

time trying to get super., and the banks had to be approached, all these institutions were closed on the Tuesday, in addition to the previous Friday, Saturday, and Monday. That was altogether out of reason.

The DEPUTY PRESIDENT: Is the hon. member going to connect that line of thought with the motion?

Hon. E. H. H. HALL: Most certainly. The holidays which the banks enjoy hamper the operations of those people who are endeavouring to reduce the costs of production. The matter has been referred to in the metropolitan Press, and the Chamber of Commerce, because of the fact that there were bank holidays on four of the Mondays in last month, have drawn the attention of the Government to the matter, and asked them to take action. I hope the Leader of the House will not wait for that, but will see that it is the duty of the Government to reduce bank holidays in this State. I support Sir Edward Wittenoom in his desire to effect economies, but cannot adopt his drastic suggestions regarding education. At this time we want to be careful to see that the money spent on education returns its full value in every sense of the word. There is a danger that we are trying to cover too much ground in our State school curriculum, and have gone in for too many frills instead of trying to give the children a thorough grounding in those things which will fit them to play their part in life.

On the motion by Hon. H. J. Yelland, debate adjourned.

House adjourned at 9.21.

Legislative Assembly,

Tuesday, 7th July, 1931.

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

QUESTION—PIG INDUSTRY.

Midland Junction Sale Yards.

Mr. THORN (for Mr. J. I. Mann) asked the Minister for Agriculture: In view of the rapid development of the pig industry, and the consequent congestion at the Midland Junction sale yards, will the Government make immediate provision for the erection of additional pens in order to cope with the ever-increasing demands of pig raisers?

The MINISTER FOR AGRICULTURE replied: This matter is receiving earnest consideration at the present time.

QUESTION—TAXATION.

Fremantle Harbour Trust Surcharge.

Mr. SLEEMAN asked the Chief Secretary: 1, Is he correctly reported in the "Daily News" of 27th June, under the heading "Notable Speech by Mr. Norbert Keenan," as having stated at Merredin—(a) "The Federal tariff is the main factor. Its incidence has been the main cause of the cost of living reaching the dizzy heights of 1929, What then is to be done to achieve such a revision of the tariff?" (b) "I can see no ray of hope for Western Australia with the present Federal tariff blocking completely the road to safety and the path to reconstruction"? 2, In view of the amount, £193,000, paid into Consolidated Revenue last year from the operations of the Fremantle Harbour Trust, does he intend to continue using this utility as a taxing machine? 3, Has he made representations to

the Treasury to remove the present surcharge, which has helped considerably to raise the cost of living to the "dizzy heights of 1929"? 4, Is he prepared to subordinate his fiscal reform ideas to the dictation of the State Treasury? 5, Will he refrain from criticising the incidence of the tariff till he is prepared to remove the wartime measure known as "the surcharge," which can continue only with his sanction?

The CHIEF SECRETARY replied: 1, Yes. 2, The operations of the Fremantle Harbour Trust are not and have never been used as a taxing machine. 3, The Treasury to the knowledge of the Minister is not in a position to remove the surcharge. The Minister therefore refrains from making useless suggestions. 4, If any conflict arises, no. 5, No. The Federal tariff and charges made for harbour services are not comparable.

QUESTIONS (2)—PETROL.

Commonwealth Oil Refinery.

Mr. J. MacCallum SMITH asked the Premier: 1, Are the Government aware that the Commonwealth oil refinery, a business controlled by the Federal Government, is retailing petrol in the Eastern States at a lower rate than the imported spirit? 2, If such is the case, will the Government protest against this unfair treatment of Western Australia in our not being allowed to participate in cheap spirit when this State has had to bear its share of cost of establishing the Commonwealth oil refinery?

The PREMIER replied: 1, I do not think that this is the case. 2, Answered by No. 1.

"White City" Garage.

Hon. M. F. TROY asked the Premier: 1, Is it a fact that an arrangement exists by which the lessee of the "White City" garage is enabled to purchase petrol supplies at Tender Board rates? 2, Are the Government or is the chairman of the Parks and Gardens Board responsible for this arrangement?

The PREMIER replied: 1, No. 2, Answered by No. 1.

LEAVE OF ABSENCE.

On motion by Mr. Wilson, leave of absence for two weeks granted to Mr. Lamond (Pilbara) on the ground of urgent private business.

MOTION—COLLIE COAL INDUSTRY.

Order Discharged.

On motion by the Premier, Order of the Day for the resumption from the 27th November, 1930, of the debate on Mr. Wilson's motion to inquire by select committee into the Collie coal industry was discharged.

BILL—DEBT CONVERSION AGREEMENT.

In Committee.

Mr. Richardson in the Chair; the Premier in charge of the Bill.

Clause 1—agreed to.

Clause 2—Approval of agreement:

Mr. GRIFFITHS: I move an amendment—

That the following be added to the clause:—"In the event of Western Australia withdrawing from Federation, the liability to the bondholder shall be Commonwealth obligation, and the State of Western Australia will give security to the Commonwealth Government either by way of bonds, inscribed stock, Treasury bills, debentures or such other method as may be agreed upon between the Commonwealth and the State for the just share of the debts to be taken over by Western Australia in the event of its withdrawal.

Hon. P. Collier: That upsets the whole plan.

The CHAIRMAN: Where does the hon. member propose to insert this amendment?

Mr. GRIFFITHS: At the end of Clause 2.

The CHAIRMAN: I am afraid I cannot accept the amendment. It would upset the whole basis of the Bill. Moreover, there is no suggestion in the Bill that we should withdraw from the Federation. I rule the amendment out of order.

Clause put and passed.

Schedule:

The PREMIER: I move an amendment--

That in line 6 of the third paragraph "on the following conditions, namely" be struck out and "and the following conditions were provisionally agreed upon as recommendations by the Conference to the Australian Loan Council, namely" be inserted in lieu.

Amendment put and passed.

The PREMIER: I move an amendment--

That the headline "Conditions as finally adopted by the Conference" be struck out.

Amendment put and passed.

Hon. J. C. WILLCOCK: I should like the Premier to give us some idea as to what is proposed by the Loan Council regarding the flotation of this loan. A considerable number of people would be affected in their view of the conversion if they understood something of its conditions. Paragraph 6 says that special arrangements will be made to consolidate small holdings on conversion. Does this mean that a man with £200 in some Commonwealth security would have the money spread over 30 years, or that a man with £1,000 in Commonwealth stock would find his holding mature in 10 or 15 years? What does this mean? I know of people aged 60 or 65 who have money in these stocks, and they want to know when they are likely to be able to redeem it. What is supposed to be a small holding?

The Premier: Five hundred pounds would be a small holding.

Hon. J. C. WILLCOCK: Members would appreciate information as to what the procedure will be. There may be a million pounds tied up in the consolidation of small holdings. Some explanation on these points would determine the attitude of people on the question of conversion.

The Premier: A small holding means less than £1,000.

Hon. J. C. WILLCOCK: Will everyone who holds less than £1,000 come into the first conversion within seven years? When a loan is converted, it is converted at a premium, and it depends on the date of maturity as to what the amount of premium will be.

The Premier: That is a matter for actuarial calculation.

Hon. J. C. WILLCOCK: There is a feeling of hesitancy in regard to conver-

sion, and uncertainty as to the amount of money people will get, and how their stock will be converted. No information has been given to anyone. Possibly the Loan Council may alter the whole business of conversion at some later date.

Hon. P. Collier: The personnel of the Loan Council is always changing.

Hon. J. C. WILLCOCK: If an undertaking is given to the public, it can hardly be altered afterwards.

The Attorney General: I presume a prospectus will be issued.

Hon. J. C. WILLCOCK: The conversion will take place at the end of the month. It is time people knew something about the whole business. There is a general feeling that the Commonwealth Bank will not be able to pay on the stocks maturing this year. In view of the lack of confidence abroad in the land, the authorities should give as much information as they can to show how the capital of the individual will be affected. Take the case of a man who has £200 worth of stock maturing in December next. What premium will he get, and what amount of cash will be paid to him? If the people thought the Commonwealth Bank could pay up this year, there would be no conversion for three or four years. If people thought that by converting, only their interest would be subject to taxation, they would possibly buy Commonwealth bonds at £80 and sell them in, say, 18 months, for £100. If a loan is to be paid off at maturity at par there will be no great rush to convert. If a man bought at the market price and received no interest for two or three years, and the interest was taxed 100 per cent., he would still make more money than if he converted. If the financial people of Australia thought there was any possibility of these loans being paid at maturity, the price of the stocks would rise. As it is they are all round about £80 to-day.

