy of the Government, as is usual. Except for such legislation as the Minister for Works brings down, the policy of the State is largely dependent upon the expenditure of borrowed money. In discussing the Estimates, we can very well discuss the policy to be followed during the present financial year. It is not merely a question of collecting and spending, but rather of collecting and spending wisely and in the best directions, in a way the Committee would approve. I should like to point out to the people of Western Australia that there is a great deal of expenditure over which even Parliament has little control. Of the revenue that the Premier expects to get, which he has set out as £8,832,731—that is an enormous amount of revenue to come from a few people—the greater proportion will come from our public utilities. That is not really revenue at all but merely money collected and paid into the Treasury against money to be drawn from the Treasury. It is money paid by the Treasury from the Treasury to enable many of the public utilities to earn revenue. It does not come by way of taxation; it comes from services rendered. I have often thought that these sums should not be included in the general statement of revenue because it would seem to the public that £8,930,000 is a wonderful revenue for the Treasurer to have control of and an immense amount for the people to contribute. Very largely, however, it is money received for services rendered. When we

come to the expenditure under special Acts, we find that the State is committed to a sum of £3,602,000, principally due to the fact that we have borrowed a considerable amount and that this item includes interest on the money borrowed. The Premier is very happy in the fact that the investment of this money earns its own interest. The Premier has not to draw a penny from the taxpayers to meet the interest bill. In the days before the war we were in a similar position; the borrowed money earned its own interest. The general taxpayer enjoys all the indirect advantages arising from the expenditure of loan money without having to pay any special tax to meet any part of the interest. That is highly satisfactory, and the country can be congratulated on that fact. It seems that we can go on borrowing, so long as we spend wisely, with great advantage to all our people because, without the borrowed money, there certainly would not be the trade to do and there would not be available to the people the work they now have. Of the expenditure, £3,305,000 is devoted to public utilities, that is, to pay wages and other charges for railways, harbours and other works that serve the public. Again, not a penny of that money comes from general taxation. This, however, means that all that is left to the Premier to meet other expenditure—all the salary items and all the expenditure entailed for charities, police, education, and the ordinary functions of Government—amount to £2,023,000, not a very large sum, and yet the Premier by his Budget does not expect to cover that amount by receipts from taxation, land revenue and other sources. The general taxpayer will see that the Premier has not very much opportunity to reduce expenditure under the heading of salaries and other items I have mentioned. I should like to point to the splendid results achieved by the Railway Department during the past few years, whereby the deficit on the railways of a few years ago has given place to a substantial credit after paying interest and sinking fund. I shall quote the exact figures later on. This is very satisfactory and it must be particularly so to the Commissioner of Railways, Colonel Pope, and those serving under him. I do not know that there is much to complain about regarding the management of the railway system except that people complain that freights and charges in some instances are very high, as they must be, because working costs are higher than they were formerly. Last year

the railways, after paying interest and sinking fund, showed a profit of £60,000. Parliament agreed to the imposition of an additional land tax, which the Premier said would produce £48,000. That was not included in the profit of the railways, because the Premier did not and apparently does not intend to pay over the £48,000 to the Commissioner.

The Premier: The railways would only give it back to me again. It will be shown, of course, in the results of the operations of the railways.

Hon. Sir JAMES MITCHELL: The railways cannot be expected to earn a great profit. A sum of £60,000 is not very much because that is the profit from an expenditure of £4,806,000, and it would not be possible to get much closer than that. But when we impose a special tax on the land mainly with the idea of reducing railway freights, the amount should be paid to the Commissioner of Railways so that the people may see what the railways are really doing. If the people's tax had gone into the profit of the railways, the amount would have been £108,000 instead of £60,000 after paying interest and sinking fund. As a matter of fact the freight reductions applied to only two months of the financial year, and comprised £7,000 as against the £48,000 collected. I think we had better have a little more freight reduction because, while I admit that a profit of £60,000 is not very much, a profit of £108,000 is more than is necessary. The Premier might well have reduced the freights without imposing this additional tax against the land. It is wrong in principle; it is a wrong system to impose special taxation for a special purpose of this kind. Those who use the railways should pay for the service rendered. That is a very much better system than the one the Premier has introduced. The fact that we do contribute towards the running costs of the railways is not likely to make for economical management. We do not want to weaken the management; rather should we do all we can to strengthen it. I do not know whether the Premier will wipe out the special land tax or will reduce freights to the extent of the profit he made after paying interest and sinking fund last year, but I suggest he might do both. If I am any judge of what the railways will do next year, he would still have a profit. We have not before us the balance sheets for the State trading concerns, so we cannot very well discuss them. The State

Implement Works made a small loss of a little over £600 during the financial year, but we must remember that a great deal has been written off the capital cost of those works, and the general taxpayer is paying interest on £120,000 in that connection. It is satisfactory to know that we are not losing thousands of pounds this year as was the case some time ago. I should like to direct the attention of the Committee to the fact that if we take the expenditure of £8,832,000 for the current financial year and the revenue £8,930,000, and add to it the £4,000,000 that we shall spend from loan money, the Premier will have nearly £22,000,000 passing through his hands. This money all comes and goes in comparatively small sums and it would be a very easy matter, through lax control at the Treasury, to lose a great deal of money in the year. The Treasury is well staffed, and the officers are doing their work and, in late years, thanks to the difficult financial position, the Treasurer has had to assume a much more definite control than was done previously. That control is such that the expenditure is very well watched, but where there is such an enormous sum in part collected and in part expended in small amounts, it would be very easy to lose a large amount, and I am afraid that this sometimes happens. There are some people who contend that we should practise economy in Government Departments. They have always said so and will always say it. I believe we practise very rigid economy. I do not say that money has not been spent that ought not to have been spent, or that we have not paid too much for some of the work we have done, but in the departments there has been a fair amount of economy practised, and I do not know that anyone will ever be able to practise much more economy. The finances of the State made it imperative for us to do that and it has been done. We denied to local authorities and to others grants that should have been made. We were compelled to do that not only because we had an enormous deficit, but because it was impossible to finance further than to meet expenditure that could not be avoided. So I do not think we shall gain very much by discussing items. There are a few items that will need to be discussed; there are a few matters on which we shall hope to get a little information when we come to consider individual departments, but so far as I can see there are very few. The Estimates

this year are much as they were last year, and last year they were much as they were the year before when we had to get right down to the very lowest possible expenditure. We sometimes discuss the amount of money paid to the civil service. As a matter of fact, out of the enormous sum that we call revenue, a very small proportion is paid to the civil service. I consider that we have in the service very capable officials. When the finances were not bright we often talked over the fact that there were too few well-paid positions in the service. There are professional men and heads of departments who are and always have been rather badly paid. There are so few good positions in the service that there is not very much for the rank and file to hope for, which is bad. If there were a few more senior positions in the departments, it would make for a little better control.

Mr. Teesdale: The few we have are filled from other places. I do not refer altogether to this Ministry.

Hon. Sir JAMES MITCHELL: There are some appointments like that. We have not been able to pay senior officials quite adequately in the past, but we ought to be able to improve the position now. Our public utilities, and the revenue we get from them, are probably the best indication we have of the State's progress. Transport is the best guide we have in the work we are doing. It shows conclusively the work we have done with the money we have advanced to settlers, for the encouragement of mining and the general encouragement of trade. In this direction we have been successful. This has brought the result we wanted to see, and we see it in our transport facilities, railways and harbours. Our transport facilities being an indication of prosperity, there can be no doubt about the work of the past having been profitable. Whilst we lost, including interest and sinking fund, on the railways in 1921 a sum of £580,000, last year we made a profit of over £60,000. I do not think it can be claimed that the freights were increased to any greater extent than was necessary because of increased wages and costs. Taxation imposed through the Customs has made it impossible for the worker to live upon the wages he used to live upon. It is also impossible for the railways to buy supplies at the cost they once paid for them. We have had to put up costs, and freights have

had to be increased to meet the additional expenditure, but not necessarily to do more than that. Here is a proof of the work we have been actively engaged upon in the past seven years. It is sufficient proof to justify the Government in going full steam ahead at this same work. If so much good has come of an expenditure of about £11,000,000 on agriculture during the last seven years, inclusive of soldier settlement, we cannot have too much of it. Quite apart from this sum—interest has been paid on all moneys borrowed and loaned to individuals—the Treasury has reaped a fairly rich harvest in an indirect way. Money has come in through the Taxation Department, and through all the revenue-collecting departments. It is more than probable that the result of the expenditure is represented in the railways by the profit of £64,000. Probably if we could get proof of it in the Treasury we should find that much more had been contributed as a result of the expenditure of this money. This shows that our loan money has been properly expended. Instead of the public being a little scared about the liberal advances that have been made to our farmers, people ought to rejoice in the fact that we have made them. I admit that private people could not take the risks taken by the Government. If a private individual lends £1,000, he will get £60 by way of interest in a year, and no more. As the Government collect in so many ways, the indirect advantages are so great that they need not fear, even if there are to be some losses, that these will not be compensated for by the Treasury figures. The Premier said that our money had been well spent. I think it has been well spent since 1919. In the last seven years we have advanced to individuals for the five years 64 per cent. of all the money we borrowed. Last year the amount was 55 per cent., because there was some falling off in the advances on account of soldier settlers. Is there any other place in the world where 64 per cent. of the total borrowings of the country have been loaned to individuals?

Mr. Teesdale: To farmers! There is no place where there is more growling.

Hon. Sir JAMES MITCHELL: There is no place where there is less growling. It was not all loaned to farmers, but almost all of it was. Some was loaned on account of workers' homes.

Mr. Teesdale: Nothing was loaned for the North.

The Premier: A sum of £40,000 went on Beadon Point Jetty.

Hon. Sir JAMES MITCHELL: I am speaking of money advanced under mortgage by the Treasury.

The Premier: Loan moneys?

Hon. Sir JAMES MITCHELL: Yes, money on which the borrower pays interest. I do not include water supplies or railways. I refer to straight-out loans to individuals. This ought to be kept in mind. Our borrowings total 64 millions, a good deal less than Lever Bros.' soap works have borrowed. According to the Premier's figures, the sinking fund amounts to 10 millions. That amount is almost all in London. The total debt is not altogether from London, a good deal of it being from Australia. The position in London must, therefore, be more satisfactory than it is in the case of any other State. The Premier said that £611,000 had been added to the sinking fund this year by contributions and by earnings. We ought not to fail to let the people know that we contribute a substantial sum in this way. This is the only real live sinking fund in Australia.

The Premier: It was a substantial sum to set aside for the year.

Hon. Sir JAMES MITCHELL: This money is controlled by trustees in London. Some of the other States have sinking funds, but the money is not in the hands of trustees. There is no real money set aside to pay off debts; it is more or less a book entry. The total sinking funds of all the States, including the Commonwealth, are not equal to the sinking fund established by this State. It is a wonderful provision. A sum of £2,500,000 is in London now to meet the loan falling due in 1927. We have 10 millions there to meet our loans as they fall due, and the money is earning interest every year. The sinking fund balance went up by £611,000, and we had a deficit of £59,000. I would not mind taking the £611,000 as against the £59,000.

The Premier: The smaller amount went to our debit, and the larger to our credit.

Hon. Sir JAMES MITCHELL: If the other States had had sinking funds on the same basis as ours they would be in a very different position themselves. Although their position appears to be better than ours, they paid nothing

towards sinking fund over the years of the war and afterwards. The £64,000,000 is well invested. We have paid back 10 millions and also some further moneys. The 10 millions have been returned to the lenders because the money is in the hands of the trustees in London. There must be many investors who would be glad to pay us more than 64 millions for the assets which that sum has created. This invested money is earning its own interest. It is a wonderful position. The Premier will borrow £4,000,000 this year. As much of our money was borrowed in London, and as much of our interest is payable in London, and as the Premier is collecting his interest here now, and there is no deficit, he will be able to arrange his finances fairly satisfactorily. If he can borrow in London an amount equal to the interest bill, he will be able to finance with the money he is getting in Australia. We never have transferred much borrowed money from the Old Country. We have the interest to pay and we have purchased machinery there. When the exchange trouble came along, was the only time when we needed to transfer money from London, because that made the position difficult here. The Premier can finance four millions fairly comfortably. That will probably be as much as he wants to spend. When we had a deficit of £500,000 or £600,000 it made it difficult to finance loan money. I have shown that about one-third of our borrowings has been spent in ordinary public works, and that two-thirds has been loaned to individuals. In this country that is about a fair proportion, and we ought to keep to that as nearly as possible. It is the two-thirds loaned to individuals that makes the expenditure of the other third necessary, and it is that which provides the revenue to pay for the whole. If we keep to that basis we shall not go far wrong. We certainly shall not be able to spend in the way so graphically described by the Minister for Lands when he says, "This borrowing means boom or burst."

The Minister for Lands: It is so in the case of a good deal of it.

Hon. Sir JAMES MITCHELL: It is better to boom and burst than to burst without booming. It is easy to burst without booming. There is no boom and burst about the finances of this country.

The Minister for Mines: You cannot burst without booming. You can collapse, but not burst.

Hon. Sir JAMES MITCHELL: I hope the Premier will agree that we should stick to this proportion as nearly as possible.

The Premier: As nearly as possible, but there are railways and harbours.

Hon. Sir JAMES MITCHELL: I am not referring to water supplies for Perth which is a special work and has nothing to do with the borrowings for the ordinary work of government. The Premier indicated he proposed to keep pretty nearly to this basis.

The Premier: I think it is a pretty sound policy.

Hon. Sir JAMES MITCHELL: I think it is the right policy. The Perth water supply represents a special service which should not enter into this calculation. If we deducted from our 64 millions all expenditure made on behalf of local authorities, the amount would be very much less. The amount includes all the large borrowings of local authorities as well as Government loans. However, let us keep Government expenditure on the basis indicated.

The Minister for Lands: I guarantee that if our loan expenditure is examined, not more than a sixth of it will be found to be dead money.

Hon. Sir JAMES MITCHELL: Certainly, and that sixth would include the deficit. Assuredly the dead money does not amount to anything like our sinking fund. We have nothing to fear in respect of past borrowings, and we shall have nothing to fear as regards future borrowings if we deal with the money in the proportions I have mentioned. I know that if the late Lord Forrest had not built the railway to Southern Cross, and then the railway to the Eastern Goldfields, in all probability we should not have had our wonderful gold mines. The water scheme was started for Coolgardie alone, but fortunately Kalgoorlie was discovered and made the scheme a great success. There is another feature of our borrowings which ought not to be forgotten. I mentioned it when speaking about loans to individuals. In this State all long-term credit must come from the Government. There are no financial houses here which will lend money for long terms to farmers or others. Ten years is a very short time in the life of the man on the land who takes a lengthy period to get his farm in full swing; and for such credit he must look to the Government. We have to borrow in order to meet that expendi-

ture, and we can very well do it. It is worth repeating that we cannot go wrong in doing that class of borrowing and lending. I am sorry the Premier did not indicate that he would set aside an amount to provide workers' homes. The soldiers' homes scheme seems to be almost at an end now. At one time there was so much building of soldiers' homes and other houses as to make building costs so high that it was not good for the workers to build. But now in almost every country town there are demands for workers' homes. Notwithstanding the building of thousands of houses during the last few years, there is still a great demand for houses; and I hope the Premier will set aside an additional £50,000 for this work.