The Attorney General: Does that not indicate that people are not trying to make money by buying these stocks cheaply?

Hon. P. Collier: It indicates they have no faith in the Commonwealth Government redeeming them at the due date.

The Attorney General: Does it not show there are no dealings?

Hon. P. Collier: There is no faith in the £100 being there when the loan falls due.

The Chief Secretary: It is an absolute certainty that it will not be there.

Hon. P. Collier: That is evidently the feeling.

Hon. J. C. WILLCOCK: It is the date of maturity that determines the value of the stock.

The PREMIER: The basis will be absolutely fair as regards representation of stock after conversion. Some stock will be converted at a premium, and some at a discount. A man holding £20,000 of stock—

Hon. J. C. Willcock: I am not concerned with him at all. I am concerned with the small holder.

The PREMIER: It applies the same way in every case. Whatever the bonds are worth beyond the 22½ per cent. reduction will be added. The Commonwealth Government know that certain moneys have to be found as regards multiples of £10. The small holder would at once get the difference between £10 and, say, £16 in cash. Premiums will not be paid in cash, as the hon. member thinks.

Hon. J. C. Willcock: I have not thought anything of the kind. We are told that hundreds of thousands of people hold Commonwealth bonds.

The PREMIER: There are 200,000 Australian holders.

Hon. J. C. Willcock: Every one of them will have a premium to receive.

The PREMIER: The Commonwealth are prepared to meet that obligation.

Hon. J. C. Willcock: But the Commonwealth say they cannot get any money at all.

The PREMIER: The amount will not be as much as the hon. member thinks. As regards small holders, the Commonwealth Treasurer may allow a date convenient to the holder.

Hon. J. C. Willcock: There must have been some general agreement as to what should be done.

The PREMIER: The Bills were not there at the time.

Hon. J. C. Willcock: But the principle of conversion was there, and the maturing date.

The PREMIER: The general principle was to do the thing in such a way as to cause as little inconvenience as possible.

Hon. P. Collier: The Commonwealth Treasurer's view will be, inconvenience to the Federal Government.

The PREMIER: The adjustment will be a matter of actuarial calculation.

Hon. J. C. Willcock: Could not the Premier give a typical example of what will

happen? Many people do not know what actuarial calculation means.

The PREMIER: If the hon. member had a bond of £1,000 at 5½ per cent., it would be converted into a 4 per cent. bond of something more than £1,000. I cannot say what the exact amount would be.

Hon. J. C. Willcock: It would be £1,020.

The PREMIER: It may be as the hon. member says. That would be the system. But if, on the other hand, the hon. member held £1,000 at 5 per cent., it could be converted into 3 per cent. at a premium; he would get something more than £1,000 for his 5 per cent. bond. If he wanted to convert into 4 per cent., he would get something less than £1,000.

Hon. J. C. Willcock: Holders want to know what the less or more is.

The PREMIER: I cannot tell the hon. member, but it will be set out definitely when the prospectus is issued. Small holders are holders of bonds not exceeding £1,000, and the matter is subject entirely to the Federal Treasurer.

Hon. J. C. WILLCOCK: Australia has been most adversely criticised as to her total indebtedness. With the payment of premiums as proposed, people will not look at the interest payable, but will consider that Australia has a certain debt. The effect of the conversion will be to make the indebtedness of Australia perhaps £100,000,000 more than it is at present.

The Attorney General: Oh no.

Hon. J. C. WILLCOCK: I say it will.

The Chief Secretary: It has to be taken into account that some stock will be converted at a discount.

Hon. J. C. WILLCOCK: That is optional. Many holders will want to get either a premium or cash. Stock at 6 per cent. would be converted at about £115 for £100. Look at the difference that would make to the indebtedness of Australia.

The Premier: But there would be less interest.

Hon. J. C. WILLCOCK: In actual fact, and not only on paper, the total indebtedness of Australia will be largely increased by this method of conversion.

The Premier: The increase will not apply to very much stock.

Hon. J. C. WILLCOCK: There are at least £70,000,000 of 6 per cent. stock, and that is to be converted at 15 per cent. prem-

ium. Again, 5½ per cent. stock would be converted at about £102.

The Premier: It depends on the maturity date.

Hon. J. C. WILLCOCK: No. The holder gets stock showing how much the State or Commonwealth is indebted to him. Lenders abroad will ask the total Australia owes. If the conversion makes our total indebtedness £1,200,000,000 instead of £1,100,000,000, it will make a great difference in their opinion.

The Premier: How do you suggest adjusting the debt, then?

Hon. J. C. WILLCOCK: I am not suggesting how it can be adjusted, but these things prove the wisdom of the people who advocated doing this by taxation of interest instead of conversion at premiums. Moreover, this method involves paying out £4 or £5 to thousands of individuals. Practically all stock is bought in multiples of £100. It is much easier to dispose of a £100 bond than of a £120 or £75 bond. I am merely seeking information as to what actuated the Premiers' Conference in having one dimension for interest payments.

The Premier: Because it is much wiser to have it that way.

Hon. J. C. WILLCOCK: I want to be educated on the point. What was the outstanding idea in not saying that on all 5 per cent. or 6 per cent. loans, whatever the interest rate may have been, there should be a deduction of 22½ per cent. in the interest payments?

The Premier: There is one reason with which you will probably agree. That is, it is not desirable that Governments should pay more than 4 per cent. for their money, because the rate Governments pay has such an important bearing in fixing the rate of interest elsewhere.

Hon. J. C. WILLCOCK: But they are paying 4 per cent. on £110, whereas the investor paid in only £100.

The Premier: As the rates paid by the Government largely fix the rates of outside interest, it is much better to have the lower rate.

The Attorney General: At any rate, that is what the conference advisers told us.

Hon. J. C. WILLCOCK: It is not very convincing. I am afraid the effect will be as I have suggested. Instead of doing it in the way suggested in the Bill, it could

have been done in a far more simple and understandable way.

The Premier: Do you realise that we had the advantage of a number of economists and other experts to advise us?

Hon. J. C. WILLCOCK: And the people would like to know why their collective wisdom suggested this course.

The ATTORNEY GENERAL: The member for Geraldton is more bold than I am. In drawing up the plan the conference had the advantage of the assistance of the Under Treasurers of Australia and the economists. I regard the latter as less important than the Under Treasurers, but those gentlemen collaborated and sought the advice of bankers, stock-brokers, and others supposed to know. They reported to the conference that it was wise to have the maximum rate of interest fixed at 4 per cent., and in order to achieve that, it was necessary to give a premium or reduce the 5¼ per cent. by the 22½ per cent., which was agreed to.

Hon. J. C. Willcock: Surely the experts had to convince conference that the course was a wise one?

The ATTORNEY GENERAL: Yes.

Hon. J. C. Willcock: All I have been seeking is an outline of the reasons advanced to convince the conference of the wisdom of this course.

The ATTORNEY GENERAL: One of the reasons was that in regulating the market price of interest, the maximum amount of interest paid by the Governments of Australia had an important effect, and they considered it was better to have the interest rate at 4 per cent. and to convert stock at a premium than to have a higher rate than 4 per cent., with conversions at par. My professional experience has given me some little knowledge regarding the investment of money in stock, but I do not pretend to have the expert knowledge to question the issues raised.

Hon. J. C. Willcock: Is it better for a country to have a big debt or a small debt?

The ATTORNEY GENERAL: The major phase that interests the country is the interest bill, which is the crux of the position. I am not prepared to criticise the opinions of the experts, even if the member for Geraldton is prepared to do so, and to say that they are foolish.

Hon. J. C. Willecock: I have not said that; I have simply asked for reasons.

The ATTORNEY GENERAL: The Federal Treasurer was present. He probably knows as much about State finance as any other man we are likely to get, and he considered the recommendation a wise one. I certainly would not be prepared to debate the question at length. We accepted the experts' advice.

Hon. J. C. WILLCOCK: When most people consider the position of Australia, they ask what the total indebtedness is and the population. They will probably say that an indebtedness of £150 per head is as much as any country can carry, and that there should be no further borrowings. Under the method of conversion proposed, I am afraid the total indebtedness will be raised by about £2 or £3 per head.

Hon. A. McCALLUM: We have to take the Bill on trust to a great extent. In parts of the Bill, there are references to details to be decided by the Loan Council.

The Premier: That refers to any small details that may have been overlooked.

Hon. A. McCALLUM: But I do not know that they will be small details. The Commonwealth Bill contains the following, "Provided also that in special circumstances the Treasurer may, with the consent of the Australian Loan Council, vary the mode of allotment." Clause 6 of the schedule refers to the consolidating of small holdings. Under that clause it would be possible for a man possessing a small holding to have his consolidated with others in one of the long-maturing loans, and that he might never again see his money.

The Premier: Of course it does not mean that.

Hon. A. McCALLUM: But we do not know what it means! The point raised by the member for Geraldton is clearly indicated in the Commonwealth Bill, in part of which the particulars are set out indicating what this means. The details were worked out by actuaries, and yet when the Bill was before the Federal Parliament, the Deputy Leader of the Opposition, Mr. Latham, pointed out that regarding the 6 per cent. loan the details showed that the investor would suffer a reduction of 33½ per cent., and not of 22½ per cent.

The Premier: That could be adjusted easily.

Hon. J. C. Willcock: But when actuaries disagree, who will determine the matter?

Hon. A. McCALLUM: We are asked to pass a Bill that will bind the people of the State. Who will adjust any such discrepancies where our own people are concerned? The Commonwealth example shows that for each £100 in the 6 per cent. 1938 loan, the equivalent amount of 4 per cent. security will be £104 3s. 6d. Immediately the conversion is made, our indebtedness will be increased by £4 3s. 6d. for every £100 in that loan, and for every £100,000, the increased indebtedness will be £4,176. A man with £2,000 invested in the loan might get his money dribbled back to him £200 at a time. The Commonwealth Treasurer, with the approval of the Loan Council, may do anything he likes. We have to take the agreement on trust.

Hon. M. F. Troy: It is very unsatisfactory.

Hon. A. McCALLUM: Yes, but in what way could we take any action? We cannot move amendments that will be binding. The Commonwealth measure, which will control the new issue, contains the conditions, and in them this Parliament will have no say. We are asked to give authority to convert loans on a basis that will mean a reduction of 22½ per cent. in the interest. What will be the position if there is a reduction of 33½ per cent., as was mentioned by Mr. Latham?

The Premier: It would not stand; it can be only 22½ per cent.

Hon. A. McCALLUM: The Prime Minister said the Bill had to be passed and that, at the date of maturity, money would probably be cheaper than it was at present. That was no answer to the point raised by Mr. Latham.

The PREMIER: I move an amendment—

That in lines 4 and 5 of Condition 11 the words, "(Details to be settled by the Loan Council when further information is available)" be struck out.

Amendment put and passed.

The PREMIER: I move an amendment—

That after "above" in line 4 of Condition 16, the words "and whereas the Australian Loan Council has approved the said conditions with modifications" be inserted.

The ATTORNEY GENERAL: When the Bill was drafted we overlooked the fact that the job had really to be done by the Loan Council. We were thinking it was an agree-

ment of the conference of Premiers. Afterwards it was remembered that the conference had to recommend the Loan Council and the Loan Council had to adopt the recommendation. That is the reason for the amendment.

Amendment put and passed.

The PREMIER: I move an amendment—

That after "interest" in line 2 of Clause 2 of the agreement the words "and on the basis of the principles embodied in Sections 10 to 14 inclusive, 18 and 19 of the Commonwealth Debt Conversion Act, 1931," be inserted.

The basis of reduction is 22½ per cent., and if there is a mistake it will be rectified. That is according to the Commonwealth Bill.

Hon. A. McCallum: Would it be rectified when it is set out in this measure?

The PREMIER: Of course it would.

Hon. P. Collier: The example should have been circulated apart from the Bill. It should not form portion of the Bill.

The Attorney General: It would have been better if it had not been part of the Bill.

Amendment put and passed.

The PREMIER: I move an amendment—

That after "States" in line 3 of Clause 2 of the agreement the words "the liability for which debts has been assumed by the Commonwealth under the Financial Agreement hereinafter mentioned, and" be inserted.

Amendment put and passed.

The PREMIER: I move an amendment—

That in Clause 2 of the agreement, the words "in accordance with the conditions above recited, and with any modification of the said conditions which is approved by the Australian Loan Council, or by the Chairman of the Australian Loan Council acting with the authority of the Australian Loan Council" be struck out.

Amendment put and passed.

The PREMIER: I move an amendment—

That the following clauses be added to the schedule:—"Four: So far as the provisions of this Agreement may not be in accordance with any provision of the Financial Agreement between the parties hereto dated the twelfth day of December, 1927, the provisions of this Agreement shall prevail.

"Five: Subject to the last preceding clause the provisions of the said Financial Agreement and the undertakings and obligations of the Commonwealth and of the States therein contained shall apply to the public debts after conversion in the same manner as they applied before conversion."

Hon. P. COLLIER: I should like the Premier or the Attorney General to indicate whether there is a possibility of this agreement conflicting with the Financial Agreement. I take it that at the conference a question arose necessitating the inclusion of this amendment to the Bill; it may have been found that some of the provisions of the Financial Agreement conflict with this Bill.

The ATTORNEY GENERAL: The two clauses we have been asked by telegraph to include in the Bill appear to have been an afterthought. When we drew up the agreement originally, we did not see any possibility of its conflicting with the Financial Agreement. I think these clauses have been suggested because of excessive caution probably on the part of Sir Robert Garran. I am not able to detect any possibility of their conflicting with the Financial Agreement.

Hon. P. Collier: No reason was given for the amendments?

The ATTORNEY GENERAL: No reason at all. But it does appear to me that we are asked to insert them because of the draftsman's excessive caution. I do not think they can possibly do any harm, and they might save some difficulty. Consequently we can carry out the requests of the Prime Minister.

Hon. P. COLLIER: We appear to be doing something in the dark. If there are to be any important alterations to the Financial Agreement they should be done by discussion in the different Parliaments, and not in this way.

Amendment put and passed; the Schedule, as amended, agreed to.

Preamble, Title—agreed to.

Bill reported with amendments.

BILL—FIREARMS AND GUNS.

Returned from the Council with amendments.

MOTION—GOLD BONUS REDUCTION.

Suspension of Standing Orders.

On motion by the Premier, so much of the Standing Orders suspended as to enable the member for Hannans (Hon. S. W. Mun-

sie) to move the motion, notice of which he gave at an earlier stage of the sitting, dealing with the reduction of the gold bonus.

HON. S. W. MUNSIE (Hannans)
[5.55]: I move—

That in the opinion of this House the Government should make a most emphatic protest against the action of the Commonwealth Government in specially singling out the gold industry to effect economies, and reducing the bonus by 50 per cent., as against 20 per cent. and less in other industries.

I thank the Premier for agreeing to move the suspension of the Standing Orders to permit me to move the motion, notice of which I gave earlier this afternoon. I have nothing but the reports that have appeared in the Press to go upon, that it is the intention of the Commonwealth Government to effect a reduction in the bonuses and subsidies to industries and that Western Australia is to suffer in respect of the bonus granted on the production of gold. In making the announcement, the Federal Treasurer stated that the bonus on the gold industry would be reduced by 50 per cent. The only occasion on which Western Australia has had a bonus granted to an industry, was when the Commonwealth agreed to assist the mining industry at the beginning of the year. The decision of the Commonwealth to grant the bonus had a beneficial effect upon the industry and the State.

Mr. Griffiths: We have had only a promise of the bonus.

Hon. S. W. MUNSIE: That is not correct, but it is not possible, under the system by which the bonus is being granted, for Western Australia to receive any payment until the latter end of January or the beginning of February, 1932. The Gold Bounty Act has been passed and a bonus of £1 per ounce has been granted on all gold produced in excess of the average for the three years 1928, 1929, and 1930. So there was no promise about that. It is a Federal Act of Parliament. Now we find that in carrying out his economy scheme the Federal Treasurer has taken it upon himself to single out the mining industry for a reduction of 50 per cent. of the bonus agreed upon instead of 20 per cent. as in the case of other industries.

Mr. Sampson: It looks like a confidence trick.

Hon. S. W. MUNSIE: I do not know about that, but the passing of the Gold Bounty Act has had a beneficial effect in Western Australia, inasmuch as several mining companies here have, on the strength of the gold bonus, expended a fair amount of money in the direction of increasing and improving their plants.

The Premier: What are the terms of the bonus?

Hon. S. W. MUNSIE: The Act provides that the bonus shall be paid for 10 years. The Treasurer, in making a statement recently, said that the gold industry could afford this reduction, as when the Gold Bounty Act was passed the rate of exchange was nine per cent., whereas to-day it is 30 per cent. He contended therefore that the companies were being treated fairly well. The securing of the gold bonus cost the people of Western Australia a considerable sum of money. There was an agitation for a long time and there followed propaganda, and money was collected both in this State and in England, and a large amount was spent.

The Premier: And a certain amount of trouble was involved.