The Premier: The £50,000 I mentioned represents accumulations.

Hon. Sir JAMES MITCHELL: Yes. I mean another £50,000 from loan.

The Premier: I hope to find something.

Hon. Sir JAMES MITCHELL: I hope the Premier will not find less than £50,000.

Mr. Angelo: Is that for homes in the metropolitan area?

The Premier: The greater part of it will be for homes in the country districts.

Hon. Sir JAMES MITCHELL: Wherever men want homes, they must be found. Many of these are being built in the country districts.

Mr. Thomson: They can be built more cheaply there.

Hon. Sir JAMES MITCHELL: Yes. Hon. members will recollect that a Bill was put through Parliament to enable the Government to build, ahead of applications, cheap houses in country towns. A number of them have been built, and have proved a great success. In the country a comfortable cottage can be put up for £250. I do not know how a working man can with any degree of satisfaction face the expenditure of a full day's pay to cover house rent. He can face a substantial deduction, however, for principal and interest.

Mr. Angelo: You can count all the workers' homes erected in the North on the fingers of a hand that has been cut off.

Hon. Sir JAMES MITCHELL: An official was sent North in that connection, and the hon. member tried to induce the Workers' Homes Board to build houses there. I thought he had succeeded.

Mr. Angelo: Not one has been built yet.

Hon. Sir JAMES MITCHELL: That is not the fault of the board, because they were perfectly willing to build in the North. The members of the board have done excellent work, and the £550,000 already invested in workers' homes has not cost the country a shilling.

The Premier: Not a penny.

Hon. Sir JAMES MITCHELL: Fortunately we started when building costs were low. Now they are high, and they have been made unnecessarily high by several happenings that we should try to break down. A comfortable wooden cottage can be built in the country for about £250. When I look over the city from this building, I see magnificent houses and splendid cottages by the mile. In the country, where people are doing the real work of the State, I see very different houses, much smaller houses. However, the people are just as happy in them, and perhaps a little happier and even more comfortable. The air around is pure, and the soil is pure, and so is the food. However, fashion governs everything, even the length of ladies' skirts.

The Premier: In that regard the eye wanders involuntarily.

Hon. Sir JAMES MITCHELL: Below the skirt? It is the fashion to cut a bit more and a bit more off skirts, and so it is the fashion to put a bit more and a bit more on to the houses in Perth. One half of the people of this State live in houses in the metropolitan area, and the other half live in houses in the country districts, on the goldfields, and in the timber districts. The latter live just as comfortably, perhaps more comfortably, and certainly more cheaply.

The Premier: Speaking of building, we have to-day let contracts for group houses totalling £100,000; so there is something doing.

Hon. Sir JAMES MITCHELL: That would represent only about 400 houses.

The Premier: Still, it is a nice, tidy sum, and shows that things are going ahead.

Hon. Sir JAMES MITCHELL: It represents about £250 per house.

The Minister for Lands: Some of the houses will cost £300.

The Premier: There is the distance of cartage.

Hon. Sir JAMES MITCHELL: The previous Government bought a couple of thousand No. 3 cottages for erection on groups and farms. I do not know why our population does not show better, seeing the number

of houses we have erected in this State during the past few years. At any rate, I hope the Premier will provide some more money for workers' homes. Most of the works mentioned are old friends. A good many dogspikes have been driven since the present Government came into office, and some railways have been opened; but there have been very few first sods turned. The railway to Newdegate has been started, and I notice that the Premier has announced the Government's intention to construct a railway from Norseman to Salmon Gums, connecting Esperance with Norseman. Parliament has authorised that railway, and naturally it will be built. The land there ought to be settled at once; otherwise the railway will not earn much money.

The Premier: Priority was given to that railway solely because of the difficulty of working an isolated section.

Hon. Sir JAMES MITCHELL: There is not much traffic over it just now.

The Premier: But there will be.

Hon. Sir JAMES MITCHELL: We can get returns showing the tonnage going over that line now. In no country would it be possible to work 60 miles of railway without a connection.

The Minister for Lands: We cannot get machinery there at present.

Hon. Sir JAMES MITCHELL: Nor fertiliser.

The Premier: Without this additional line workshops and repair shops would be required, and railway trucks used on that section could not be utilised in other parts of the State during the slack season.

Hon. Sir JAMES MITCHELL: I know the section is a little more expensive to work; but, all the same, there will not be much traffic over it for some little time. I do not know that we can afford freights from Esperance to Fremantle on wheat. As regards machinery, special arrangements will have to be made. The conveyance of fertiliser by sea is feasible. I am not complaining about the construction of that line, but I am going to complain about the delay in constructing other lines. The Premier will expect me to do so, too. I do not complain because I like complaining. There is the Yorkrakine railway, first promised by the Government of which the Premier and the Minister for Lands were members.

The Minister for Lands: There are railways more urgently wanted than that.

Hon. Sir JAMES MITCHELL: I am going to tell the Government about them. The Minister for Lands is so impatient. The Yorkrakine railway was first promised, and ought to be built without any further delay. Then there is the Dale River line.

The Minister for Lands: Both of them can wait for a while.

Hon. Sir JAMES MITCHELL: They would not wait very long if I were in the Minister's place.

The Minister for Lands: Yes, they would.

Hon. Sir JAMES MITCHELL: No. The Minister can speak for himself.

The Minister for Lands: I speak from past experience.

Hon. Sir JAMES MITCHELL: There is also the Albany-Denmark-Nornalup railway.

The Minister for Lands: Now I am with you.

Hon. Sir JAMES MITCHELL. And then there is the railway from Jarnadup southward. However, it was understood that the sawmills wanted to get the timber out and would use the mill line for a little while yet. They ought to do that, so as not to waste the timber. These two lines certainly should be built at once. After all, we can afford from this money that we have, to get all these railways under way. They cannot go ahead very quickly. I hope the engineers will lay down railways that will serve the wheat growers without costing the country £4,000 per mile. I do not know how the timber people bring their enormous loads over lines that are laid for a week or two, after which they are taken up and moved on. When it comes to the lines, Albany to Nornalup, and Jarnadup-south, they are bound to be expensive works, for in their early days they will have to carry very heavy timber traffic. The Margaret River railway has had wonderful traffic in timber, and will continue to have it for some time to come. May I ask the Treasurer if he can start these four railways, in addition to the Norseman-Salmon Gums line? I do not see why he cannot start them. We agreed to call for tenders for the Albany-Jarnadup railway; probably by that means we shall get the work done more cheaply.

The Minister for Lands: What are you going to build it with?

Hon. Sir JAMES MITCHELL: Money.

The Minister for Lands: Where are you going to get it? London has stopped the supply.

Hon. Sir JAMES MITCHELL: The Premier has not done badly in borrowing during the last 12 months. There must be a fair amount in hand.

The Premier: We have not borrowed for about 17 months.

Hon. Sir JAMES MITCHELL: Yes, you have borrowed in Australia, and there was our share of the American loan, with which you paid off your overdraft in London. We have borrowed the usual amount. Naturally, you cannot build railways without borrowed money. Do we get the £100,000 per month in Australia still?

The Premier: No.

Hon. Sir JAMES MITCHELL: Well, we have been getting it, and we have our interest being paid for us in London, and we have the interest collected, which can be devoted to loan expenditure. Of course there is temporary trouble in London, but I am sure it will be only temporary. If the Premier agrees to start these works the minute the trouble in London is over, I shall be content. These lines have to be built if there is to be any considerable settlement in the South-West. As a matter of fact, that big line from Jarnadup through to Denmark ought to be connected up just as soon as possible. I hope the Treasurer when he replies will tell us that these works are not shelved for any length of time. After all, the total cost of these lines will not be very great, and I remind the Premier that he gets the money at 1 per cent.

The Premier: The Yarramony line will cost about £400,000.

Hon. Sir JAMES MITCHELL: But I ask the Premier if he cannot arrange to put in light lines to carry away the wheat, without worrying about the passenger traffic for some time to come. I should think a line like a wood line, to carry away the wheat, could be put in at a comparatively low cost.

Mr. Heron: Bring down the bush boss of the wood line, and he will lay a cheap line for you.

Hon. Sir JAMES MITCHELL: We certainly want cheaper lines for the carrying of the wheat. Down in the group settlements, where there are very many people to the mile of railway, I do not see how we can do without railways. Roads are expensive to construct, and road traffic is very dear. There are now as many people on the group settlements as we have in Northam, York, Beverley and Pingelly put together.

For a long time everything those people needed was taken to them by road. Now we have the Margaret River railway serving some of the groups, but still transport for other groups is passing over long distances of road. We have had to take to those people, not only their daily needs, but also their houses. It is no small task, and the sooner we build these railways the better. When, a few minutes ago, I was interrupted by the Minister for Lands, I was about to refer to the fact that London is temporarily closed to us, but only temporarily. I was going to say also that Australian money is very limited and very dear, and that it is hard for this State to borrow against the other States, because the money to be loaned is very largely over there. People prefer to keep their money where the taxation is low, and so we do not get it here, although loans are not taxable by the State. It is undesirable to go outside the Empire for money, particularly since in our case it is certain that, except so far as our sinking fund of $\frac{1}{2}$ per cent. will pay for the loan, we shall not be in a position to redeem it when the loan matures, and so it must be renewed. Therefore we should stick to the Empire for our borrowings. Again, we borrow in Australia and we purchase in Australia, and that means very dear money to the Treasurer of the State: for, owing to the tariff, we not only pay more for our goods, but we pay on an average 1 per cent. more for Australian money. When it comes to the purchasing of rails, if we borrow in Australia and buy in Australia, the 1 per cent. additional interest we pay really means the doubling of the cost of the rails. If Australian manufacturers are to get the price to which the tariff entitles them, they ought to see to it that we get cheaper money than we are getting. It is regrettable that the money we borrow is devoted to works that involve the building up of factories in the Eastern States. So, whilst the Federal tariff encourages the building up of cities in the Eastern States so, too, does our policy of development. It does not matter whether the farms are in New South Wales or in Western Australia, their development still provides trade for the factories of Sydney. The State's policy is to develop our primary industries. We do not know what amount has been advanced to mining this year, nor what the result of that expenditure has been. The Minister for Mines, I hope, will tell us

the amount advanced for mining development from loan vote this year.

The Premier: About £100,000.

Hon. Sir JAMES MITCHELL: In any event, our policy is to develop our mines and our farms. I hope that the discoveries at Kalgoorlie will result in something of permanent value, and I hope, too, that Wiluna will prove to be of great value. Then, of course, the Premier will be asking us for authority to construct another railway. I can see a good deal of argument in the Premier's own camp when it comes to deciding the route of that railway.

Mr. Panton: There is only one way it can go, namely, through Menzies.

Hon. Sir JAMES MITCHELL: I do not know that. However, I hope there will be a demand for a railway to Wiluna, because it will only be constructed when the mines are proved. Then, I am sure, the House will pass the authorisation. The high income tax is distinctly unfavourable to progress. Whenever a taxation Bill comes before us, members opposite vote for it with a smile, thinking they are doing the country a good turn. But taxation does not help industry nor advance trade. It restricts; it does not encourage. The high taxation we have had to impose has retarded manufacture and prevented the development of industries, and the sooner we can remove some of it the better. A man would be a fool to put up a big factory under the rate of taxation we have to impose, instead of going to Victoria, where the taxation is so much lower.

The Minister for Lands: I think you had better not say too much about taxation. One gentleman yesterday told me that he had to pay 14s. in the £ in taxation.

Hon. Sir JAMES MITCHELL: But it is impossible to pay that much under our two taxes!

The Premier: Not here.

Hon. Sir JAMES MITCHELL: In England, yes. But what has that to do with us? England is taxing her people to pay the war debt.

The Minister for Lands: And taxing the people to protect us.

Hon. Sir JAMES MITCHELL: England has no Customs tariff, and she is not developing new country. I hope the Minister for Lands agrees with me that we cannot be expected to pay 4s. 3d when in a State like Victoria only 1s. is paid.

The Minister for Lands: Victoria is raising its taxation now.

Hon. Sir JAMES MITCHELL: Before this session closes I can see that I shall have to move a motion; I do not seem to be able to get members to interest themselves in this question of taxation.

The Premier: Those who are paying at the 4s. rate do not seem a bit anxious to get it down.

Hon. Sir JAMES MITCHELL: They are anxious that an injustice should not be done. Of course it is the result of Federation. Whilst the bookkeeping clauses stood we were all right, but we were told to live by direct taxation, and therefore it was inevitable that we had to put up the rates. No new country can live by direct taxation, and that is what we are trying to do. It is because of that, that our rates are high. I am very glad to see that Muresk College is to be opened shortly. I hope a good staff will be appointed and that the young people who attend the college will receive a sound agricultural education. It is right to direct the minds of our young people towards the agricultural industry, and if it is possible to extend the operations of the college we should do so. We can afford to spend money in the training of our youth in this direction. I notice it is proposed to establish an experimental farm at Esperance. We already have had experimental farms at Chapman and at Nangeenan. They have been successful in the breeding of wheat. Probably the best wheat in Australia has been bred at Merredin. I trust that the subsidy that was granted to agricultural societies will be reinstated. All agricultural shows are of great educational value. They do wonderful work, and now that our finances are in order again, the subsidies should be restored. The total amount would not be very considerable and it would be appreciated by an industry that is heavily taxed by Federal and State Governments. If the Minister for Railways, for instance, had seen at the Show the wheat that has been produced in the State, he would realise the value of country shows.

The Minister for Railways: I know that we do not tax the agricultural industry through our railways. Anyhow, I am not quarrelling with that.

Hon. Sir JAMES MITCHELL: The Minister would quarrel with his bread and butter if he did. The more wheat that is produced the more profit do

the railways make. One can hardly refer to the agricultural industry without making some mention of the excellent work that is carried out by the general manager and the board of management of the Agricultural Bank. Mr. McLarty himself has rendered yeoman service in connection with soldier settlement, and he is always willing to give assistance in any direction associated with the industry.

The Premier: Hear, hear!

Hon. Sir JAMES MITCHELL: No man has done more for agriculture than Mr. McLarty.

The Minister for Agriculture: And he has a good lieutenant, too.

Hon. Sir JAMES MITCHELL: Yes, Mr. Grogan.

The Premier: In fact the whole staff of the bank has rendered great service to the country.

Hon. Sir JAMES MITCHELL: Yes, and it should be generally acknowledged.

The Premier: Hear, hear!

Hon. Sir JAMES MITCHELL: I am going to say something now which the Premier will probably be glad to hear. I am going to show him that instead of a deficit he will have at the end of the year a substantial surplus.

The Premier: I err on the side of caution.