Hon. S. W. MUNSIE: An enormous amount of work was undertaken and a really good case put up. After all the evidence we could collect, when the delegation interviewed the Prime Minister and requested the granting of a bonus of £1 per ounce on all gold produced in Australia—not in Western Australia alone—we proposed to him that, irrespective of what the exchange rate might go to, the Commonwealth Government should have the full benefit of the exchange. We were perfectly satisfied that if we could get a bonus of £1 per ounce on all gold produced we could afford to let the Commonwealth Government have the whole of the exchange. We were quite convinced the gold mining industry would prosper, and that English and outside capital would be put into the industry in this State if we could get a guarantee of a gold bonus for 10 years. But the Commonwealth Treasurer would not agree to that proposition. I am not going to take the figures for the whole of Australia, for I have not got them, but during the day I have worked out the figures for Western Australia, and so I am in a position to say that if the Commonwealth Treasurer had accepted our offer that he should take the exchange and we get the gold bonus of £1

per ounce, and supposing that Western Australia for the next six months merely maintained the rate of improvement we have experienced during the past six months, the Commonwealth Treasurer would have shown a clear profit of £50,549 on the deal. That is the profit he would have shown in respect of Western Australia.

The Premier: I think he was quite right in refusing to take the exchange.

Hon. S. W. MUNSIE: At all events, he would have shown that profit in respect of Western Australia if he had granted the bonus of £1 per ounce on gold. That is, provided that during the next six months we merely maintained the improvement that has been made during the past six months. And members will realise that the improvements during the next six months will be considerably greater than they have been during the last six months, inasmuch as for four months out of the last six months there was no production from Wiluna, whereas we shall have all that production during the whole of the next six months. Then, taking the same set of figures, and provided there is no greater increase in Western Australia, the gold bounty that would be paid to Western Australia on our present increase would be £58,252. So by the reduction of 50 per cent. in the bonus the gold mining industry in Western Australia, provided there is no greater increase during the next six months, will lose £29,126. It is entirely unfair for the Commonwealth Government to single out this one industry in this way. Every other State in the Commonwealth has its subsidies or bonuses of some description, and in many instances those bonuses or subsidies have been paid over a considerable number of years. Now it is suggested that those bonuses shall be reduced by 20 per cent., whereas the only bonus enjoyed by Western Australia is to be reduced by 50 per cent., or a 150 per cent. greater reduction than is to be imposed on the industries in the Eastern States. Had it not been that Western Australia is responsible for almost 90 per cent. of the total output of gold in Australia, this 50 per cent. reduction would not have been thought of. Had it been that New South Wales, Victoria, or Queensland was producing the bulk of the gold won in Australia, there would have been no attempt at a 50 per cent. reduction of the gold bonus. But because it is Western Australia, situated 2,000 miles away from the seat of the Federal Government—

The Premier: And with only five members in the House of Representatives.

Hon. S. W. MUNSIE: Yes, with only five members in a House of 75, the Federal Government come along and say, "We are going to reduce the gold bonus by 50 per cent." If there is one thing that would carry in Western Australia a State-wide vote for secession, it is an action such as this.

Members: Hear, hear!

Hon. S. W. MUNSIE: Recently we have heard a lot about the attitude of other Premiers and Treasurers, particularly the Premier and Treasurer of New South Wales with his statements about repudiation. I want to ask what is this action, this reducing of the gold bonus, but repudiation? Not 12 months ago the Commonwealth Government passed the Act granting the gold bonus. It came into operation on the 1st January of this year, and seven months later the Federal Government repudiate 50 per cent. of that bonus.

Hon. P. Collier: Seven months later? I thought they were repudiating everything every week.

Hon. S. W. MUNSIE: The Act came into operation on the 1st January. Under that Act it is not possible for the Commonwealth Government to be called upon to pay one penny piece until the end of January or the beginning of February of next year. They have not yet paid a penny. Yet, in face of that they are going to deduct 50 per cent. of what otherwise they would pay in six months' time, while they will take only 20 per cent. from bonuses on other industries that have had the advantage of those bonuses for many years past.

The Premier: And they take the gold.

Hon. S. W. MUNSIE: Yes, the gold goes to the Federal Government, but the industry is to get the benefit of the premium, except to the extent of 1s. 9d. or 2s. per ounce, representing the Commonwealth realisation charge.

Mr. Marshall: And they would have been able to send away £5,000,000 worth of gold won in Western Australia.

Hon. S. W. MUNSIE: Recently two Bills have been introduced in the Federal Parliament. One was defeated, but the second, to ship £5,000,000 worth of gold to meet our commitments in London, was passed and the gold shipped accordingly. But if, as the Federal Treasurer suggests, they are going to reduce the gold bonus by 50 per cent.,

I do not think they are going to get that £5,000,000 back very quickly. If we cannot induce the Federal Treasurer to refrain from making a greater onslaught on the gold bonus than he proposes to make on any other bonus or subsidy or bounty, I do not know that we can induce capital to come into Australia to develop the gold-mining industry. The same Commonwealth Government recently agreed to the extension for a number of years of the sugar embargo so dear to Queensland, and to which this State contributes about £600,000 per annum. That is all right for Queensland. They can have the advantage of that embargo, but when the gold bonus means probably £100,000 per annum to Western Australia, the Federal Treasurer says, "We are going to deduct 50 per cent. from that bonus." I hope the motion will be unanimously carried, and that the Government will forthwith forward it to the Prime Minister so that it may be seen that the people of Western Australia resent the unfair tactics of the Federal Government.

THE PREMIER (Hon. Sir James Mitchell—Northam) [6.11]: I am glad the hon. member moved this motion. I know the Federal Government are under tremendous financial difficulties, but that does not entirely explain their attitude towards Western Australia.

Hon. J. C. Willcock: The more they pay in gold bonus, the more gold will they get.

The PREMIER: That is so. It is a very good thing that Mr. Theodore did not accept the delegation's offer to allow the Federal Government to have the advantage of the exchange rate. It would not have been right for any Government to accept that offer. for the exchange rate may last only a few months, whereas the gold bonus is to stand for 10 years. Under the bonus an immense amount of work has been done at Kalgoorlie, including the installation of costly machinery. This has been very greatly to the advantage of the State, as has also the work done at Wiluna. It cannot be said, of course, that the expensive machinery at Wiluna has been erected in consequence of the bonus, because that machinery was erected, or in course of erection, before the bonus was granted. We have contributed an enormous sum towards bonuses and bounties enjoyed in the other States for a long time past. The costs of such benefits

are invariably passed on to us. The cost of the sugar embargo is passed on to the public. Here, again, the Federal Government paid a bonus and so shaped their taxation as to cover the amount involved. They no longer pay the bonus. Now they keep the taxation, and by prohibiting the importation of sugar, pass the cost on to the people a second time. This new method means that the sugar company increases the price of sugar. So, too, with the galvanised iron embargo. It is a splendid idea; the Government get the cash and get the credit too, the credit of having done some good things for some of the States. I believe the whole of Australia considers that this gold bonus should be paid. The one bright spot in all the Commonwealth to-day is the gold development in Western Australia.

Sitting suspended from 6.15 to 7.30 p.m.

The PREMIER: Members should know that the Minister for Mines is now at Canberra making representations to the Federal Government. I hope these will yield good results. It is not fair that the Federal Government should consider the exchange position. The exchange cannot last, and will not last for very long. The bonus on gold was supposed to extend over ten years. As the member for Hannans has said, a great deal of money has been spent by the companies in anticipation of getting this bonus. The expenditure has only just started and no great result has yet been achieved from it. It may take 12 months to assess the value of this expenditure, and to erect all the machinery that has been ordered so that the gold bounty may be earned. After all, the bonus is paid only on the amount of gold produced in excess of the average yield over the past three years. It is not an enormous sum in any case, although we shall certainly get in this State 80 per cent. of the bounty that is paid in Australia as a whole. It is a Western Australian advantage, of course, but the gold itself is an advantage to the whole of Australia. It is not a special advantage to this State, except that the industry will be the means of employing a considerable number of men. I should imagine the Federal Treasurer did not take into consideration the question of the employment that the gold-mining industry would provide in this State. Thousands of men are likely to be engaged, in addition to the number now being

employed. It is right we should enter an emphatic protest against this reduction in the bounty. I am to-day telegraphing to the Federal Government a protest from members on this side of the House. In all my dealings with Mr. Theodore I have found him most satisfactory. One can always get a decision from him, and get a firm decision. The present intention of the Federal Government is to cut down by 50 per cent. the bonus that was only recently granted to the industry. As the Leader of the Opposition says, the Federal Government have a way of making arrangements with the States and then departing from them. It was anticipated that some bonus would be paid to the wheat industry. The matter was brought up four times, but on each occasion for some reason or other the project was abandoned. All these things are very disturbing and disappointing. We have not yet benefited by the gold bounty, and the preparations that have been made consequent upon its being granted have cost the people of this country a considerable sum of money. We could not, under the most favourable circumstances, cover by the bonus next year anything like the amount we shall pay because of the sugar embargo. That is only one of many industries that are protected and causing us to suffer a disadvantage here. The Federal Government assume a position vastly superior to that of any State Government. Even when we have a binding agreement such as we have in connection with our roadmaking we see that changes occur. A new agreement has been submitted for signature and it is different from the existing one. In connection with our road grant, a tax on petrol was imposed to cover the cost of the £2,000,000 which the Federal Government gave the States. The petrol duty is now 7d. per gallon. Under the new arrangement, if we approve of it, our share will amount to about 1½ millions. Even under that agreement there has been a change and a loss to this State.

The Minister for Works: We did not get an allotment of more than our share of the two millions.

The PREMIER: They keep the surplus. I hope the protest contained in this motion will not fall upon deaf ears. Expenditure has to be reduced, but I do not know that a definite arrangement such as this ought to be departed from. An increase in the production of gold would mean a considerable

increase in revenue and not a decrease. It may well be that the advantage to the Federal Government, because of this definite forward move in the goldmining industry, may amount to something approaching the bounty itself. A great deal of machinery is imported.

Hon. S. W. Munzie: This money has been spent under false pretences.

The PREMIER: To reduce the bonus in the way proposed is a breach of faith. The mining companies themselves could not withdraw from their own commitments. I said before that hundreds of thousands of pounds have been spent largely because of the bounty and never because of the exchange. The exchange is such an indefinite thing that no company would expend a large sum of money in the hope that it would continue for any length of time. It must be remembered that all gold goes to the Federal Government. They get it whether it is produced here or elsewhere in Australia. That constitutes a decided advantage. Now more than ever they need to build up the gold reserve. No country can satisfactorily carry on without a considerable gold reserve. If the Federal Government are to restore the gold reserve to £15,000,000, it must be because of the gold produced in this State. I think it was in the minds of some of the Federal authorities that the gold reserve should be built up by production over the next two years. I am glad the hon. member has brought forward this motion and I hope it will be carried.

HON. J. CUNNINGHAM (Kalgoorlie) [7.37]: In supporting the motion I would point out that the goldmining industry has received the benefit of £265,000 as a result of the exchange. Some eight or ten months ago the Commonwealth Government granted a bounty to the industry to the extent of £1 per ounce for all new gold won over the last three years, 1927, 1928, and 1929. They now propose to reduce that bounty by 50 per cent. Some eight months ago members of this House did their best to influence an increase in our gold production, with the result that many persons were induced to put their money into the industry and assist in attaining that end. We are now producing more gold than we have done for many years. The Federal Treasurer, Mr. Theodore, backed up by the Prime Minister, has now decided to reduce the gold bounty although

the arrangement was made only a few months ago to give that consideration to the goldmining industry. This bounty is the only one that is given to any of our primary industries, and it is being reduced by 50 per cent. as against a 20 per cent. reduction in the case of all other bonuses. We all know about the sugar embargo, which affects Queensland and the northern part of New South Wales. I understand we are supporting 8,000 people who are connected with sugar production, and that embargo works out at £6 7s. 6d. per ton of sugar produced. We are all called upon to make this contribution to the industry and towards the support of those 8,000 people. On the other hand, in this State we have 27,000 people solely dependent on gold production. The Commonwealth Government definitely promised to provide not less than £1 per ounce on all new gold won, and on the Federal Treasurer's figures this would amount to £200,000 a year. As a result of this bonus, companies and private individuals put a lot of money into the industry. They have been let down. This is a confidence trick on the part of the Federal Prime Minister and Federal Treasurer. They have let down the industry. Why grant a bonus to the sugar industry and deprive this State of half the bounty that was promised to it? I admit that the bonus on the butter industry of 6d. per lb. has been imposed as a result of a voluntary system, but it is nevertheless a charge upon the people. Those who have put their money into the goldmining industry have been misdirected, and robbed to the extent of 50 per cent. of the amount of the bonus that was definitely promised to them. We should, as a Parliament, enter a most emphatic protest. Our Government should do their best to bring under the notice of the Federal authorities that our people consider themselves misled and tricked. What other Western Australian industry is bonused by the Federal Government? None.

Mr. Griffiths: They gave us £6 for grapes a few years ago.

Hon. J. CUNNINGHAM: People have been advised to put their money into the development of gold mining. The people of the entire Commonwealth are desirous of establishing Australian credit. To do that, gold must be produced. It will be said that as the result of the exchange of 30 per cent.

established not by the Federal Government but by the financial institutions, gold mining has benefited to the extent of £265,000 during the last six months. But what does that mean? Prior to that money becoming available, the mining industry throughout this State was up against it regarding extra development work that was necessary. As the result of the benefit from the rate of exchange, development work is now in progress with a view to rendering available additional tonnage, which will enable the industry to live. In addition, those who were influenced to put their money into gold mining here, were given the impression that they would be afforded an opportunity of spending their money so as to render available the extra tonnage which is necessary in order to get value. What is the position to-day? The Federal Treasurer, Mr. Theodore, and the Prime Minister, Mr. Scullin, propose to reduce the gold bonus by 50 per cent. With what object? Are not the mines of Western Australia in the matter of extra machinery and new parts called upon to pay the full tariff rates, just as is the farming industry? Are we to sit down silently and accept what Mr. Scullin and Mr. Theodore choose to ladle out to us? Are we not prepared to make a protest in favour of that one of our primary industries which is essential to the ordinary production that enables our people to live? Mr. Theodore and Mr. Scullin are, in effect, calling upon us to reduce our efforts in the direction of gold mining by reducing the gold bonus. But to-morrow morning, Sir, when you put your spoon into the sugar basin you will be called upon to bonus the sugar industry to the extent of £36 per ton. I do not blame the Premier of this State for notifying, as he did to-day, the gold mining industry of Kalgoorlie that that industry must pay the full water charge of 7s. per thousand gallons. The reason is, simply, that he has not the money under the Mines Development Vote to subsidise the industry to the extent of 3s. 6d. per thousand gallons. The Premier and Treasurer, being a shrewd man and understanding his business, knows that during the past six months we have gained £265,000 as the result of the exchange in connection with gold sales overseas. The action of the Federal Government, particularly as outlined by the Federal Treasurer, will trick those of our people who have invested money in gold mining. They believed that the Federal Gov-

ernment were honest and would find the necessary funds to bonus the industry as promised, thereby enabling investors in our gold mines to obtain the ordinary rate of interest on money invested. As I said many months ago to the member for Hannans (Mr. Munsie), the Gold Bonus Act was dead, and we would never receive any money under it because the Federal Government were not sincere. They have now proved their insincerity. Bowing, as it were, to the needs, the influence and the representations of people in authority, they are prepared to pull us down 50 per cent. in the matter of the gold bonus. I agree with the member for Hannans that we should enter the strongest possible protest. Local markets must be provided for local products, and where are we to get those local markets? Only from people able to pay. And where are such people to be found? Only on the goldfields. On the goldfields the people dig their wages out of the ground every fortnight, and pay for their goods every fortnight. Western Australia has not only carried the interest burden on her own loans, but has also assisted every other State of the Commonwealth. Shall we submit to this plan of the Federal Government, which forces a reduction in the price, not only of our gold, but of the products which are sold to the residents of the goldfields? Is there any other market for our primary products? Our primary producers look to the goldfields to keep up prices for them. There should be no divided opinion regarding the motion. It is not a matter of the Federal Government falling down on the job: they have deceived the people of the Commonwealth and deceived the people overseas who put their money into gold production here on the strength of the promised bonus. The proposal now is to reduce that bonus by no less than 50 per cent. Such a proposal is utterly unfair, and the Federal Government in making it are not honest. I have a great regard for Mr. Scullin and Mr. Theodore; but when I recognise that Western Australia's only bonus, that on gold production, is to be halved at the first possible opportunity, the exchange being in our favour, I must say that those gentlemen are not sincere regarding the advancement of this State's gold production. After all, the result of increased gold production here is to make money available for the stabilisation of Australia's credit

not only in the Commonwealth, but throughout the world. Therefore I support the motion.