Hon. Sir JAMES MITCHELL: My estimate of what last year's result would be will be found to be nearer the mark than that of the Premier. The Premier was £137,000 out and I was only £59,000 out. Therefore, having proved a better judge, I am going to ask the House to believe what I propose to say now about the current financial year. I repeat that there will be a very big credit balance, that it will amount to nearly half a million of money.

The Minister for Railways: I suppose you are including Bruce's £450,000.

Hon. Sir JAMES MITCHELL: Yes, endorsed by Mr. Charlton.

The Minister for Railways: The Premier would not take that into consideration.

Hon. Sir JAMES MITCHELL: No, but I am taking it into consideration, and I am going to tell the Premier where all the money is coming from. In the ordinary course there should be an improvement in revenue of £150,000. That will come from the usual sources. Last year there was an improvement of £150,000 over the figures of the previous year, and we are reasonably

justified in expecting something similar to happen again. As a result of the recommendation of the Disabilities Commission we shall get about £350,000. We already receive a special grant of £100,000.

The Premier: About £110,000.

Hon. Sir JAMES MITCHELL: The £350,000 has not been allowed for.

The Premier: Do you remember the advice given in the cookery book to the young housewife, to the effect that you must first catch your hare?

Hon. Sir JAMES MITCHELL: Yes, I know that; but while you are waiting for the meal the hare is being cooked. This sum of money can be regarded as having been granted. Then there is the interest on the £796,000 written off soldier settlement. That is equivalent to £50,000 a year. The Premier has not taken that into account. He should have done so because it is what the Treasury will save. Then there is increased money from taxation. The Minister for Works will doubtless say that we will get no more under the goldfields water supply scheme, but I say that we will get more. Next we have the metropolitan water supply which is to be made to pay its way. Then comes the amusement tax. That will save the Premier some money in other directions. Again, we have interest on public works under construction, perhaps another £50,000 if £2,000,000 is spent in this way. Altogether we have a very substantial total, which should give the State a good credit balance. We are entitled to reduce taxation which we are compelled to impose in order that we may carry on the ordinary functions of Government. Here 4s. 3d. in the pound is paid against as low as 1s. in some of the other States. It is time that we gave some consideration to the question of reduction of taxation.

The Premier: We took off 7½ per cent. last year and the other 7½ per cent. will disappear after this year.

Hon. Sir JAMES MITCHELL: But that was super tax.

The Premier: It is taxation all the same.

Hon. Sir JAMES MITCHELL: It was not any fault of the Premier that that was taken off. If I had been in charge of the Treasury the whole of the 15 per cent. would have come off at one time.

The Minister for Agriculture: You had the opportunity, why did you not do it?

Mr. Teesdale: We had not the time.

Hon. Sir JAMES MITCHELL: A man is not fit to be a Minister who does not know why we did not take it off. We could not take it off because of the enormous deficit and we could not take it off until that deficit decreased.

The Minister for Agriculture: You would not have taken it off even now.

Hon. Sir JAMES MITCHELL: Is that so?

The Minister for Agriculture: You are a champion at making suggestions when you are out of office.

Hon. Sir JAMES MITCHELL: If the Minister gets a little soothing syrup it will be good for him. As the Premier knows, I promised to take it off when we get down to a certain point. I am in the habit of keeping my promises, as the Premier will admit. The Premier, however, was more persuasive with the Council's managers and he got it spread over two years and got his tax fixed for two years as well.

Mr. Thomson: No one was more surprised than the Premier when he got it.

Hon. Sir JAMES MITCHELL: I tell the Government they will have to reduce the tax. If the Premier does not, I will move in that direction and will go on the Victorian standard.

The Premier: The Government there will be turned out if they increase taxation.

Hon. Sir JAMES MITCHELL: In Victoria the taxation is 1s. 2d. in the pound as against 4s. 3d. here. In Queensland the tax is 3s.

The Premier: Is Queensland the awful example?

Hon. Sir JAMES MITCHELL: No, we are.

The Premier: Then Queensland is not the awful example in this case!

Hon. Sir JAMES MITCHELL: No. In South Australia the tax is 2s. 3d. and in Tasmania 2s. 6d., while in New South Wales the taxation amounts to 2s. in the pound.

The Premier: That is the income tax. Queensland has a heavy land tax in addition to that.

Hon. Sir JAMES MITCHELL: I am talking about the income tax. I say the Premier would do well to reduce taxation if he can.

The Premier: If your estimate is right this year, I will do so.

Hon. Sir JAMES MITCHELL: We will do it for the Premier if he is not careful before he has an opportunity. My figures

cannot be wrong, because they have been supplied to me by the Premier.

The CHAIRMAN: Order! I wish hon. members, if they want to discuss matters, would hold their meetings outside the Chamber and not interrupt the debate.

Hon. Sir JAMES MITCHELL: It is very difficult to proceed. We hear some talk about increasing the Parliamentary allowances, but I do not know that it is because some members profess such an interest in the work of Parliament and show it in different ways. I do not object to hon. members not being here, but when I am dealing with figures, it is difficult to proceed with such a noise going on in the House.

The Premier: I think they treated us both in the same way.

Hon. Sir JAMES MITCHELL: The Premier had to object to the same thing. The Premier said that the Federal Government's assistance had been considerable, but it has not been as much as I think we were rightly entitled to, because of the disabilities that have been experienced here, as the result of Federation. We received a special grant of £450,000 and also the grant on account of soldiers of £796,000. Then there was a special road grant of £48,000 and a pound for pound grant amounting to £96,000. The last mentioned grant is always called the "Federal Road Grant," but the State contributes a pound for every pound the Commonwealth advances.

The Premier: All through the country when you proceed along the road you are told that the road was made from the Federal grant.

Mr. Teesdale: The Press always refer to it as the Federal grant.

Hon. Sir JAMES MITCHELL: Half of the money is paid by the State. Then again, there is the grant for wire netting. That will not benefit the Treasury directly, but it will help the State. We have had these special grants and advantages have accrued from them. In addition there is the accumulated benefit of the 6½ years of active land development and building up the State year by year. The present position is the natural result of the soldier settlement scheme and the group settlement work, together with the improved methods in the control of the departments which have resulted in the Treasurer being in his present happy position. Before I mention the Prime Minister's new migration agreement, I would place before even that, as of im-

mediate benefit to the Treasurer, the desire on the part of people in the Eastern States to secure land in Western Australia. Those people bring in tens of thousands of pounds for expenditure in connection with farm lands here and it is a good thing that people are coming from the Eastern States to buy our agricultural land. It is interesting to realise that that part which was despoised by the rest of the Commonwealth for so many years, is now sought after by the other States of Australia. That is a great thing for Western Australia. It will be of great advantage to us if our pastoral and farming areas are taken up and improved by these people while, of course, the expenditure of their money will also mean a good deal for Western Australia. On top of all this there is Mr. Bruce's new migration agreement which I am pleased to know the Government have endorsed. That agreement dates back to the first agreement I made. I should like to be the head of the Government to-day with all these advantages.

The Minister for Railways: It is a pity you slipped.

The Premier: I can assure you there is the same old worry in office to-day.

Hon. Sir JAMES MITCHELL: I can assure the Premier there is not; if he had the annual deficits to break down that I had, there would be the same old worry. While I envy the Premier because of this, I am glad he has these advantages. The Premier repeated that we had turned the corner. I hope, that being so, we will avoid the imperishable instinct that is so noticeable for people to take the wrong turning. I hope that as we have turned the corner, we will keep on going in the right direction. Our opportunities are great. Under the migration agreement the fares of the migrants are paid for us, whereas we have had to pay them for years past. In addition, we will have money costing 1 per cent. for five years and we will merely have to pay one-third of the interest for a further five years. Of course, we will borrow the money at the rates I have indicated and the migrants will be landed at the ordinary cost of money. Under my agreement the saving was 20 per cent., while under the Bruce agreement 40 per cent. is allowed to cover losses on land settlement. We cannot ask for more. With such advantages, surely we can go full speed ahead. I was delighted to hear the Premier's speech at the luncheon yesterday to the Imperial Press delegates, and I know

that the people will endorse every word of that utterance. They will be delighted to hear that the Government intend to go ahead with this work. In my opinion the losses on the soldier settlement scheme are, perhaps, more than covered, and all the advantages of that settlement are with us. We are more experienced regarding land settlement work than we were a few years ago. The settlement of the South-West is a difficult problem and had to be faced at some time or other. On top of that, we have legislation that will enable us to push ahead with the work of development, and assist the poor man to take up land. We have the land and we have our experience to guide us. We have the North-West, the South-West, and the Eastern Wheat Belt, and we can see what our opportunities are. Some day the North-West will be actively developed, and probably the needs of the nation will make us develop that part of the State very soon. We shall require money for that work and we will have to carry out great irrigation schemes for the people who will be settled there, so that they may produce all the year round, instead of only during the four or five months of the wet season. We have wonderful rivers in that part of the State and splendid water supplies, but we have to face the expenditure upon irrigation works. Do hon. members realise that in Egypt 14 millions of people live on 12,000 acres of irrigated land? That shows what we can expect in Western Australia. I need not discuss the pastoral areas which are well known to members, nor yet the wheat belt, except to say that we must continue the work of developing the wheat areas by advances to settlers, enabling every acre in that part of the State to be developed. It may be interesting to hon. members if I remind them that in Western Australia we have practically one-quarter of the total area under wheat in Australia. When we turn to the work of group settlement, I know I cannot have any cause for complaint regarding the expenditure there because the Minister for Lands spent last year £1,124,253 out of a total expenditure on group settlements of £2,391,229. No one can complain regarding the expenditure of money under that heading. From the districts concerned in connection with the group settlement scheme, we shall draw our future supplies of butter, bacon and cheese, as well as other foodstuffs that we now have to import from the Eastern States. It is a disgrace that year after year

we send hundreds of thousands of pounds away for produce that could be grown here throughout the group areas. The potato crop in the South-West this year is a magnificent one and if the present infernal shipping strike could only be settled, particularly as it relates to the interstate ships, we would have thousands of tons of potatoes to send to the other side. Those potatoes will have to be sent at once and if that can be done it will mean bringing in a great amount of money to this State. I do not know if the potatoes could be sent across by railway, but at any rate the potatoes are here, and it will be a shocking thing if the Eastern States markets are lost to our potato growers on account of the ships being tied up. There are great possibilities regarding the growing of tobacco in this State. Do hon. members realise that the amount of money spent on tobacco each year exceeds the money spent on tea and spirituous liquors? I do not know what some prohibitionists would say about that, but I know that some are heavy smokers. I suppose they will not say anything about the expenditure of money in that direction.

Mr. Pantton: We will draw their attention to it.

Hon. Sir JAMES MITCHELL: I have been down to the groups where I saw these crops growing, and I know what can be done there. When I was in office I got some settlers to put in crops of potatoes and the results were as good as we would like to see. They proved that they could grow potatoes all the year round. Linseed is another valuable crop that we may look to in the future. However, this work means more roads and railways. I will not discuss group settlement matters further because we will have an opportunity when we are discussing the departmental estimates. The work is proceeding satisfactorily and greater progress will be made, unless we continue to be held up by the unfortunate shipping strikes. The Premier cannot have any complaint to make regarding the sandalwood revenue that has been paid into the Treasury this year. I have dealt with the mining position, and I have asked the Minister for information regarding advances to mining parties. I have asked for that information, not because I object to that expenditure; I believe in it, and I hope the Minister will be active in his endeavour to encourage people to find new mines and further develop those that they have now. I

hope that his efforts will lead to success being achieved. I cannot refrain from mentioning the position at Wiluna because it seems to be satisfactory there.

The Premier: I understand that the flotation will take place next month.

Hon. Sir JAMES MITCHELL: That is satisfactory.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. Sir JAMES MITCHELL: The increased production has had an important bearing on the financial position of the State and on employment generally. There is always the question of marketing, and I am afraid it will be a burning question for some time. The fact that we have a high tariff must make the position difficult. I hope the day is not far distant when the British people will be fed from British acres, and we shall then be sure of a market for all the commodities that Australia can produce. We have an important local market as a result of the increase of population. The many growers of highly perishable products require a local market. When we remember that Sydney has a population of over a million, Melbourne 750,000, and Adelaide and Brisbane large populations also, we realise that the growers of vegetables and perishable products there are in a better position than are our growers, and so long as they manufacture goods for us, they will continue to occupy a better position. Nearly one-fourth of the whole of the area under wheat in Australia will be in this State, and that will mean that we shall be big buyers of agricultural machinery, which the other States will manufacture for us. I do not know what proportion of their trade is due to our purchases, but we are considerable customers and growing customers too, and they are getting the advantages that should accrue to our own State.

The Minister for Lands: Over seven millions last year.

Hon. Sir JAMES MITCHELL: Yes: we buy very largely from them and sell them mighty little. The Minister knows that he must put money into the pockets of Eastern States people in connection with his work, because every settler is a customer of an Eastern States manufacturer. In consequence of the tariff we have to buy their goods at the prices they fix. It is unfortunate that our producers have not the markets they would enjoy if we manufac-

tured to ally all the things that could be manufactured within the State. The other day I came across a very interesting book written by Major Irwin in 1855. In those days our people grew far too many potatoes for the local market, and it must have been a mighty small one. However, they did not trouble the Government about marketing; they bought a 70-ton boat, loaded her with potatoes, sent her to Madras where they sold the potatoes and loaded her with goods for the return trip. We have always considered it difficult to export potatoes. I do not know whether the potatoes grown in those days were of better keeping quality than they are to-day. If the people in those days could send potatoes to Madras by sailing boat, surely we could find markets in some less distant places such as Ceylon and Singapore where the ships of the seven seas call for food supplies. Before 1835 the people of this State sent salted fish to Sourabaya. The people of those days applauded the establishment of four flour mills, and it was mentioned that two more flour mills were to be established, and that the brewing industry was flourishing.

Mr. Teesdale: The brewing industry is flourishing now.

The Minister for Justice: Four flour mills, two breweries, and about 1,000 people!

The Minister for Lands: They did not wait in those days for other people to find markets for them. They found markets for themselves.

Hon. Sir JAMES MITCHELL: They did not come from Cornwall, either.

The Premier: Cornwall had not been discovered then.

Hon. Sir JAMES MITCHELL: On second thoughts some of them must have come from Cornwall, because there were enterprising men amongst them. Producers in those days had to help themselves.

The Premier: Did they follow the occupation of lighting bonfires on the coast line?

Hon. Sir JAMES MITCHELL: I do not know about that, but it is wonderful what enterprise was shown by those early settlers.

The Minister for Lands: They would not have gained much by lighting bonfires.

Hon. Sir JAMES MITCHELL: Not in those days. According to the same work, the Governor wrote to the British authorities asking them if possible to discourage

migrants who were not likely to make good settlers and to encourage people who would make good settlers. "We do not want people who are not willing to work," he said. "They would be no good here, but there is ample opportunity for those who will work." That applies to-day. At that time all sorts of crops were grown. The producers raised two crops of potatoes each year. The author spoke of wheat growing, the time for sowing, the rainfall and the yields.

The Premier: And the first portions of the State that they picked out have proved to be some of the richest agricultural land.

Hon. Sir JAMES MITCHELL: That is so. It is strange that what was said in those days is being said to-day. The people of the thirties looked forward to very rapid development. The author mentions that the rainfall on the western side of the continent would prove to be much more certain than the rainfall in other parts of Australia. Reference was made to plants from tropical countries growing beside plants that had come from the Old Land. In those days there was settlement at King George's Sound, at Augusta, and around Perth—a handful of people spread over the country, and that is how Western Australia was opened up. I noticed that Sir James Stirling landed here in 1827 and examined the country around the Swan River and named some places. I was not aware of that until I read Major Irwin's book; I thought Governor Stirling first came here in 1829. The statements then made regarding climate, soil, class of migrant, opportunities, and the need for work and marketing are the same as the statements being made to-day. That was 90 years ago; I hope that in 90 years the same things will still be preached to very many more people. There is no occasion to say much more about the finances. The Premier has admitted that he is reaping the fruits of the policy of the past seven years, and surely if we look back we must realise that the borrowed money was well invested. We must acknowledge that we have an industrious population. I suppose there is no population so small as ours that is doing so much as ours. With a population of 370,000 people, we maintain the city of Perth and many considerable towns, and our people are at work from Wyndham to Eucla. We are running a big mining industry; we do nearly all the gold

mining of Australia, and we run other mining such as coal and tin, apart from small mines in the North. We have the timber industry, a considerable pastoral industry and the agricultural industry. I do not know how so few people get through so much work. We often say that we have a fair crop of loafers. I am not too certain about that. I suppose there are some men who do not like work, but the others must make up for them or we would not have achieved such results.

The Minister for Lands: One gentleman said the other day that the women of Australia do the work. He said "You have industrious men who keep the women working for 16 hours a day."

Mr. Teesdale: Talking.

Hon. Sir JAMES MITCHELL: Nature has apparently arranged that for us. It seems impossible to prevent a woman from working. Even when she is in a tram car, she is knitting. I suppose the hardest thing we could do would be to stipulate eight hours' work per day and no more for a woman.

The Minister for Lands: I told him the people of Australia believe in home life. He did not believe in a citizen having three wives.

Hon. Sir JAMES MITCHELL: I think it a very good reason, but the Minister's profound admiration for the ladies would surely lead him to believe that a man should have half a dozen wives.

The Premier: See how cheerful the Minister for Lands is about his impending visit to the groups.

Hon. Sir JAMES MITCHELL: Yes, but I shall keep my eye on him. There will be no laying on of hands this time. Our land production and development are the highest in our history. The plans and policy of settlement have been adopted and approved by members on both sides of the House. The Government have adopted that policy. We are at one on migration. Liberal assistance is to be given by the British and Federal Governments, and migrants are coming here. It is wonderful that both parties are agreed that migration is necessary, and that if we are to progress we must have more people. If we are to keep our people here at work we must have more newcomers, and if we are to do more than we are doing we must have a greater population. We cannot do more with the people we have. Employment comes through the people. We count the

wealth of a new country by the people who are in it. There is no other way of doing so. The wealth now created will not compare with the wealth that will be created if we have the people to make it. Our wealth to-day is a mere bagatelle compared with what it will be. In the South-West we shall to-morrow see the work that has been done on the groups, and bear witness to the towns that are springing up. Houses, hospitals, banking establishments, bakeries, etc., all of which go to make for civilisation, are being erected in Busselton. All this has been done in a very short time. The more people we get the more wealth we shall create, and the better will it be for us all. The amount of our wealth is represented by the number of our people. We have a greater knowledge and appreciation of our own State than we had. That is a good thing. People of the Eastern States view us with altogether different eyes. They know that our State is valuable, and they are coming here and buying up land. Often I meet people who tell me that years ago they sold their wheat farms, and now want to go back to the land. It is difficult for them to get back because our areas of wheat lands are limited. Every day makes it more difficult to get wheat land. The prospect is good and the harvest is good. Our wheat, wool and fruit are increasing in quantity every year. Our gold mining is promising. The Wiluna find and other discoveries seem to point to a sound revival of that industry. I hope that the manganese deposit will shortly be handled by overseas ships at Geraldton. It is a wonderful deposit and ought to be converted into money. All along the line there is a decided improvement in all matters that count. Our secondary industries are going ahead. Although they are not increasing as rapidly as we should like, or in the direction we should like, we are doing something. Year by year the position is improving. More people are willing to come to the State than ever before. Our finances are in order, and there ought to be no further trouble on that score. The squaring of the ledger was not done by any temporary expedient, but by solid and lasting development. In the process, we have provided opportunities which have brought greater wealth to the people who are paying taxes. It is not possible in an old country to say, "We shall add to your prosperity and profits, and take a little in the process, in order that we may wipe out the deficit." In this country we

can do that, and we have improved the lot of everyone. The general prosperity must be admitted, for it can be seen on every hand. People are more generally prosperous than ever before in the history of the State. I doubt if there is any place where the wealth we have is so widespread. No one is very rich, but no one need be very poor. One has only to keep one's eyes open to see how general the prosperity is. If we could only have peace we could achieve greater things. It is splendid to look out upon the people who can, if they like, live a decent life under decent conditions, bring up their families in a decent way, and have their children decently educated to take the opportunities as they come along. It is splendid to live in a country that is new and developing. We have all the advantages of civilisation but not the pioneering disadvantages. We offer great opportunities to people who want to leave the Old Land. There are 47 million people too many there. They are our own flesh and blood, and we ought to provide for them. I do not know where the world is going to find room for the people. Europe is overcrowded and so is Asia. Japan and most of the islands of the world, as well as America, are overcrowded. Britain possesses probably the only unpeopled lands in the world that can be peopled. Although the Empire owns so great a proportion of the world's surface, it cannot hold it unpeopled whilst others are being crowded out. Science has been keeping people alive much longer. In the last 100 years the population of the world has increased to a much greater extent than it did in the previous 100 years, and in the next century there is every prospect of the population being doubled. Great Britain ought to see to it that people are sent out to us. They ought to co-operate with us, and help us to develop this portion of the Empire. This is the first time in our history that Britain is helping satisfactorily. The amount of assistance we can get now is sufficient. From the figures that have been quoted, it appears that the Premier is willing to spend money on the settlement of British people here. It is well that the people of this State and the Old Land should know that we are at one on the question of migration. We want people, and realise their value. We must have people if this country is to be kept white. We cannot increase our numbers as rapidly as seems to me necessary for the safety of the country,

but we can have a stream of people coming in to settle amongst us, doing the work necessary for the development of the country, and creating the wealth necessary to carry us along. I hope I have not unduly criticised the financial control of the Treasurer during the past 12 months. It is usual for the Opposition to offer some serious criticism on these occasions. I am sorry the Premier expects to go back a little on last year's results. I do not believe that will be the case, remembering the assistance we are to get from the Federal Government. That assistance cannot be for a year; it must be for the 25 years recommended by the Commission. We ought to be able to reduce taxation and assist to a greater extent our hospitals and, it may be, our education, particularly rural education. Our position is entirely different to-day. Now we can see our way clearly. There ought to be no hesitation, I think, in following up this policy of land development and migration to the fullest extent.

MR. THOMSON (Katanning) [7.55]: I congratulate the Premier on having almost attained his political majority. I notice that he has been a member of this House for 20 years, and I hope he will live to attain his twenty-first political birthday. I regret I have to speak on the Estimates without being able to peruse the reports of the Auditor General and the Commissioner of Taxation. In the absence of these documents it is difficult to go into the finances. The Leader of the Opposition, who was Treasurer for four and a half years, has a grasp of the position, but that is not the case with the ordinary private member. The Budget is a decided improvement on previous Budgets. It is the eleventh Budget to which I have listened. In the past, members have criticised the Budget and referred to works that should be carried out in their particular electorates, but, notwithstanding this, the Estimates generally go through without alteration. This is rather disconcerting. It is not of much use closely analysing the figures, because nothing we may say will have any effect. The policy of the present Government is to a large extent that which was carried out by the previous Government. We boast about our wonderful land development policy, but it is the only one that any of the occupants of the Treasury bench can put into practice in a State like Western Australia.

If our land settlement does not progress, the State must retrogress. Our gold mining industry is a case in point. Years ago the goldfields of Western Australia were a hive of industry. To-day many goldfields towns and districts are in a deplorable condition. Numerous quite respectable little civic communities of the beginning of the century have fallen to the position of deserted camps. Without a vigorous land settlement policy some of our towns and cities would be declining instead of advancing as they are to-day. The Premier has budgeted for a deficit of £98,079. That, to me, is disappointing, especially in view of the favourable report of the Federal Disabilities Royal Commission. The Prime Minister has stated that Western Australia shall receive £450,000 this year in respect of its Federal disabilities. The recommendations of the Royal Commission are to be submitted to the Commonwealth Parliament.

The Premier: He has not said that the recommendations are to be submitted. He said that the recommendation for one year is to be submitted.

Mr. THOMSON: The Prime Minister also said that the Commission's report would be placed before the Commonwealth Parliament, and if ratified there—

The Premier: For one year.

Mr. THOMSON: No.

The Premier: He has not at any time said that the recommendations will be placed before Parliament. He has said that Parliament would be asked to approve for one year and that then a Premiers' Conference would be called to deal with the matter.

Mr. THOMSON: Yes; that is so. Nevertheless Western Australia can view the position with much satisfaction. The man who has made that promise of £450,000 for one year for Western Australia was the man who brought the Royal Commission into being at the request and upon the insistence of those members supporting his Government who represented Western Australia. Personally I would prefer to have 25 years' control of our Customs to a monetary grant of £450,000. If that grant were properly expended, it would mean reduction of taxation and assistance in many directions. It would not, however, relieve those upon whom the burden of Federation weighs most heavily to-day—the primary producers. The party with which our Premier is associated have definitely stated that they will carry out the Royal Commission's recommenda-

tions until such time as Western Australia gets control of its Customs. It may be well at this stage to read the recommendation--

Reiterating our opinion that a grant can only be regarded as a partial and temporary remedy for the State's financial disabilities, we recommend that until the State of Western Australia is granted the right to impose its own Customs and Excise tariff, the Commonwealth shall pay to the State a special payment of £450,000 per annum, in addition to the 25s. per capita payment made under Clause 4 of the Surplus Revenue Act of 1910; the aforesaid special payment to include a special annual payment now being made to the State of Western Australia under Clause 5 of the Act. The above special payment of £450,000 is to commence on the 1st July, 1924.

In view of that recommendation I look forward with confidence to a Federal Government recognising that Western Australia is suffering disabilities, and to their granting us relief by an annual payment of £450,000.

The Minister for Lands: Are you putting up an election speech on the Budget?

Mr. THOMSON: I am dealing with the finances.

The Minister for Lands: You should deal with the finances we have, not with the finances we may not get.

Mr. THOMSON: I am dealing with the Estimates.

The Minister for Lands: That is not in the Estimates. If we all start that game, we shall be here for six months.

Mr. THOMSON: My contention is that the Government should have taken into consideration the fact of the definite promise. I remember the Premier saying in this Chamber that he would be pleased when the Federal Disabilities Commission's report came to hand, because on that report he would be able to frame his Estimates.

Mr. Teesdale: That is right.

The Premier: Of course I was assuming that the thing would be dealt with.

Mr. THOMSON: It has been dealt with.

The Premier: No.

Mr. Marshall: Is the Leader of the Country Party speaking for Mr. Bruce?

The Premier: I have not received any official notification from the Prime Minister. I do not know any more than I have read in Federal election speeches. Am I to make a Budget in election speeches?

Mr. THOMSON: All sections concerned in the Federal election are vying with each other—

The Premier: I have received no official intimation of intentions from anybody. I am not supposed to accept newspaper statements about what is going to be done.

Mr. THOMSON: It is rather a surprise to me to learn that the Premier has had no notification.

The Premier: I think the Prime Minister might have written to me saying what he intended doing.

Mr. THOMSON: The people of Western Australia are certainly under the impression, from the statements made, that the matter has been officially dealt with.

The Premier: Now that you are acquainted with the position, will you have it rectified?

Mr. THOMSON: I can only deal with the matter as it has appeared in the Press.

The Premier: That is just the position from which I cannot deal with it in the Budget.

Mr. THOMSON: When the Leader of the Opposition was dealing with the question of the £450,000 payment, absolutely no exception was taken to the points he raised. He proceeded to show how the Government would have a surplus of £50,000, having regard to that payment. Why is exception taken to my statements, then?

The Premier: I pay more attention to what you say.

Mr. THOMSON: That is highly gratifying.

The Premier: I am sitting up and taking notice now.

Mr. THOMSON: That is very good of the Premier. However, I will not withdraw the statements I have made. Presumably Parliament will not be in recess before Christmas, to judge from the number of Bills before us and the quantity of work before another place. Whatever party may be returned to power in the Federal Parliament, we have a definite assurance that £450,000 will be made available to Western Australia.

The Premier: No; not an assurance that it will be made available, but that the new Parliament will be asked to make it available.

Mr. THOMSON: We have it both ways. From Senator Needham, the Leader of the Federal Labour Party in this State, we have a definite statement that if his party is returned to power in the Federal arena, the State of Western Australia—

The Premier: They can only ask the new Parliament to agree to the payment, and the new Parliament may be made up of extremely independent men who will not follow their leaders.

Mr. THOMSON: I am sorry I cannot agree with the Premier.

The Premier: This is not a party question, you know.

Mr. THOMSON: If there is any election which is free from independent interference, it is the present Federal election.

The Premier: But this is not a party question. Each candidate is free to exercise his vote as he likes on the matter in the new Parliament.

Mr. THOMSON: That is so. Nevertheless I should be extremely sorry to think that the gentlemen now touring Western Australia in the interests of the Federal Labour Party are not sincere in the pledge which they are giving to the people of this State, that if the Labour Party are returned to power in the Federal Parliament, Western Australia shall have a payment of £450,000 in accordance with the Royal Commission's recommendation. The promise the Labour Party is making is that until Western Australia is granted the right to impose her own Customs and Excise duties, the Commonwealth shall pay to the State £450,000 per annum.

Mr. Panton: And we always carry out our promises.

Mr. THOMSON: On this occasion I prefer to trust the promise of Mr. Bruce, just as my friend will trust the promise of Mr. Charlton. Mr. Bruce has always carried out his promises to this State.

Mr. Panton: When did he previously promise anything to us?

Mr. THOMSON: He promised that the Disabilities Commission would be appointed. It has been appointed and has done its work. Mr. Bruce also said that his Government would give most serious consideration to the recommendations of that Commission.

Mr. Panton: On the eve of a general election!

Mr. THOMSON: That promise was made long before there was any thought of a general election. I do not wish to bring the Federal election into this debate.

Mr. Panton: You have done so.

The Premier: I specially avoided putting into the Budget anything that would introduce the Federal elections.

Mr. Richardson: You don't like it.

The Premier: I love it.