MR. CORBOY (Yilgarn-Coolgardie) [7.52]: I hope the motion will be carried unanimously. It is a shocking thing that the Federal Government should, at this stage at any rate, repudiate their obligation, entered into with the gold producers of this State and of the Commonwealth generally, for a bonus on gold production during the current 12 months. The question is one which goes outside the boundaries of Australia. There can be no doubt that any increase in the gold production of Australia must redound to the credit of Australia as a whole and of the individual Australian States. The position is that certain countries of the world are experiencing a grave shortage of gold. It is unfortunately true that Great Britain, in order to keep stable the currencies of her late allies in the great war, has had to transfer enormous quantities of gold to them, purely, one may say, as a friendly act, to save them from bankruptcy. Because of that Great Britain herself now needs gold, as also do her Dominions. It is undoubtedly true that had Australian gold producers been in a position to produce large quantities of gold and retain them, they would have been able to hold up not only the Government of Australia but also that of Great Britain for considerably more than £1 per ounce as a bonus. Recognising the need for increased production of gold, the Federal Government entered into a contract, or an honourable understanding, with those interested in the goldmining industry that, provided the production of gold were increased so as to overcome the difficulty arising out of the gold shortage in the Empire, a bounty would be paid. Now we find the Commonwealth repudiating that undertaking, after barely six months of the period has expired. We have completed half of our part of the contract, and the Federal Government will not honour their part. It is a most shocking example of repudiation of an honourable undertaking. I wondered when I first read the notification, what would have been said had the boot been on the other foot and the people of Queensland had been told that the sugar bounty was to be reduced by 50 per cent. and the gold bonus by 20 per cent.!

Members: There would have been a howl!

Mr. CORBOY: Of course there would have been, and that bounty has been paid for many years.

Hon. S. W. Munsie: The bounty on sugar is not to be reduced at all.

Mr. CORBOY: No; for the moment, I forgot that. Other bounties are to be reduced by 20 per cent., and yet the gold bonus is to be reduced by 50 per cent. It is absolutely shocking, especially when we remember that some of the bounties have been paid for many years, and the present is the first year to which the gold bonus was to have applied. Anyone who examines the gold production figures, particularly in Western Australia, must agree that everyone concerned in the industry has co-operated for many months past to increase that production. For what purpose? It was to perform our part of the undertaking to increase the supply of gold. Why was it necessary to increase the output of gold? It was to assist, in the most material way possible, to provide the Australian Government with an exportable commodity that would give the Commonwealth necessary credit overseas. All have co-operated to that end, even though to some, I admit, it meant that they would gain some benefit from the gold bonus. When we remember how others have benefited by bounties granted on the production of every ounce, ton or coil—I use the last word advisedly, because I remember reading so much about wire netting a little while ago—the significance of our position is emphasised.

Mr. Sampson: And iron, too.

Mr. CORBOY: Exactly. In every instance those bounties were paid over from the word "go." On the other hand, there was no bounty provided for gold until we had increased our production over that of the previous year. Obviously goldmining is a dwindling industry which must die when the gold cuts out. Despite that fact, the industry, which has pursued an active life over a period of years, was asked to increase its activities and augment its production before a penny by way of bonus would be paid on the gold produced. All have responded nobly to the call for increased production, from the investors in London to the truckers in the mines. Now the contract has been repudiated by the Federal authorities. I hope this House, as the Legislative Assembly of the State, will be united in its protest and let the Federal authorities know in no uncertain terms that we do not agree

that one of our chief industries should be treated in this way. I wondered when I read the announcement of the Federal Treasurer's proposals, whether a gentleman of whom we have read so much lately, Mr. Watson, and his friend, the member for Perth (Mr. H. W. Mann), should not invite Mr. Theodore to come to Western Australia to advocate the cause they have at heart. I know of no greater action on the part of the Federal Government to give an impetus to the movement in favour of secession than this particular decision.

Mr. H. W. Mann: It has come home to you now.

Mr. CORBOY: Not at all.

Mr. Sampson: A new convert!

Mr. CORBOY: I am not a convert at all.

Mr. SPEAKER: There cannot be any controversy about secession on the motion before the House.

Mr. CORBOY: While I am not a convert to secession, I take the honest course of protesting on behalf of Western Australia, irrespective of parties or persons, against such a rotten proposal. I know the word I use is not Parliamentary, but I know of no other that adequately expresses my feelings regarding the Federal Government's proposal to curtail the gold bonus. I hope members will be united in their protest.

MR. SAMPSON (Swan) [8.7]: The member for Yilgarn-Coolgardie (Mr. Corboy) has spoken forcibly and I am gratified to know that he is at the penitent form respecting his attitude on secession.

Mr. Corboy: To a very small extent.

Mr. SAMPSON: Some months ago, at an exceedingly well-attended meeting held at the Perth Town Hall, I had the honour of seconding a motion urging the provision of a gold bonus. The ex-Minister for Mines (Hon. S. W. Munsie), the Chief Secretary, and others, were present, and great enthusiasm was displayed regarding what would happen if a gold bonus were provided. The position to-day regarding development is such as to warrant every word that was said in favour of the motion at that meeting. The suggestion that the gold bonus should be reduced by 50 per cent. is immoral, and there is no justification for it. It amounts to discrimination pure and simple. It is a wretched suggestion, but is one that may be expected when a weak country is controlled by a strong one.

Mr. Corboy: If the gold bonus were doubled, it would assist the Commonwealth out of their difficulties by the still further increased gold production.

Mr. SAMPSON: In this instance, history is repeating itself, for the weaker has to submit to the stronger. I do not desire to deal with secession at length—

Mr. SPEAKER: No, the Chair will see to that.

Mr. SAMPSON: I understand, Mr. Speaker, that you would not allow me to do so, but if there is anything that is calculated to improve the position regarding that question, it is surely the one now under discussion. New capital has been brought into the industry; hundreds of prospectors have gone out, and old abandoned shows are being reworked, all because of the gold bonus.

Mr. Corboy: There is twice as much activity from that point of view in my electorate as there was two years ago.

Mr. SAMPSON: And the same applies throughout the auriferous areas of Western Australia. Recently I was at Wiluna and the increased activity I noted was no doubt due in some measure to the promises made by the Federal Treasurer. The decision to grant a gold bonus was economically sound, because the increased production of gold meant an accession of national wealth. To such an extent was this so that some looked to it to provide a solution of many of our troubles to-day. Others awaited with expectancy a recurrence of the golden days of the nineties. There was a good deal of justification for the hopefulness displayed. With the added cost of living, it would have been impossible, without the gold bonus, for many low-grade shows to have been re-opened and made to pay their way. The bonus was granted, and for the accomplishment of that result we must pay a tribute to Mr. Claude de Bernales, the ex-Minister for Mines (Hon. S. W. Munsie), the present Minister for Mines (Hon. J. Scaddan), and many others. They advanced unanswerable arguments and carried out a tremendous amount of work in furtherance of the project.

Mr. Corboy: No bonus would have been granted had they not advanced unanswerable arguments.

Mr. SAMPSON: That is so. Almost as soon as the bonus was granted, it is to be cut down. It almost suggests that the Federal Treasurer has become repentant of ever

having granted it. The gold bonus would have made an enormous difference to the gold production of Australia. In many instances when prospectors had become the heads of successful mining propositions, the results would have been much to the advantage of Western Australia. I have never advocated the policy of bounties, bonuses, or embargoes, but we must all agree that since they seem to be the fetish of the Federal authorities and have the special approval of the Federal Government, it is high time Western Australia shared in such grants. If it were not for those bonuses, I am convinced the gold bonus would not have been required. It has become necessary because of the high protection policy of Australia, but that is another question. All these phases are bound up in the main question, and Western Australians are the victims of the stupidity of the Federal Parliament under different Governments.

Mr. Corboy: While thieving is the policy of Australia, let us all be thieves!

Mr. SAMPSON: I will not say that, but admittedly it is a stupid policy, and a hopeless one. However, since bounties, bonuses and embargoes are the order of the day and we have to contribute our quota, we should receive some advantage from the policy. If the Federal Treasurer's proposal is endorsed, we will be victims of a confidence trick. Once more the Federal Government will have put it over this unfortunate State. It is a case of gross discrimination, which should not receive the support of anyone who views it dispassionately. However, out of evil good may come, and from the suggested action by the Federal Government may come such a wave of public opinion that every barrier in opposition to dominion status for Western Australia will be swept away. I hope that may be the outcome. It is time that Western Australia took a definite stand.

Mr. SPEAKER: Order! I am afraid the hon. member is transgressing, and departing from the motion before the Chair. I must ask him to confine himself to the motion.