Mr. THOMSON: I had no intention of dragging in the Federal elections at all. I am dealing with the report of a commission before which members of the House gave evidence, I amongst them. The Treasurer, in preparing the Budget should have taken into consideration the £450,000 which it is proposed shall be handed over to the State.

The Premier: It is only £340,000, by the way.

Mr. THOMSON: Well, the balance is a special grant.

The Premier: I have the balance in the Budget, so there is only £340,000 left.

Mr. THOMSON: Each year we shall have £450,000.

The Premier: But we are to have it for only one year. That was stressed by the Prime Minister.

Mr. THOMSON: I admit that.

The Premier: Then the matter will go to a conference of Premiers, who will be asked to deal with the whole question of the relationship between the States and the Commonwealth.

Mr. Richardson: It will come up again when Mr. Bruce gets back.

Mr. Wilson: But he won't get back.

The CHAIRMAN: Order! This is not an election meeting.

Mr. THOMSON: In my opinion that amount ought to have been considered in the Budget. I did expect from the Premier a statement as to how the Government proposed to allocate this money if the recommendation of the Disabilities Commission were put into effect.

The Premier: I like to see the chickens hatched before going into calculations.

Mr. THOMSON: One way in which that money could be wisely allocated would be the reduction of taxation.

The Premier: I have several advices on that score: reduce taxation, reduce railway rates, grant a gold bonus—there are several others.

Mr. THOMSON: Constant dripping wears away a stone, and I hope that by constant reiteration we may be able to impress, not only on the Premier but on the people, that the time has arrived when taxation should be reduced.

The Premier: But that is only one way. I could not spend it all in that way. There

is still the gold bonus and the reduced railway rates.

Mr. THOMSON: As for the gold bonus, the resolution carried in this House had nothing to do with the State; that was a request to the Federal Government. It is agreed that secondary industries should be established here in Western Australia. Unfortunately those who might be tempted to spend money in establishing secondary industries, when they consider the taxation imposed in this State go off and erect their factories in a State where taxation is lighter. If a man in Victoria has an income of £5,000 he pays in income tax only £135 0s. 8d. Even the suggested additional tax of 1d. would increase that amount by only £20 16s. So a man with capital to invest that would return an income of £5,000 would have to pay only £155 in Victoria, whereas in Western Australia he would have to pay £1,006, or practically one-quarter of his income.

The Premier: How can that be so, since our maximum tax is 4s. 3d.? Would it not be one-fifth?

Mr. THOMSON: Yes, it would be one-fifth, not one-quarter. Anyhow, it is not reasonable to expect men to come here and establish new industries when our taxation is so heavy.

The Premier: They are mostly companies, and so pay under the Dividend Duties Act.

Mr. THOMSON: Yes, but they have to pay the higher rate, whichever it may be, and so you catch it both ways. As I say, one way in which this £450,000, or, as the Premier says, £340,000, should be used is to reduce the burden of taxation. Despite our increased revenue, our increased returns from taxation and our increased land tax, the deficit still seems to be going along.

The Premier: May I say, with the girl, that it is only a little one?

Mr. THOMSON: Since I have been in Parliament, the policy of each Government has been "Eat, drink and be merry, for to-morrow we die. Let us have a good time, spend as much money as we can, and leave someone else to carry the baby."

The Premier: Where do the Estimates justify that statement?

Mr. THOMSON: I propose to show that with the increased revenue coming to the Government the Estimates should balance. But the money has been expended in other directions.

The Premier: Squandered!

Mr. THOMSON: No, I will not say that, but I have a doubt as to whether we are getting full value for the money we are expending. It may be unpopular to say that we must economise. The ledger should have been balanced this year. Only the other day a man said to me, "It seems the Government have money to burn, for they are increasing wages and reducing hours."

The Premier: Who was he?

Mr. THOMSON: He has a considerable stake in this country.

The Premier: But countless fools have stakes in the country.

Mr. THOMSON: I admit that. The action of the Government in introducing the 44-hour week on all Government works and insisting upon the policy of no work on Government jobs except for members of the Trades Hall, is wrong. It is morally wrong. Suppose the party now occupying the cross benches were in power to-day.

Mr. Withers: What a calamity!

Mr. Marshall: We have never written letters to the Premier, anyway.

Mr. THOMSON: The hon. member is controlled by a caucus, so that it would be no use writing to the Premier. I wonder what members opposite would say if we were to instruct the Commissioner of Railways that our policy was that he was not to carry wheat or anything else for a farmer unless he belonged to our union. No doubt that would be received with great satisfaction by members who are supporting the Government to-day.

The Premier: Your organisation has adopted many of our methods during the past few years.

Mr. THOMSON: It would be wrong for us to say that.

The Premier: You used to say that about the selection ballots.

Mr. THOMSON: It would be equally wrong for the Government to say that no man shall get a job unless he belongs to Trades Hall.

The Premier: We have not said that.

Mr. THOMSON: Unless he is a member of the union.

Hon. S. W. Munsie: That is a very different thing.

Mr. THOMSON: It is a distinction without a difference.

Hon. S. W. Munsie: Nothing of the kind. Do not try to misrepresent. If you do not

understand the position, admit it. Your statement is entirely wrong.

Mr. THOMSON: We know that the majority of trade unions are affiliated with Trades Hall.

Mr. Heron: That is wrong too.

Hon. S. W. Munsie: Quite wrong.

Mr. Chesson: You ought to get it right if you keep going long enough.

The CHAIRMAN: Order!

The Minister for Lands: We know that the Country Party advocate free trade, and vote protection every time.

Mr. Lindsay: They do not. It is the revenue tariff we go for.

Mr. THOMSON: The Government are wrong in bringing this about. I had brought under my notice to-day an agreement effected by the Minister for Works with regard to survey hands. This agreement is with the A.W.U., and brings in a 44-hour week for men who are working on surveys in the bush.

Hon. S. W. Munsie: That is an awful calamity.

Mr. THOMSON: I learn that the men who are directly interested have never been consulted; I refer to the scheduled surveyors. They have to comply with these terms. They estimate that the additional cost to them will involve £1 a week for each man, and between £3 and £4 for any ordinary camp. In course of time the survey fees will be increased. The surveyors work probably only six months in the year, and this will mean additional hardship to them.

The Premier: A burden!

Mr. THOMSON: The Government have budgeted for a deficit of £100,000. They have used their position to compel all who are working on Government jobs to belong to Trades Hall.

Hon. S. W. Munsie: Wrong again!

Mr. THOMSON: To belong to a union. They have introduced the 44-hour week, and are paying the men at the same rate they received when they worked 48 hours. The Government are not economising. They should have been able to bring down a Budget providing for reduced taxation, and for supporting industry instead of hampering it.

The Premier: Even with shorter hours the position is better than it was with any Government that you have been supporting for years past.

Mr. Richardson: That is entirely wrong.

Hon. S. W. Munsie: The sum of £277,000 was the lowest loss that any Government you supported ever budgeted for.

Mr. Richardson: That is wrong.

Mr. THOMSON: The Premier stated that this was a better position than ascertained in regard to any Government I supported. When I entered Parliament the Premier occupied a seat on the Treasury benches with Mr. Seaddan. Our deficit started on the up-grade then. Unfortunately the war broke out. Numbers of our men who were workers and earners, and creators of wealth, left Western Australia to play their part in the war.

Mr. Withers: You admit that the workers went.

Mr. THOMSON: Men joined up from all classes of the community.

Mr. Panton: The great majority consisted of workers.

Mr. THOMSON: Those who had produced the wealth of the State had not done so by working 44 hours a week. It is the loan moneys that have been advanced by the Commonwealth Government, and the vigorous land policy that has always been adopted in this State that created wealth. In 1911 the Labour Party unwillingly introduced the Bath blight, which has now been overcome. I refer to an Act under which men were not allowed to purchase land. This had a depressing effect. Since then the factors I referred to have led to a better feeling and greater financial stability. I give the present Government credit for having played their part since they have held office.

Mr. Richardson: They have followed on.

Mr. THOMSON: The Premier said at Government House yesterday that they were following the policy that had been inaugurated by the Leader of the Opposition.

The Premier: I said that with regard to group settlement.

Mr. Richardson: And other phases.

The Premier: That was what I referred to.

Mr. THOMSON: It is the only policy.

Hon. S. W. Munsie: It is not the only policy.

The Premier: It was the policy which you criticised very much, but did not support very much. There would have been no group settlement if it had depended on your support.

The Minister for Lands: Or the support of your party.

The Premier: Not while the Leader of the Opposition was in power.

Mr. THOMSON: I will deal with that at a later stage.

The Premier: It would take you some time to think it over.

Mr. THOMSON: I could tell the Premier now.

The Premier: You criticised the ex-Premier day after day.

Mr. THOMSON: I did.

The Premier: But he had support from this party.

The Minister for Lands: That is because they would not think of him as a Minister.

Mr. THOMSON: I criticised the administration, not the scheme. I do not blame those who are accepting the 44-hour week at the same rate of pay as they received previously. The Government, however, should have exercised a considerable amount of economy.

Mr. Panton: That is one of our election pledges.

Mr. THOMSON: I do not think so. The hon. member's election pledge was to restore the 44 hours to those who previously had it.

Mr. Panton: It was one of the leading planks of our platform and you know it.

Mr. THOMSON: I do not know it. The Bill dealing with that will be discussed later.

Mr. Withers: You are making a fairly good second reading speech on it now.

Mr. THOMSON: I am dealing with the administrative Acts of the Government which will not be affected by that Bill, because the Government have already brought that policy into operation. The Bill the Minister for Works has in hand is to affect every industry and business outside Government control.

Mr. Panton: That shows the sincerity of the Government.

Mr. THOMSON: Everyone under Government control enjoys the 44-hour week. The Government have seen to that.

Mr. Panton: We say that is right. That is the difference between us.

Mr. THOMSON: It shows the rottenness of our system of Government.

Mr. Panton: Just at present, I suppose.

Mr. THOMSON: At all times. As members of Parliament we claim to be custodians of the public purse, but not one of us has any say in the matter of the expenditure. Whilst allegedly we are discussing estimates that run into millions of pounds, no member on this side of the House can affect them.

The Premier: What a pity the minority did not rule.

Mr. THOMSON: There may be some members opposite who do not approve of all the expenditure, but they cannot do anything because Cabinet has spent the money.

The Premier: What is your remedy?

Mr. Davy: Very often the minority does rule.

Mr. THOMSON: It is possible for a small minority on the Government bench to carry its way in the room upstairs, and the business goes through.

Hon. S. W. Munsie: You have a wonderful idea of what is done upstairs.

Mr. THOMSON: The Honorary Minister must admit that it is part and parcel of the Labour platform.

Hon. S. W. Munsie: What is?

Mr. THOMSON: That if the majority decide upon a certain thing, the minority must abide by the decision.

Hon. S. W. Munsie: Only when it is on the platform on which we went to the people. The Estimates do not appear there. Everyone on this side has a free hand to vote on the Estimates as he likes. You want to do a little bit of electioneering.

Mr. Panton: Tell us what you want cut out, and we will cut it out.

The Premier: You have had caucus meetings, and things have transpired there which have leaked out.

Mr. THOMSON: I congratulate the Premier on being more fortunate with regard to his followers. We are all right to-day, but were not always so fortunate.

The Minister for Lands: You must not be too sure about your side. We will never allow outsiders to dictate to us, anyway.

Hon. S. W. Munsie: You have no say in the matter. The majority is in St. George's-terrace.

Mr. THOMSON: I have issued a challenge, which I repeat. I issued it when the ex-Premier was in my district doing his damnedest to keep me out of Parliament. He said then that we were being dictated to by our executive. I threw out the challenge that if any man could prove that our executive had endeavoured to dominate us, he should step forward and do so, but no one ever did it. They cannot do it.

The Premier: Let them speak now or for ever hold their peace.

Mr. THOMSON: It is most remarkable that no one has ever come forward to prove the statements made.

Hon. S. W. Munsie: Why do you go down to consult your executive?

Mr. THOMSON: I am associated with the executive of my party, just as the Honorary Minister is associated with the executive of his party.

Hon. S. W. Munsie: But the whole Labour Party do not go down to consult the executive like you do.

Mr. THOMSON: We never do it.

Hon. S. W. Munsie: Of course you do it—every time you are called.

The CHAIRMAN: Order!

Mr. THOMSON: Despite the decreased returns from railway and taxation, there is increased expenditure by what I may term an administrative act of the Government; and I would be lacking in my duty to my constituents and to the State if I did not protest against the Government's act. We shall have to pay one-twelfth more wages during the year for the same amount of work. The Public Service Commissioner's report on page 7 states—

Inspection and re-organisation.—I have made personal inspections of the work of individual officers and groups with a view to re-organisation or in connection with applications for re-classification. The ordinary work of the office, however, has not permitted any wide scheme of personal investigation, nor indeed has the necessity arisen to any great extent during the past 12 months. A detailed examination of work carried out by the Treasury officials who perform duties previously carried out by the Education and Mines Departments has just been completed. A considerable saving in salaries has been effected. Further economy is possible, and will be effected as opportunity arises.

Page 5 of the report states that there are employed as permanent officers or temporary employees under the Public Service Act 1,864 persons, drawing in salaries a total of £542,538. I quite agree that we want an efficient service, and I am not casting any reflection upon the personnel of our Public Service. I am simply dealing with the position from an administrative point of view. The Public Service Commissioner practically states that he has to remain in his office and is unable to give personal attention outside.

The Premier: He says there is no need for it. He has made no request of any description for assistance.

Mr. THOMSON: I am not saying that he has.

The Premier: But you say that his time is so taken up in the office that he cannot give any attention outside.

Mr. THOMSON: I am not suggesting for a moment that the Premier has ever in any way interfered with the Public Service Commissioner. I have previously suggested here that it would tend to more efficient service and to the avoidance of grievances if public servants generally were afforded some means, other than that of writing, to get in touch with the Public Service Commissioner. With that end in view Mr. Munt was appointed assistant Commissioner, but his activity was almost completely restricted to appearing for the Government against civil servants who were putting their cases before the Appeal Board. For the Public Service we should have an inspector of the kind appointed by the Commissioner for Railways. Inspector Backshall reports direct to the Commissioner. That fact is of material assistance to Colonel Pope. Frequently, instead of having a case put up to him by the secretary, he gets it directly from the employee affected, and is thus brought into something like personal touch with those under him. The same system should obtain in the Public Service. There is an impression in the department that men of splendid ability are side-tracked in back offices without opportunity of advancing, and that thus the State loses through having square pegs in round holes. Immediately an inspector goes out, of course, the "mulga" is put into operation, and it is known that he is on the way. Railway employees always know when the district traffic superintendent is coming along. Nevertheless I believe that an inspector of the kind that I have suggested would prove of great benefit to the Public Service. Our Railway Department employs about 8,000 men, and these will mean a heavy additional cost under the 44-hour system. Unfortunately the Government have not seen fit to supply us with data as to what the cost will be. On the occasion of the last increase we were informed that the cost to the Railway Department would be about £70,000. Unless my calculations are wrong, the next report of the Commissioner of Railways will disclose that the increase is more like £140,000 than £70,000. I look forward with some apprehension to additional taxation by way of increased railway freights. Without trespassing too much on the ears of my friends opposite, I should like to mention that I stated here previously that the Government did not exercise economy but seemed to have money to burn. About the 25th December last year the Press published a statement

concerning the Fremantle Harbour Trust. The primary producers feel that they have a serious grievance against the Government in this respect, because whilst at one time they had a direct representative on that Trust, they have none now. In view of the amount of money passing into Consolidated Revenue each year, it is strange that the Government should have insisted on the continuation of the pilot service outside Fremantle. The Press reported a statement by Mr. Carter, chairman of the Fremantle Harbour Trust, that the question of outer pilotage had been under consideration for some time, and that the outer pilotage would be abolished. During the latter part of last year it was published that captains of oversea vessels coming to Fremantle had stated that the outer pilotage was absolutely unnecessary, and that they were able to come safely into port without it. On the 3rd December, I believe, the men working on the pilot boat refused to take a pilot off to a steamer. I understand they even threatened him that if he persisted in going off, he would be "tipped overboard," or something to that effect. What is the position to-day? We have an outer pilotage system: and if the men working on the pilot boats refused to go out to a steamer, and anything happened to the steamer in consequence, the Fremantle Harbour Trust would be responsible for any loss or damage arising. As an illustration of this I would point out that about 20 years ago a sailing ship, named the "City of York," was wrecked off Rottnest. She was lost through some lights being displayed on the beach. The Government of the day practically paid for that ship.

The Premier: From what returns is that information taken?

Mr. THOMSON: The Premier can verify my statement, for it is quite correct.

The Premier: It seems to me that some members of the Harbour Trust have been using their positions for political purposes.

Mr. THOMSON: The Premier is absolutely wrong. I do not know any member of the Harbour Trust, and I have not spoken to any of them. The interjection of the Premier does not fit at all. The position is that the Government over-rode the Harbour Trust Commissioners, who were appointed to administer the business of the port. They distinctly broke one of the regulations. If hon. members will turn to the report of the Harbour Trust Commissioners for the year ended

30th June, 1924, they will find the following:—

The gross revenue amounted to £357,450 14s. 2d., representing an increase of £75,435 0s. 9d., as compared with the year 1922-23. This gross return represents the highest annual collection in the history of the trust. The previous best year was 1920-21, when the gross collections reached £301,964 11s. The surplus revenue over working expenses was £211,272 19s. 2d., representing a return of 9.8 per cent. on the capital invested.

The Minister for Lands: The capital that they claim to pay on, not on the capital invested.

Mr. THOMSON: I am quoting from the commissioners' report. They proceed—

The full statutory obligations of the commissioners were met, the payments being as follows:—Interest £85,703 12s. 10d., sinking fund £21,185 15s. 8d., renewals fund £2,000, making a total of £108,889 8s. 6d., and in addition there was handed to the Government as surplus cash to be carried to the Consolidated Revenue fund an amount of £96,611 19s. 9d. The capital value of the harbour was increased by £37,821 6s. 4d., representing the value of work done by the Public Works Department almost entirely in connection with the deepening of the harbour and entrance channel, and the capital value now stands at £2,156,399 17s. 2d.

The Minister for Lands: The harbour cost over £3,000,000.

Mr. THOMSON: Then the report continues—

The reserve fund of £2,000 per annum for renewals and replacements has now reached a total of £39,766 6s. 3d., the interest earned during the year being £1,545 3s. 8d. The accumulated contributions of 1 per cent. on capital made by the commissioners to the general loans sinking fund now amounts to £298,629 3s. 9d., but no interest accrues to the trust on these contributions for the reason that the fund is held by the State's sinking fund trustees, and is not separately invested by the Treasury.

The point I wish to raise is this. Here we have the Harbour Trust appointed to look after the Fremantle harbour. We have it on record in the Press that the Harbour Trust Commissioners considered that they could cut out the outer pilotage as being unnecessary. When that pilotage was introduced, the approaches to the harbour were not as safe as they are to-day.

The Minister for Lands: Yes, they were.

Mr. THOMSON: In the second place, it was then the day of the sailing ship.

The Minister for Lands: No, it was not.

Mr. THOMSON: It does not get away from the fact—

The Minister for Lands: These are not facts. I have been there all the time and I know the facts.

Mr. THOMSON: So do I.

The Minister for Lands: No, you do not. I know what was there and what has been done.

Mr. THOMSON: I was a resident of Fremantle then.

The Minister for Lands: But this was not the pilotage arrangement when you were a resident of Fremantle.

Mr. THOMSON: I was there when the first large steamer came into the harbour. It was a German boat, and Sir John Forrest used his influence to bring that vessel and other mail boats from Albany, which port they had used previously.

The Minister for Lands: I do not think he exercised much influence.

Mr. THOMSON: At any rate he got the boats to Fremantle, and the people of Albany have given him credit for it ever since. If my memory serves me rightly free services were promised if the vessels came to Fremantle.

Hon. Sir James Mitchell: It was inevitable they should come to Fremantle.

Mr. THOMSON: I am not arguing that it was not. That statement, however, appeared in the Press and was to the effect that the pilotage system was introduced when there were more sailing boats coming to Fremantle. Sailing boats are now things of the past and the steamers that use the port now can come to the mouth of the harbour without any difficulty. In an effort to administer the affairs of the Fremantle harbour economically, the commissioners decided prior to the strike that this particular pilotage service could be abolished and thus effect a saving of £10,000 a year.

The Minister for Lands: To whom?

Mr. THOMSON: To the port. It is in the interests of the port that we should reduce our charges to a minimum. We also find the following in the report of the commissioners:—

The war surtax of 20 per cent. on all dues and tolls as distinct from handling charges or charges for direct labour services rendered, is still in operation and amounted to £38,887 9s. 5d. The retention of this surtax has continued to exercise the minds of the commercial and shipping community, and there have been deputations to the Government asking that this tax be discontinued. The Trust Commissioners have also again advised the Government that

in their opinion the general trade of the port has recovered sufficiently to justify the tax being removed. The Government, however, has replied that they cannot yet see their way to agree to this request.

The Premier: Well, the Harbour Trust is not supreme. We will do what we think right, not what the Trust thinks is right.

Mr. THOMSON: According to the Act the members of the Harbour Trust were appointed to carry out this work and the Government are not supposed to have any control over them.

The Premier: Oh, are they not?

Mr. THOMSON: No.

The Premier: You cannot find that in the Act.

Mr. THOMSON: Unfortunately, I did not expect to speak to-night—

The Minister for Lands: You cannot say that, because I sent you a note on Thursday about it.

Mr. THOMSON: That is quite right, but I thought the Leader of the Opposition would have spoken at greater length.

The Minister for Lands: You did not expect him to speak all night.

Mr. THOMSON: At any rate, I expected him to speak for a much longer time. I hoped that I would not have to speak to-night because I have not been able to prepare my case as fully as I intended to.

The Minister for Lands: You could not prepare a case on this point.

The Premier: The Harbour Trust decisions are subject to the consent and approval of the Government, make no mistake about that.

Mr. THOMSON: Nevertheless, here is a service that is costing Fremantle £10,000 and the commissioners consider it unnecessary; the seamen proved it to be unnecessary, because when they refused to take the pilot vessel out, ships came to the mouth of the harbour without any difficulty. This established the fact that the outside pilotage was unnecessary, yet the Government say, "Carry on."

The Premier: The Harbour Trust took a long time to wake up. They had this extra charge for years until a Labour Government came in.

Mr. THOMSON: At any rate, they did wake up, and proved that the service was unnecessary. The Government have been wasting money and have not properly administered the affairs of the State.

The Premier: We shall please ourselves whether we waste it or not.

Mr. THOMSON: Of course you will.

The Premier: We will not be dictated to by Carter.

Mr. THOMSON: It is my duty to raise my voice in protest against waste when I see it occurring, just as the Premier when in Opposition raised his voice in protest when he thought fit.

The Premier: You have told us that three or four times.

Mr. THOMSON: And I am telling you again.

The Minister for Lands: And you do not know anything about it, like a lot of other things, too.

Mr. THOMSON: Will the Minister say that it has not cost the State £10,000?

The Minister for Lands: Yes, I do. It does not cost the State a sixpence.

Mr. THOMSON: Of course it does not because there are increased charges to the tune of £10,000.

The Minister for Lands: I also deny that the Harbour Trust wanted what you said, until the strike took place. They also put up a different proposition from that which they did at the finish, and if anyone says that is not so, he is a liar.

The Premier: It is all politics. As soon as they got the present Government in office the Harbour Trust discovered this business. They were doing it for years and years.

Mr. THOMSON: I am sorry that the Premier interjected that it was political.

The Premier: It is true.

Mr. THOMSON: Unfortunately for the Premier, when we waited upon the Chief Secretary he made a statement that the reason why Mr. McMahon was made a member of the Harbour Trust, was that it was political. They wanted a man on the trust who would do as the Government wanted.

The Premier: Not politically. We wanted a Government representative, and have every right to one, too.

Mr. THOMSON: This is a peculiar position.

The Premier: If the shipowners have their representatives, I do not know why the Government, who have to provide the money, should not have their representatives.

Mr. THOMSON: You had Mr. Taylor, of the Lumpers' Union, on the Trust already.

The Minister for Lands: If I had my way I would have three, as we had before.

The Premier: There are over 2½ millions of public moneys invested. Should that be handed over to the shipping companies?

Mr. THOMSON: The Harbour Trust are showing returns which indicate that they are doing their job properly. They paid into Consolidated Revenue, as is indicated by the extract from the report that I read, a surplus representing 9.8 per cent. on the capital invested. If anyone can suggest that does not indicate that the commissioners have been doing their work satisfactorily, I do not know what is wanted.

The Minister for Lands: Do you know the reason for that? It is because they cannot alter any of the regulations without the approval of the Government, and the Government refused to allow the trust to give the harbour away.

Mr. THOMSON: All I can say is—

The Minister for Lands: You know very little about it.

Mr. THOMSON: What is the position to-day? It is all very well for the Minister for Lands to talk about giving the harbour away, but who is in charge of it to-day? Is it the Harbour Trust, or is it Mr. Houghton, the secretary of the Seamen's Union?

The Minister for Lands: This Government are in charge.

Mr. THOMSON: Then why do you not let the ships tied up there get away?

The Premier: Because they cannot get away. Would you have us force the British seamen to take them away?

Mr. THOMSON: I am sorry to be getting into this.

Mr. Panton: We are not. Go on.

Mr. THOMSON: It is remarkable that as soon as the Government provided police protection on the wharves, so soon were some of the ships able to get away.

The Premier: That protection has always been available.

Mr. THOMSON: I say it is a pity it was not available before.

The Premier: I say it has always been available when required. You do not know anything about it.

Mr. THOMSON: I do know that—

The Minister for Lands: All I know is that this State suffers from such men as you, and the sooner they are out of it the better.

The Premier: You are making statements having no foundation in fact, and merely for political purposes, when you say that ships could not get away for want of police

protection. That is a statement without foundation, and damaging to the State.

Mr. THOMSON: We can only deal with the facts.

The Premier: Not with the facts at all, but with the statements you have read in the Press.

Mr. THOMSON: We know that the "Demodocus" could not get away until adequate police protection was provided.

The Premier: I say she got away just as soon as she desired to get away, and that the police protection was there when required. I am talking facts, for I handled the case, whereas you are merely quoting newspaper statements.

Mr. THOMSON: But the position was never denied.

The Premier: It was denied. I denied it over and over again. You are like Pearce, repeating a lie.

Mr. THOMSON: It was most remarkable that, according to the Press report, when that boat came in they swarmed aboard her.

The Minister for Lands: I say they did not.

Mr. THOMSON: Will you say the Chinamen did not march up High-street in front of the other men?

The Minister for Lands: I say the men came off the boat on to the jetty.

Mr. THOMSON: Will you deny that 25 Chinese marched up High-street?

The Premier: Twelve, not 25.

Mr. THOMSON: I do not care how many there may have been. It is sufficient if there were but one. All I say is, where is our White Australia?

The Premier: This is not political at all! Our White Australia! What has that to do with the Estimates? Why drag in the Chinamen marching at Fremantle, if not for political purposes?

Mr. THOMSON: I had no intention of introducing this matter. I have been dealing with the Budget and the management of the financial affairs of the State. I have shown that the Government are increasing the cost of administration. I shall be pleased if the Government can disprove the statement published in the Press that if the unnecessary service being carried on at Fremantle to-day were cut out, it would mean a saving of £10,000.

Mr. A. Wansbrough: You would hold the Government responsible for any damage to those ships.

Mr. THOMSON: No. If the compulsory pilotage outside were abolished, the Harbour Trust would be absolved. However, to-day we have that compulsory pilotage.

The Premier: And it will continue.

Mr. THOMSON: Well, we shall continue to waste £10,000.

The Minister for Lands: It does not cost the State a penny. It is the shipping that has to bear it.

Mr. THOMSON: Surely to goodness the Minister will not deny that all charges levied by the Fremantle Harbour Trust are taken into consideration by the shipping companies when effecting a charter to come to this port.

The Minister for Lands: It means about 5s. each to them!

The Premier: When I gave a £40,000 reduction in railway freights you said it was of no benefit to the public because it could not be reflected in the retail prices. But of course this £10,000 will be reflected in the shipping charges, will it not?

Mr. THOMSON: I did not make that statement at all.

Mr. Panton: You did.

Mr. THOMSON: If the Government would cut out that unnecessary service and adopt the Harbour Trust's suggestion to eliminate 20 per cent., it would mean altogether a saving of approximately £40,000 in handling charges at Fremantle.

The Minister for Lands: No, not in handling charges.

Mr. THOMSON: The charges would be reduced by that amount. To-day, in the opinion of the Harbour Trust Commissioners, £40,000 is being collected that could with justice be waived. We want Fremantle and all our ports to be administered as cheaply as possible, so as to encourage ships to come here. As a representative of the primary producers, I want to see the charges at Fremantle as low as possible, for we shall then get cheaper freights, and every penny per bushel we can save in the transit of our wheat to overseas markets will be a direct gain to Western Australia.

The Minister for Railways: But there are no charges on wheat at Fremantle to-day.

Mr. THOMSON: I know that.

The Premier: I must cut down that surcharge and put a charge on the wheat handled at Fremantle, so as to balance the loss.

Hon. Sir James Mitchell: You had better not try that.

Mr. THOMSON: The Premier, when he introduced the land taxation measure last year, made this statement—

It is not the desire or intention of the Government that the Consolidated Revenue shall benefit in any way from the money that would accrue from this higher rate. The Government intend to devote any surplus that is over and above the revenue that will be received under the present Act towards reducing railway fares and freights. I want to make it clear that it is not intended to augment the general revenue of the State by this means. Portion of the money will be used for main road purposes.

The Premier did effect a reduction in railway freights. I have analysed them. On page 9 of the report of the Commissioner of Railways we find that first, second, and third class goods were reduced by 5s. per ton, that explosives were reduced from third to first class, cyanide from first to "C" class, lubricating oil the same, mining machinery from "C" to "B," and flour for export by 12½ per cent.