Mr. SAMPSON: Naturally, I support the motion. I am sure everybody in Western Australia will support it, and if we can discover any person in Australia who is not prepared to do so, I shall be surprised. The significance of the position can be brought nearer home to indicate what

value attaches to the gold bonus. At Juniperdine, near Toodyay, I understand there is great activity shown and there are prospects of a wonderful field there. If there is no gold bonus, it will be difficult to open up the show adequately, but with the advantage of the bonus its working should prove quite profitable. Let us hope that, even without the bonus, it will be workable.

The Minister for Lands: How much do you think the State will lose under this proposal?

Mr. SAMPSON: I am quite certain I am in accord with what the Minister for Lands would say. It would be of the greatest possible advantage not only to this State but to the Commonwealth. It is economically sound.

The Minister for Lands: How much does the reduction represent?

Hon. S. W. Munsie: Something over £50,000 this year.

Mr. SAMPSON: The provision of the bounty would mean far more than the actual amount. It would mean the creation of wealth and the working of shows that otherwise would never be worked, and it would mean great assistance towards raising Western Australia from its present position. I regret that the Federal Government regard the matter as affecting not Western Australia as part of the Commonwealth but as a State far removed from the Federal capital.

MR. GRIFFITHS (Avon) [8.15]: When the report was received regarding the general cuts being made, one naturally expected that there would be some cut in the gold bonus, but we find that the differentiation that is constantly being made as regards Western Australia has been carried to the extent of a 50 per cent. reduction, whereas other bonuses are being cut only 20 per cent. Naturally we feel indignant at this addition to a long and ever-growing list of wrongs done to this State. Sometime last year, when Dr. Maloney was speaking on the question in the Commonwealth Parliament, he gave particulars of the bonuses paid to the different States. They came under five headings. No. 1 was direct assistance totalling £3,620,226, and of that amount Western Australia's quota was £37,745. No. 2 was

assistance under the Export Guarantee Act, totalling £366,303. Of that Western Australia's quota was £86, being £6 for export grapes and £80 for herd testing. Under those two headings Queensland, New South Wales, and Victoria got the major share, bonuses being paid to them in respect of cotton, cotton yarn, iron and steel, sulphur, canned fruit, export wine, export cattle, and hops. No. 3 was other direct assistance totalling £987,014, of which Western Australia's quota was £57,378, mainly for rinderpest compensation. No. 4 consisted of advances that are repayable, totalling £737,434. Of this Western Australia's quota was £394,048, being a loan for wire netting. Western Australia and Tasmania, the two weakest States, had the biggest share of the loan which, as I have stated, has to be repaid. Tasmania's loan was to assist apple growers. No. 5 consisted of indirect assistance to industries totalling £12,796,062, of which Western Australia received £458,094 in respect of the trans-Australian railway. Under this heading again Queensland was well favoured, having received assistance for prickly pear eradication, cotton, cattle and the Grafton-South Brisbane railway. When we asked for a bonus on gold the Brisbane "Telegraph" published an article under heavy double-column headings "Western Australia wants a bonus on gold; the Western State seeks to plunder the other States." When the backing of the Federal Government was sought for the State's guarantee of £300,000 to the Wiluna mines, despite the fact that the Colonial Sugar Company drew a profit of some £910,000, every Queensland member in the Senate voted against the proposal. Yet those fellows have the cheek to talk of our plundering the other States when we ask for a bonus on gold. The Economic Commission dealt with the question of bonuses, tariffs and prohibition, and found that the form of subsidies mentioned had favoured certain industries to the extent of £36,000,000 per annum, or £6 per head of the then population. Again Western Australia was lowest on the list, receiving £3 12s. per head of its population. The distribution was as follows:—

Queensland	£8 per head.
Victoria	£7 per head.
New South Wales ..	£5 10s. per head.
Tasmania	£4 per head.
South Australia ..	£3 14s. per head.
Western Australia ..	£3 12s. per head.

Those figures are interesting as showing the discrimination between States practised by the Commonwealth. It does not matter whether the question is one of a bonus on gold or anything else, there is a list as long as one's arm of such differentiations. I congratulate the member for Hannans (Hon. S. W. Munsie), not only on his able presentation of the case, but on his promptitude in moving to secure a protest from this House against the iniquitous proposal of the Federal Government.

HON. M. F. TROY (Mt. Magnet) [8.22]: I support the motion. I am a little surprised that in these days when the demand is for gold, and when throughout the world the market difficulties are alleged to be due to the lack of gold to create credits, any Government should put obstacles in the way of increasing the gold production. The bonus granted by the Federal Government heartened the industry in this State. With the assurance that the bonus would last for 10 years, people in the industry expected to have a reasonable chance to build it up and to be able to survive subsequently without any bonus. Our strongest objection to the Federal Government's decision is their discrimination in reducing the gold bonus by 50 per cent. and other bonuses by only 20 per cent. In that discrimination is evidenced the influence Eastern people exert on the Government and in the Parliament of the Commonwealth. The gold mining industry is represented by only a few members in the Federal Parliament, whereas other industries have quite a number of representatives. The Government have evidently considered the various factions quite apart from the question of justice. It is true that the gold mining industry makes more out of exchange than out of the bonus, but unfortunately for us the exchange is only a passing phase. It may last for 12 months, and it may not last for six months. I hope that, for the sake of the mining industry and of the primary industries, it will last for some time. However, the future of the industry depends upon the gold bonus. I must express my great disappointment that the Federal Government propose to take this action, and I hope the motion will have some influence with the Federal authorities. Since the matter has yet to be considered by the Federal Parliament, I hope there will be found sufficient

support to prevent the Federal Government from taking the action contemplated. There is another aspect that members have not considered. It brings me to a consideration of our own treatment of the gold mining industry. Unless we can prove that we have assisted the industry to the fullest possible extent, we cannot expect our protest to receive the consideration it deserves from Federal members. The campaign in favour of a gold bonus began when I was Minister for Mines. The first agitation occurred about 1924-25. I was in Melbourne and, with Mr. Green, M.H.R., interviewed the then Prime Minister, Mr. Bruce. During the war the Federal Government commandeered all the gold produced in Australia, and it is alleged and admitted that the Federal Government made nearly £2,000,000 out of it.

Mr. Marshall: Three millions.

Hon. M. F. TROY: It may be £3,000,000, but £2,000,000 was admitted to me. I told Mr. Bruce that the State Government were taking the responsibility of providing for the sick men in the mines, and I asked him to assist us. Mr. Bruce, always a gentleman, received me very nicely, and he gave me some encouragement. I left him feeling that we would receive support. Some days later, when I received his reply, it was quite opposed to the proposals. The granting of bonuses has not grown up in a day. The Bruce Government, rolling in millions of money, provided most of them, and yet we in Western Australia could not get a solitary penny from his Government. Some of the present alleged supporters of the gold bonus were then hostile to it. Mr. Gregory, M.H.R., Mr. Prowse, M.H.R. and Senator Pearce were decidedly hostile. Senator Pearce was the representative of Western Australia in the Government, and I received not the slightest assistance from him. I went to the Federal Labour Members' Room and Mr. Charlton allowed me to address the members, and he said if the question of giving assistance to the industry went to the House, Labour members would support it. The sugar embargo and the great majority of the bonuses that now exist were introduced by the Nationalists and their colleagues the Country Party. A question of tactics is also involved.

The Attorney General: If you are going to apportion the blame for the bonus system, you might mention that the Labour

Party in opposition never opposed any of the bonuses.

Hon. M. F. TROY: No distinction need be drawn between the Federal parties. We are merely beating the air. The "Primary Producer" the other day stated that all the Country Party Ministers here were free-traders. A lot of good that will do them! They might as well be free-traders in heaven or anywhere else.

Hon. A. McCallum: They would be in better company there.

Hon. M. F. TROY: The Country Party even voted for the sugar agreement. In the Federal Parliament it is a question not of politics, but of interests. When the Federal Government had plenty of money and were squandering funds on the Federal capital, they spent 20 millions on the Murray water scheme, and then found that the industry they had created could not live without bonuses. The Federal Government were creating huge monopolies, but Mr. Green was the only member who strove to get assistance for the gold mining industry. Mr. Gregory said a gold bonus was not sound economically, and Mr. Prowse was decidedly hostile to it. I am disappointed with the Federal Government, but our own Government should not throw stones. Let us ask what they have done for the mining industry and what they propose to do. I have no complaint to make against the present Minister for Mines who has treated me fairly, but I know that the Treasurer has no interest in the mining industry. He has received deputations and has spoken soft words to them and nothing more. What has the Treasurer really done in the way of providing money for the goldmining industry?