The Minister for Railways: You ought to know that from memory now, so often have you quoted it.

Mr. THOMSON: I am not going to say that was not an honest endeavour by the Government to fulfil their promise. But the Premier, in the same speech, said—

I think the farmers will get back far more than they will be called upon to pay under this Bill. Only a section of our people makes use of the railway system. A large proportion who will pay this increased tax will not benefit directly by any reduction in railway fares, because they have but little occasion to make use of the railways. The whole object of any of our taxation measures is to benefit the man on the land.

I want to assure the Premier that his intention has gone agley. The thing has not given satisfaction to the people in the country districts.

The Premier: I am pleased to say that when I go into the country I do not find the farmers whining like some of their representatives.

Mr. THOMSON: I am not whining. I am here to voice my views. The Premier said the farmers would get back more by the reduction in railway freights than they would pay in tax. Most of the farmers I come in contact with ask me when the railway freights are to be reduced. I think I have been justified in voicing my protest and giving my views as to the means by

which the Government could have reduced railway freights and reduced taxation, instead of which they have increased expenditure all round and so, probably, we shall be faced with increased rents. We were also informed that portion of the money would be used for main roads. There is a great deal of dissatisfaction in country districts in respect of the main roads grant. The Commonwealth generously contributed £48,000 to this State, and it was to be expended on the construction of main roads.

The Premier: Not the construction.

Mr. Griffiths: Call it maintenance.

Mr. THOMSON: We will call it reconditioning. It is a distinction without a difference. Some of us have been deluged with requests from country districts to oppose the action of the Government in spending £30,000 on one of the roads adjacent to Perth. There is a considerable amount of traffic on that road, and it is in a deplorable condition. When the deputation in which I was interested waited on the Minister for Works he said this money was being spent after consultation between the Chief Federal Engineer and our local engineers. I do not say we shall not get good value for the money. I do hope, however, the Government will favourably view other districts that are suffering because of the condition of their main roads. I am interested in Albany, because it is the port of Katanning. Albany is practically isolated because of the deplorable condition of the road as far as Mt. Barker. We have no money with which to put it right.

Mr. Clydesdale: You think the road should have been started at Albany and come this way.

Mr. THOMSON: That is an excellent suggestion.

Mr. Clydesdale: From your point of view.

Mr. THOMSON: The statement that appeared in the Press was that the money was to be used for the reconditioning of main roads. The State Government would have had to provide money for the construction of that road. They have £30,000 to spend there now.

Mr. Clydesdale: It will take every penny of it.

Mr. THOMSON: It will probably take more, but there are other roads that are practically impassable.

Mr. Clydesdale: But not with the same amount of traffic.

Mr. THOMSON: I cannot deny that.

Mr. Clydesdale: Then what are you crying about?

Mr. THOMSON: Because we are not getting any of the spoils.

Mr. Clydesdale: You want the lot.

The Premier: Fancy starting out to distribute £48,000 over all the roads in the country from Geraldton, Albany and other places. One of the conditions was that the money should not be expended in patches here and there, because it would not have been worth spending in that way.

Mr. THOMSON: The statement made by the Federal Minister was that it was handed over almost unconditionally.

Mr. Withers: The condition being that it should be used for roads of a permanent nature.

The Premier: There is more traffic on this particular road than on any other in the State. It is one of the main arteries of the country. There is not enough money for it to be commenced at both ends.

Mr. Sampson: What did Mr. Hill say?

Mr. THOMSON: The Chief Engineer of the Commonwealth consulted with the local engineers, and the work had the approval of the Minister for Works. Mr. Hill had nothing to say. If he had had requests from other parts of the State, the money might have been divided more evenly.

Mr. Clydesdale: He had all the requests before him, but he picked out this particular one.

Mr. THOMSON: The district of the member for Swan is getting the advantage of the expenditure.

The Premier: He is not getting it, but the people of the country who travel the roads.

Mr. Clydesdale: He is more entitled to it than you are, and that is why he is getting it.

Mr. THOMSON: I do not know that. In view of the fact that the State Government would have been compelled to spend £30,000 on that road, and that the Federal Government have found £48,000 for the re-conditioning of main roads, I suggest that portion of that money should be allocated to districts that are isolated because of the appalling condition of their roads. The Minister for Works said, in connection with the Federal grant for country roads, and in cases where the State Government found pound for pound, that the administration of the roads cost this State 15 per cent.

That is too high for supervision and overseeing the construction. There must be something wrong with the administration of the Public Works Department.

The Minister for Railways: It only costs $7\frac{1}{2}$ per cent.

Mr. THOMSON: The Minister for Works stated that.

The Minister for Railways: There is something wrong with your arithmetic. Reckon up the relation of £15,000 to £200,000. Work your brain box. This is the fifth time you have been wrong.

Mr. THOMSON: The Minister said it was costing the State £15,000, but I accept the correction of the Minister that it is $7\frac{1}{2}$ per cent.

The Premier: And I suppose that is too high.

Mr. THOMSON: It ought to be done for at most five per cent. The Premier said—

The increased contribution to sinking fund for the year is £12,071. The increase under Governmental only is £33,666. Here I would again emphasise, as many of my predecessors have done, that most of the free services come from this source. There are a great many free services involving large expenditure, and they are largely governed by circumstances over which Governments have no control. There is but little opportunity there for the exercise of economy or for reduced expenditure.

I have endeavoured to point out the directions in which the Government could effect economies without injuring anyone. They could well consider some of the suggestions I have put forward. The Premier said that economies could not be effected with regard to our free services. These are large and expensive. The whole of our new construction work and our loan funds are being effected by a charge of an additional 12 per cent. because of the reduction of hours from 48 to 44, with the same wages as before.

The Minister for Railways: Have another go at your arithmetic.

Mr. THOMSON: It is easily reckoned up. It is one-twelfth. The Minister is wrong this time. If the working hours are reduced by four a week, the reduction is one-twelfth.

The Minister for Railways: That is not 12 per cent. You are wrong again.

Mr. THOMSON: The cost is being increased by one-twelfth. The Minister for Railways has not proved that he has effected economies. He went outside the Arbitration Court in giving these hours. He received

an ultimatum that there would be a stop-work meeting if the concession was not given at once.

The Minister for Railways: That is all nonsense.

Mr. THOMSON: It appeared in the Press.

The Minister for Railways: Did you see what I said?

Mr. THOMSON: I did. The Minister received an ultimatum.

The Minister for Railways: I did not.

Mr. THOMSON: Then the Commissioner did.

The Minister for Railways: He did not.

Mr. THOMSON: Then I do not know why these things appear in the Press.

The Minister for Railways: Many things appear there that are not true.

Mr. THOMSON: And many that are true.

The Minister for Railways: We do not mind what appears in the Press in this country, but we do mind when it goes out of the country and does injury to the State.

Mr. THOMSON: The sinking fund is approximately £10,000,000. If our money were wisely spent we would have an actual surplus. It is time a committee of experts was appointed to go into this question. Evidence was given by Mr. Collins, the Under Treasurer of the Commonwealth.

The Premier: Dr. Page is the rubber stamp and Mr. Collins is the Treasurer.

Mr. THOMSON: Mr. Collins said it appeared that the accumulated sinking fund of Western Australia amounted to about £9,000,000 and the deficit to about £6,000,000. He went on to say that the difficulty of financing Western Australia had been brought about by its desire to pay off the public debt more quickly than the other States considered necessary. He was then asked if he considered the position of the State more favourable than had appeared in the first instance. He replied in the affirmative, and said that the sinking fund should have been taken into consideration, and that had a sinking fund equal to the average of the other States been established, the financial position would have been on a par with that of the other States. He also indicated that Western Australia had provided such a sinking fund as was not to be expected of a new country in the early stages of its development. Mr. Collins is one of the financial authorities in Australia.

lia. He went on to say that in the early years the sinking fund helped Western Australia to receive good treatment so far as loans were concerned, but not at a later date, and he thought that the development of Western Australia required sympathetic consideration. In the opinion of that gentleman we are establishing too large a sinking fund.

The Minister for Lands: We are only paying what they are paying.

Mr. THOMSON: That is so. Instead of piling up a big sinking fund, we should purchase our own stocks as far as possible. A committee should be appointed to inquire into the question. It is broadcasted that we have a deficit of over six million pounds, whereas we have an actual surplus of £3,773,000. From that point of view we have nothing much to complain about. As regards the Department of Agriculture, the Premier stated that the future of Western Australia depended largely upon the development of our agricultural resources, and that if we desired to progress in that direction it was necessary that the State should provide money for experimental farms, the particular point with which he happened to be dealing at the time. As I stated earlier, the only policy which any Government, I care not of what political complexion, can pursue in Western Australia, is a vigorous policy of land settlement. I take this opportunity of congratulating the Minister for Agriculture on having provided additional responsible officers in his department. Their appointment was certainly long overdue. However, I shall have an opportunity of discussing that aspect on the departmental Vote. I hope the Minister for Lands, when dealing with his department, will state what is to be the policy of the Government with regard to soldier settlement. Much concern and anxiety exist regarding the position of soldier settlers. Last year the Minister for Lands introduced a much needed amendment of the Industries Assistance Act and the Agricultural Bank Act, enabling the trustees to write down securities. It was not necessary to give additional authority to the Government to do that writing down.

The Minister for Lands: The authority has been given.

Mr. THOMSON: Yes, in the amending measures of last year. I consider it is not within the province of this House to move in that direction. However, many returned soldiers are strongly interested in the matter.

and would be glad to know the Government's intentions.

The Minister for Lands: The Government have no intentions. The Bank trustees will deal with the matter. The Government are not going to interfere with the Bank trustees.

Mr. THOMSON: That is all nonsense—I was going to say.

The Minister for Lands: It is not nonsense. The Government will not interfere.

Mr. THOMSON: We know very well that whatever is the policy of the Government of the day, it will be carried out by the trustees as far as is possible consistently with safeguarding the Bank's interests. I have here a letter sent to a constituent of mine who repeatedly applied for blocks. A number of men are in the same position, wanting to know why they cannot get blocks. The letter reads—

With reference to your application for assistance to purchase under the Soldier Settlement Scheme, I have to advise that owing to the termination of the Commonwealth's activities in regard to soldier land settlement, I regret that your application cannot be received.

I hope the Minister for Lands will inform the House of the Government's intentions.

The Minister for Lands: I cannot state the Government's intentions until I get information from the Commonwealth Government as to what they are going to do. If they will not continue, we cannot continue.

Mr. THOMSON: I have here a letter from the Prime Minister to the Premier which appeared in the Press—

The Minister for Lands: Which paper are you quoting from?

Mr. THOMSON: One of the papers.

The Minister for Lands: It is no use quoting from the "West Australian," which only printed part of the correspondence. Quote from the "Daily News."

Mr. THOMSON: This is a typewritten copy of what appeared in the Press—

Melbourne, 1st October, 1925. Dear Sir.—I desire to inform you that my attention has been drawn to a statement reported to have been made by your colleague, the Minister for Lands, that it would be necessary for your Government to discontinue the settlement of returned soldiers on the land. This course is said to be necessary because the £796,000 by which the Government proposes to write down your State's indebtedness to the Commonwealth is the final Commonwealth payment towards soldier settlement in Western Australia. Representatives of the Returned Soldiers' League here also stated that your Government

is refusing applications for settlement from men who secured qualification certificates in the belief that the State would provide for their settlement on the land.

The Premier: That is one of the letters which the Prime Minister handed to the Press before I could receive them—a policy he has adopted lately. I do not propose to answer any more of his communications of that description.

The Minister for Lands: Did the Leader of the Country Party read the reply to that?

Mr. THOMSON: The reply is here, a statement signed by the Controller.

The Minister for Lands: That is not the reply.

Mr. THOMSON: I have been waited on by several returned men in my district.

The Premier: Do not take those notifications too seriously just now. Half of them are merely political.

Mr. THOMSON: I do not think so.

The Premier: Why was the letter handed to the Press before ever I received it? When the original was posted to me, a copy was handed to the Press. I have never known of such an action before.

Mr. THOMSON: I will be quite honest, and say that I do not approve of such an action. However, the Minister for Lands will remember that on this subject I asked certain questions here and received from him certain replies. We are anxious to know the Government's intentions as to this matter.

The Minister for Lands: I am desirous of knowing the Commonwealth Government's intentions as to the matter.

Mr. THOMSON: The letter continues—

It is anomalous that, at the very moment when the Commonwealth had offered your State financial relief much in excess of any that you had claimed, there should be a suggestion to discontinue the concessions to new settlers. The object of the increased Commonwealth grant of £796,000 is to place the State in a position to deal justly with settlers, and it is assumed that as a result you will give additional help to settlers in special cases where relief is necessary to enable them to succeed, and that the additional help will be extended not only to old settlers but to others who will be settled in the future.

The Minister for Lands: He was not going to provide anything for them.

Mr. THOMSON: The letter proceeds—

Apparently it is contended by the Minister for Lands that as the Commonwealth is not allowing the State the rebate of 2½ per cent. per annum on certain moneys already raised by the State and on the expenditure necessary

for placing new settlers on the land, the State is justified in refusing concessions to new settlers. If the specified rebate referred to were allowed on the whole of your State's expenditure to date and on the further expenditure necessary for the settlement of qualified men who still desire holdings, the value to your State of the $2\frac{1}{2}$ per cent. concession involved would be approximately £300,000. spread over a period of five years. The present Western Australian Government had never claimed that any further concessions should be granted by the Commonwealth. As against $2\frac{1}{2}$ per cent. rebate, worth £300,000 over a period of five years, the Commonwealth has offered a concession of £796,000 in a lump sum on the 1st October, 1925. You will see that the relief offered by the Commonwealth is nearly three times as much as was claimed by your Government. In addition to agreeing to write off £796,000 of Western Australia's indebtedness, the Commonwealth, in accordance with previously existing arrangements, is allowing you interest concessions at $2\frac{1}{2}$ per cent., totalling £696,000. The total Commonwealth contribution is thus £1,492,000. According to the published statement of your colleague, the Minister for Lands, the concessions made by the State to the soldiers total £790,000. It appears, therefore, that £702,000 is still available out of the Commonwealth grants towards meeting the concessions which are now being made to settlers and those which are claimed on behalf of new settlers. Until this £702,000 is exhausted, the State itself will apparently suffer no loss. It must be remembered, however, that from the outset it was agreed that the losses in soldier settlement should be shared by the Commonwealth and the States. It has at no time been contended that the Commonwealth is responsible for all the losses. Land settlement is beneficial to the States, and has always been encouraged by them as a means of developing their resources. The Commonwealth's interest in soldier settlement arose from its desire to provide for the repatriation of the soldiers. In the States as a whole, approximately half the loss falls on the State and half on the Commonwealth. It is only right, therefore, that the State should find money to cover concessions much beyond the £702,000. When the Commonwealth decided to grant the additional relief of £796,000 to your State, it did not impose conditions as to the manner in which the soldier settlers should be assisted. The State seemed to be in the best position to decide how the money could be used. The grant was made in the belief that the State would observe the obligations it had incurred towards the men who had been encouraged to qualify for settlement. Such a belief was justified, because it was clear that the State could grant the usual concessions to the new settlers without suffering undue loss.

There are 1,800 of these certified men.

The Minister for Lands: The cost would be £3,700,000.

Mr. THOMSON: The case I have quoted is perfectly genuine.

The Minister for Lands: I know of many genuine cases besides this one of yours. They will all be treated alike.

Mr. THOMSON: I am not asking for special consideration in this case.

The Minister for Lands: Special consideration will not be given.

Mr. THOMSON: I do not want any favour for the man, but I do want justice.

The Minister for Lands: He will get it, like the others, if the Commonwealth will grant it.

Mr. THOMSON: The man has his qualifying certificate, and has put in for three different farms. Each time he has been turned down. Now he has a statement from the department that owing to the termination of Commonwealth activities in soldier land settlement, his application cannot be granted. It is not his fault that he was an unsuccessful applicant when applying previously. I am sure the Minister for Lands will agree that where a man can prove that he has been a genuine tryer for land—

The Minister for Lands: I can prove that there are 1,800 of them.

Mr. THOMSON: Not 1,800 genuine tryers. I shall be glad if the Minister will give the figures. I want the Government's side of the question. At present I have only the other side.

The Minister for Lands: If you read the Press, you will know the other side, too.

Mr. THOMSON: I resume the reading of the letter—

As I have already advised you, it will be necessary for the Commonwealth Parliament to ratify the proposed agreement regarding the writing-off of the £796,000. This Government is committed to the signing of the agreement, but I am sure you will realise there is a danger of its ratification by Parliament being jeopardised if the State refuses the concessional interest rates to the men who have secured the required qualifications and who are fairly entitled to holdings on the same basis as the earlier soldier settlers. The claim of Western Australia for financial relief may also be prejudiced if Parliament considers that the State has not dealt justly with soldier settlers. I earnestly trust that the position of the men who hold qualification certificates will be duly recognised, and that your Government will continue to extend to them the concession granted under the Soldier Settlement Scheme. Yours faithfully, (signed) S. M. Bruce, Prime Minister.

That is the point I stressed before. I hope the Minister for Lands will make a detailed statement.

The Minister for Lands: I cannot do it until the Prime Minister answers that other letter, which you have there but apparently will not read.

Mr. THOMSON: Unfortunately I have not got it. I have always found the Minister for Lands fair in any dealings I have had with him. He has his responsibility as a Minister, but we have our responsibility also. I consider that the treatment given to this soldier applicant was unfair. It was the fault of the Government that he was not successful. There were too many applicants for the blocks of land he previously applied for. The man, like many others, has a genuine grievance.

The Minister for Lands: I do not deny that; but his grievance is against the Commonwealth Government, and not against us.

Mr. THOMSON: Let us have the full facts.

The Minister for Lands: Read the "Daily News" and you will get the full facts. They have not been published in the "West Australian."

Mr. THOMSON: I shall also be pleased if the Minister, when he speaks, will deal with group settlement matters. It is most remarkable that there has been absolute silence on the part of the Government and the House regarding that question.

The Minister for Lands: I do not think so.

Mr. THOMSON: In the early part of my speech the Premier twitted me with having criticised the then Government regarding group settlement operations.

Mr. Teesdale: Do you not think the little disasters have been hawked enough? God knows they have!

Mr. THOMSON: I will not deal with group settlement matters now.

The Minister for Lands: The group settlements are going to continue.

Mr. THOMSON: That will be the policy, irrespective of which Government may be in power. We dare not stop group settlement.

Mr. Teesdale: There are some people in another place who would stop it if they could.

Mr. THOMSON: The report of the Royal Commission has not been discussed. Strong exception has been taken by many to that report, and I hope the Government will consider seriously reorganisation generally.

The Minister for Lands: There was a lot in the report of the Commission respecting work that had been carried out long before the Commission was appointed.

Mr. THOMSON: I am pleased to hear it. We have profited by many mistakes that were made.

The Minister for Lands: I do not know that there were so many mistakes.

Mr. THOMSON: I will not go into that question.

The Minister for Lands: The Commission said that mistakes were made.

Mr. THOMSON: We know that the general administration has not been satisfactory. We also know that the Government rightly decided that until such time as they knew where they were, and until the new agreement had been fixed up satisfactorily, there would be no more group settlements established. It was practically a policy of mark-time. The Government have now decided to go on with the new agreement and to establish further groups. That was the Premier's statement. I commend to the Government for their consideration a recommendation by the Primary Producers' Association when group settlements were first inaugurated. That recommendation was that the work should be placed in the hands of practical men.

The Minister for Lands: It is in the hands of practical men.

Mr. THOMSON: Many mistakes have been made.

The Minister for Lands: There would have been more if other men had been in charge.

Mr. Teesdale: You must admit that it was a huge experiment.

Mr. THOMSON: That is all very well, but a South-Western Conference was held on the 7th August, 1925, when the Minister for Agriculture was present. The following resolution, moved by Mr. Rose, president of the Wellington Agricultural Society, was moved and carried:—

(1) With a view to making the present group settlement scheme as effective as possible, conference suggests that the Government should utilise to the fullest extent the experience of older and more successful settlers—

The Minister for Lands. Where shall we find them?

—and from these appoint advisory boards; and (2) that this conference, representing the whole of the South-West, pledges itself to assist the Government to make group settlement successful.

He went on to say—

It was impossible to administer the groups scattered all over the South-West successfully from Perth as the conditions in the various portions of the South-West were entirely different. By appointing an advisory board in each district from men who had made a success in those districts, newcomers would receive valuable assistance.

The Minister for Lands: There won't be any advisory boards like that, I can tell you that.

Mr. THOMSON: There we have, in the Minister's interjection, the position confronting us. When the then Premier returned from England and the group settlement system was inaugurated, everyone was anxious to make the scheme a success. Generally speaking, the mistakes made, according to the Royal Commission's report—we must take notice of the evidence furnished to the Commission—were due to experienced men not being available.

The Minister for Lands: The Commission said there were few mistakes in administration.

Mr. THOMSON: The member for Roebourne (Mr. Teesdale) said it was a huge experiment.

Mr. Teesdale: Somebody had to break the ground.

Mr. THOMSON: This resolution that was carried by the conference I have referred to—

The Premier: You always pay tremendous attention to conferences and what other people say. Anyone would think that it was a pearl of wisdom because it was carried by a conference.

Mr. THOMSON: We are dealing with the Estimates and the Premier's Budget speech which were prepared for him by his departmental officers.

The Premier: That is not unanswerable because some conference happens to have passed it.

Mr. THOMSON: No, but it refers to the experienced men in the South-West who know that part of the State and who wish to advise the Government out of their desire to help the State.

The Premier: And some of them have been there for sixty years and have not made a bob.

The Minister for Lands: And they wanted to sell out to the Government.

Mr. THOMSON: They expressed their desire to assist the Government.

The Minister for Lands: They asked us to buy their land.

Mr. THOMSON: Not at all.

The Premier: Yes, they tried to unload on the Government.

Mr. THOMSON: Mr. Clark, of the Bunbury Chamber of Commerce—

The Premier: The Bunbury Chamber of Commerce! A butcher, two bakers, and a greengrocer!

Mr. THOMSON: The Premier is a bit previous because Mr. Clark opposed it. He said—

Men without proper experience were not in a position to estimate the value of the evidence. He believed that an advisory board of three successful settlers, together with the field supervisor, meeting fortnightly, would be of material assistance. The supervisor would still be in charge, but the advice of the settlers would be of incalculable advantage.

The member for Nelson (Mr. J. H. Smith) was also present and supported the appointment of advisory boards, but considered they should be given some power and authority.

The Minister for Lands: If that had been so, we would not have any subterranean clover in the South-West now. They condemned it uphill and downhill, as well as many other grasses. The old people condemned them.

Mr. THOMSON: Not necessarily the old people, because others came along.

The Premier: They are mostly grown hoary with age.

Mr. THOMSON: I do not agree with that. I hope the Government will advance some comprehensive scheme. We may deal briefly with the groups for a moment. Judged by reports that have appeared in the "Sunday Times," the present administration is not as satisfactory as it might be. There is a certain amount of dissatisfaction amongst the group settlers.

The Premier: Who says so?

Mr. THOMSON: The "Sunday Times."

The Premier: Goodness me, you always have some authority, some conference, some newspaper, or some kerbstone critic!

Mr. THOMSON: The group settlers would like to know where they are.

The Minister for Lands: So would I.

The Premier: They are on a good wicket.

Mr. THOMSON: Some may be; some may not be.

Mr. Chesson: Some may be on a wicket.

Mr. THOMSON: Exception is taken by group settlers and others regarding the action of the Government in purchasing cattle outside the State for the groups.

The Minister for Lands: We could not get any more in the State.

Mr. THOMSON: The Government sent money out of the State.

The Premier: Because we were compelled to. How can we increase our butter output unless we introduce more cows?

Mr. THOMSON: We know of many people who—

The Premier: Keep cows to look at, not for butter production.

Mr. THOMSON: I know there are people who had stock with the intention of supplying the groups with dairy cows.

The Minister for Lands: You know that is not so.

Mr. THOMSON: I have authority for the statement that men have cattle of first-class quality and wanted to supply the Department.

The Premier: I know some may want to sell old Strawberry, a cow blind in one eye and with one teat.

Mr. THOMSON: Despite the cheap sneers of the Premier, the cattle I refer to were equal to any now in the State and yet, in one particular case, the owner did not receive the courtesy of a reply from the department although he wrote repeatedly. The department also advised that they were not buying cattle here.

The Minister for Lands: Where were the cattle you refer to?

Mr. THOMSON: At Gnowangerup.

The Minister for Lands: We will not buy cattle from a district where there is a butter factory.

Mr. THOMSON: The Minister for Lands must know that the butter factory at Gnowangerup has been closed up for a long time.

The Minister for Lands: Was it closed at the time you refer to?

Mr. THOMSON: Yes.

The Premier: I suppose the old cows you wanted to sell were no good.

Mr. THOMSON: They were first-class cows.

The Premier: If that is so, we will buy them.

The Minister for Lands: We want cows now, and we will buy them in the State if we can do so, but we will not buy cows that will interfere with a butter factory.

Mr. THOMSON: From information I have received the quality of the cattle is equal to that of the cows purchased in the Eastern States and I have received a letter asking for information regarding the average cost per head f.o.b. and the average cost per head of the cattle landed at Fremantle from the East. My correspondent also asks for information regarding the quality of the stock purchased in the State, and the average cost per head.

The Minister for Lands: It is estimated that it costs £15 per head to land the cattle here. We are not going to import cattle at £15 a head if we can buy as good cows locally for £10 a head.

Mr. THOMSON: The Minister has had cows offered to him of first class quality for less than £15 a head.

The Minister for Lands: Yes, half a dozen, but we want thousands.

Mr. THOMSON: If the Minister gets half a dozen here and half a dozen there they will soon run into thousands.

The Minister for Lands: We got 3,400 here, and some of them had to be sent to the butcher when they were landed.

Mr. THOMSON: That was the fault of the man you sent East to buy them.

The Minister for Lands: No, it was not. We had to buy the herd.

The Premier: I suppose your complaints come from some disgruntled man who had cows that he wanted to sell to the Government.

Mr. THOMSON: That man has good quality cows and he should have first claim on the State.

The Minister for Lands: Do you mean to tell me that the experts of the department would refuse to buy cattle if they were up to standard?

Mr. THOMSON: That is the trouble. I say the experts have not gone into the district to buy the cattle.

The Minister for Lands: The expert knows the cattle in your district.

Mr. THOMSON: Did hon. members ever hear a more absurd statement? Regarding the finances of the State, while allegedly they are in the hands of Parliament, actually it is not so.

The Premier: It is still as much so as it has been in the past.

Mr. THOMSON: I agree with that.

The Premier: We are considering taking them still more out of the hands of Parlia-

ment and, next year, spending money without submitting Estimates.

Mr. THOMSON: The bulk of the money on the Estimates has been spent already, and even if we tried to amend the Estimates we should not be allowed to do so. The Mitchell Government introduced a Bill for the creation of a public works committee, but unfortunately it was thrown out in another place.

The Minister for Lands: The Scaddan Government first introduced it.

Mr. THOMSON: The Mitchell Government also introduced one. Such a committee would save a considerable sum to the State each year. Had we had such a committee, probably the Herdsman's Lake calamity would never have occurred.

The Minister for Lands: Yes, it would.

Mr. THOMSON: Probably such a committee would have averted the building of the Lake Clifton railway—a costly business to the State.

The Minister for Lands: That was done by a private company. A public works committee could not have dealt with it.

Mr. THOMSON: Every road board has a finance committee.

The Minister for Lands: The Act does not provide for that.

Mr. THOMSON: Still, they have those committees. It is practically impossible for a private member to scrutinise the Estimates of expenditure without the aid of the Auditor General's report. Also I should like to have had the Taxation Commissioner's report. The Leader of the Opposition said it was time we started to develop the North-West. I hope that, under the new migration scheme, the Government will give the North an opportunity to try out closer settlement, as has been done in other parts of the State.

The Premier: That is another direction in which I could use this Commonwealth grant.

Mr. THOMSON: If you use it all for that, you will not remove the disabilities suffered by Western Australia under Federation. I was alarmed to see that the estimated revenue from the State Savings Bank this year is only £11,000—a reduction of £19,000 as against last year. I hope that is an error.

The Premier: It is not.

Mr. THOMSON: It is most unfortunate that the bank should be in such a position.

The Premier: There is an explanation. It will give it later. The figures do not represent a corresponding decrease in business.

Mr. THOMSON: I hope the Premier's explanation will be satisfactory. I regret

having been so long but, seeing the way in which the Premier and the Leader of the Opposition were scratching each other's backs, I felt it my duty to speak out. Whatever criticism I have given has been sincere and given in the belief that it was justified. I do not object to any natural increase in wages, but I say the Government could have administered their departments very much more efficiently than they have done.

The Premier: I think the efficiency has been all right, although the policy may not be right.

Mr. THOMSON: Policy is purely a matter of opinion. It is the policy of the present Government to do everything by day work.

The Minister for Lands: Only to-day work signed a contract for £100,000.

Mr. THOMSON: But all your other work are carried out by day labour.

The Premier: Still, this is a start. Give us credit for making a start.

Mr. THOMSON: It is the function of the Government to administer, and of the Opposition to criticise.

Mr. Teesdale: But you can criticise without being insulting. You appeared to be quite upset because no insults were being thrown about between the Premier and the Leader of the Opposition. And you characterise that as the scratching of backs—a most objectionable expression.

Mr. THOMSON: I am sorry. After all it is our function to criticise.

The Premier: And to commend where you find it justified.

Mr. THOMSON: I have commended where I could.

The Premier: I didn't notice it.

Progress reported.

House adjourned at 10.28 p.m.