The Attorney General: He is not a conjuror.

Hon. M. F. TROY: On the other hand, let us see what the attitude of the Commonwealth Government has been towards the industry. The Commonwealth Government guaranteed an amount of £300,000 for the Wiluna Gold Corporation. The Premier of this State refused to back the company, and they were obliged to have recourse to the Commonwealth. He would not even guarantee a miserable £5,000 to keep 300 men and their families going at the Youanmi mine. He preferred that those men should be out of work. Mr. Scaddan, as Minister for Mines, took the request to Cabinet

twice and strongly urged the Premier to guarantee the amount that was required. The Premier, however, would not do so. I have read the file and found that he said, "It is not our business." That is what the Premier has done for gold mining. He has never had the slightest interest in it, certainly nothing beyond uttering soft words to deputations in Kalgoorlie.

Mr. H. W. Mann: You are hardly correct; the Premier reduced the water charges to the extent of £40,000.

Hon. M. F. TROY: And now we have an announcement that next week they are to be increased.

Mr. H. W. Mann: I am telling you what he did.

Hon. M. F. TROY: We did three times as much when we were in office, but now nothing whatever is being done. No assistance whatever is being given to prospectors. I have received dozens of letters from people who are living on the smell of an oil rag, or on damper and kangaroo, and yet the present Government will not give those engaged in the industry a solitary brass farthing. Every request I have made has been met with a refusal; no assistance at all for the prospector. Yet we find that the farmer is getting sustenance to the extent of 30s. a week. Has there been any discrimination, I ask? Is there any fairness in what is being done? Thousands are being fed but the prospector does not get a penny.

Mr. SPEAKER: This is all outside the scope of the motion.

Hon. M. F. TROY: The only men who are not getting any assistance at all in the State to-day are those engaged in prospecting, and now the Government pretend to be very virtuous over the proposal of the Federal Government to reduce the gold bonus. Recently the Federal Government provided £65,000 to help and clothe the needy in Western Australia. Where was that money spent? In Wagin, York, Narrogin and in the metropolitan area. Did a penny go to the goldfields? No. Talk about discrimination and fairness! The miners at Gwalia tax themselves to try to help the unemployed there and I wrote to the Minister stating, "You are assisting local bodies and supplementing their contributions to carry on certain work; this is the time when the gold mining industry can be assisted by contributions to enable men to

go out prospecting." I never received a reply to that letter. I saw the Minister for Lands when he was acting Minister for Mines, and he told me he thought the scheme was a good one; but I never received a reply from the Mines Department. How virtuous are the Government to-night at the shocking way the Federal Government propose to treat the State! We can plead to high Heaven, but not a penny can we get for the prospector. Let those who denounce others first make sure that they themselves are not guilty of omissions.

The Minister for Lands: But this is serious because the Federal Government first promised the bonus and now they are taking it away.

Hon. M. F. TROY: And did not the Premier at the last elections promise everything? Where is the justice of giving doles in Perth, Narrogin, Wagin, York and Northam and refusing to assist the prospectors in the back country?

Mr. SPEAKER: I am afraid you are going beyond the four corners of the motion.

Hon. M. F. TROY: Yes, and no harm will be done if I do go outside those four corners. I agree with the House that the Federal Government have not treated us fairly, and furthermore I think they have acted unwisely. We can produce millions of pounds worth of commodities for which we cannot find a market, while for gold there is an unlimited market, and the Commonwealth Government play us this shabby trick. I support the motion.

MR. BROWN (Pingelly) [8.35]: As a representative of a farming district I have pleasure in supporting the motion. This is only a pious motion that we are discussing, a mere protest. I do not know whether it will do any good, but at the same time we know that it means a great deal to Western Australia to retain the bonus to its fullest extent. We have been fighting for it for a considerable time, because we know that in Western Australia there is more gold than in any other part of the world, and some inducement is wanted to encourage people to work low-grade properties. If the bonus is decreased by 50 per cent., it may be the means of throwing a number of people out of work. I have had occasion to take some of my constituents to the Mines Department

to apply for kits of tools, and in not one instance were they met with refusal. My experience, therefore, was quite different from that of the hon. member who has just resumed his seat.

Mr. Wells: I took two men there this morning and got kits of tools for them.

Mr. Marshall: The previous speaker was referring to sustenance.

The Minister for Lands: They get sustenance as well; the sustenance is transferred.

Mr. Corboy: But they do not get it while they are there.

Mr. BROWN: The men I took to the Mines Department had been miners. As members are aware, many settlers in the agricultural areas were pioneers on the goldfields. In every appeal I made at the Mines Department for assistance, in the way of tools, it was granted. The Registrar told me that over 400 sets of tools had been loaned.

The SPEAKER: There is nothing about tools in the motion.

Mr. BROWN: I know, but you cannot do any mining without tools.

Mr. SPEAKER: The motion deals with the gold bonus, and not tools.

Mr. BROWN: A lot of these people are experienced bushmen and, encouraged by the bonus, they went out prospecting, and in that way got out of the towns. They can be relied upon to do their best to discover gold and perhaps another Coolgardie or Kalgoorlie. I hope they will be successful, because another important goldmining centre is what is required. It will be a calamity if the bonus is reduced by half. If it were reduced 20 per cent. it would not be so bad, but to reduce it by 50 per cent. and reduce the bonus to other industries by only 20 per cent. is distinctly unfair. I support the motion.

HON. S. W. MUNSIE (Hannans—in reply [8.45]: I am obliged to hon. members on both sides of the House for the manner in which they have accepted the motion. Statistics show that in the last 18 months, the number of men on the goldfields has increased by slightly over 2,000. I believe that at least a thousand of them can be ascribed directly to the granting by the Commonwealth Government of the gold bonus. I hope the motion will be carried unanimously, and that the Premier will take the

earliest opportunity to have the resolution sent to the Prime Minister.

Question put and passed.

Mr. SPEAKER: There is not a dissentient voice.

Mr. CORBOY: I hope, Sir, that if possible you will direct that your remark be recorded—"There is not a dissentient voice."

Mr. SPEAKER: That will be recorded.

House adjourned at 8.47 p.m.

Legislative Council,

Wednesday, 8th July, 1931.

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

LEAVE OF ABSENCE.

On motion by Hon. Sir Edward Witenoom, leave of absence for six consecutive sittings granted to Hon. A. Lovekin (Metropolitan) on the ground of ill-health.

BILL—WORKERS' COMPENSATION.

Second Reading.

Debate resumed from the previous day.

HON. G. W. MILES (North) [4.36]: I oppose the second reading of the Bill. If it is not intended to establish another trading concern or State utility, the Bill is certainly designed to set up a State monopoly, and that is my main reason for opposing the measure. I admit it is necessary to reduce the cost of compensation insurance to

industry, but that can be done in a manner other than that proposed in the Bill. The Government, in introducing the measure, have acted the part of confidence tricksters towards the insurance companies. I hold no brief for the companies, but it should be remembered that they paid the Government £5,000 each, and the Government hold a quarter of a million of their money in a trust fund. At least, they are supposed to hold it. Whether they hold it or not, the companies have deposited the money. Under the Insurance Companies Deposit Act it is provided—

In this Act the words "insurance company" mean and include any person or body of persons, whether corporate or incorporate, not being registered under the Acts relating to friendly societies or trade unions, whether established before or after the commencement of this Act, and whether within or without Western Australia, who carries or carry on within Western Australia any kind of insurance business except life insurance.

The companies deposited their £5,000 each on the strength of that Act, but the Government, by introducing this measure, are seeking to deprive them of participation in workers' compensation insurance. It is a breach of faith, and for that reason alone the House should not agree to the Bill. The companies have probably brought this class of legislation on themselves by reason of their high overhead charges. I hope they will see their way to curtail their overhead charges. In the course of evidence given before the Farmers' Disabilities Royal Commission yesterday, the chairman of the Underwriters' Association gave particulars of the commission paid to agents. The following is an extract from the newspaper report:—

Agents were paid 20 per cent. commission on fire crop business, 10 per cent. on hail, and 15 per cent. on building insurance. Witness said that the Industries Assistance Board had been allowed a rebate of 30 per cent. by the associated companies in consideration of their doing all the work involved.

Mr. Farrall: Will you give the Primary Producers' Association a similar rebate?

Witness: If the P.P.A. would undertake the compiling of the whole of the risks, the arrangement would receive favourable consideration.

Mr. Carlisle: After paying 30 per cent. to the Industries Assistance Board, and 20 per cent. to agents, a considerable portion of your business is re-insured?—The risks are distributed, but there is no profit or loss made on the transaction.