

Legislative Assembly.

Tuesday, 3rd August, 1948.

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

QUESTIONS.

POLIOMYELITIS.

As to School Attendance by Children from Suspected Homes.

Hon. J. T. TONKIN asked the Minister for Health:

What action, if any, is taken by the authorities regarding attendance at school by children from homes in which the sickness has occurred, in cases where sick persons suspected of having contracted poliomyelitis are under medical observation prior to complete diagnosis?

The MINISTER replied:

Upon the report by any doctor of an actual or suspected case of poliomyelitis the children are isolated in their homes for a period of three weeks.

SUPERANNUATION, INSURANCE, ETC.

As to Schemes Submitted by Local Authorities.

Hon. J. T. TONKIN asked the Minister for Local Government:

(1) How many local authorities have submitted superannuation or insurance

schemes for the approval of the Governor in accordance with the provisions of the Superannuation, Sick, Death, Insurance, Guarantee and Endowment (Local Governing Bodies' Employees) Funds Act, 1947?

(2) Has the Governor approved of all the schemes submitted?

(3) If the whole of the schemes submitted have not been approved, for what reasons has approval been withheld?

The MINISTER replied:

(1) Three have submitted endowment assurance schemes.

(2) Not yet.

(3) Draft regulations have been prepared and are under consideration, following discussions with assurance companies, with the object of having uniform conditions and a suitable working arrangement under which transfers of employees between local authorities would not affect their endowment assurance interests.

EDUCATION.

(a) As to Appointment of Superintendents and Inspectors.

Hon. J. T. TONKIN asked the Minister for Education:

Will he table the papers in connection with the recent appointments of superintendents and inspectors consequent upon the re-organisation in the Education Department which has been decided upon?

The MINISTER replied:

The papers will be made available for perusal by the hon. member at my office on request.

(b) As to Water-Cooling Units for Northam Schools.

Hon. A. R. G. HAWKE asked the Minister for Works:

(1) Are water-cooling units certain to be installed at the three State schools at Northam before the start of next summer?

(2) If so, when is the work of installation likely to commence?

The MINISTER replied:

(1) Yes.

(2) Manufacture of units is now well in hand. Installation will be completed before the end of September.

POLICE.*As to Transfer of Detective Sergeant R. Kendall.*

Mr. YATES asked the Minister representing the Minister for Police:

(1) Did Mr. H. D. Moseley, P.M., conduct an inquiry into the transfer of Det.-Sergt. R. Kendall, of the C.I.B., from the C.I.B. to the uniformed branch?

(2) When did such inquiry take place?

(3) If an inquiry was held, will he table all papers dealing with such inquiry?

The ATTORNEY GENERAL replied:

(1) Yes.

(2) 18th and 19th December, 1947.

(3) The inquiry was confidential to the then Minister for Police and no good purpose would be served by tabling same.

NORTHAM HOSPITAL.*As to Proposed Improvements.*

Hon. A. R. G. HAWKE asked the Minister for Health:

What is the present position regarding proposed improvements to the kitchen, domestic staff dining room, laundry and front verandah at the Northam Government Hospital?

The MINISTER replied:

Tenders were called for the kitchen, laundry and front verandah, but none was received. They will be re-called.

A tender will be offered shortly for staff dining room.

LANDS.*As to Closer Settlement in Chidlow-Mokine Area.*

Hon. A. R. G. HAWKE asked the Minister for Lands:

(1) Has the Under Secretary for Agriculture yet finalised his report covering the inspection he made of the land in the Chidlow-Mokine area, suggested by the Clackline-Baker's Hill Sub-branch of the R.S.L. as being suitable for closer settlement?

(2) If so, will he have a copy made available to me for transmission to the sub-branch?

The MINISTER replied:

(1) and (2) The report is being prepared and a copy will be made available to the hon. member in the near future.

BUILDING MATERIAL.*As to Release for Kindergarten and Infant Centres.*

Mr. BRADY asked the Minister for Housing:

When will building material for erecting kindergartens and infant health centres be released to committees requiring same?

The MINISTER replied:

The applications for permits to erect kindergartens and infant health centres throughout the State are so many that a very limited number of permits only can be granted. So far, permits are limited to infant health centres and the Housing Commission allots permits for these buildings of an aggregate cost of £10,000 a quarter. The priority of the need for an infant health centre is decided after consultation with the Department of Health.

RAILWAY WORKSHOPS.*As to Value of Work and Staff Appointments.*

Mr. BRADY asked the Minister for Railways:—

(1) What was the total value of work performed at Government Railway Workshops at Midland Junction for the year ended the 30th June, 1948?

(2) What number of employees have been engaged for administrative staff of the Government Workshops at Midland Junction in the past two years from outside Western Australia?

(3) Is it the intention of the Government to continue to engage administrative staff from outside Western Australia?

The MINISTER replied:

(1) £1,710,694.

(2) Actually there were no engagements outside Western Australia during the two years ended the 30th June, 1948. Of 11 appointments made in the period, seven were Western Australians, one was previously employed in Victoria, and three had previous railway service in India. All the engagements were made in Western Australia.

(3) It is, and will be, the policy of the Government to fill the higher positions in the Railway Department from those employed in the Department, excepting only when the efficiency of the service demands somebody possessing higher qualifications or more extensive experience than is possessed by those already employed. This latter disability will, it is hoped, in future be removed by giving selected railway employees the opportunity to visit other States and other countries in order to enable them to keep abreast of railway improvements.

WHEAT MARKETING.

As to Poll of Growers.

Hon. J. T. TONKIN asked the Minister for Lands:

Having regard to the fact that the proposed poll of wheatgrowers which is to be taken in connection with wheat marketing schemes is to be conducted by an organisation which is admittedly partisan and which has highly placed members who appear certain to obtain lucrative positions under a State scheme, how was he able to give the assurance which he did in reply to question No. 10 asked by the member for Forrest on Thursday, the 29th July?

The MINISTER replied:

Co-operative Bulk Handling Limited has no interest in whether the wheat scheme put into operation is under State or Federal control. It is merely a co-operative wheat handling company in which every wheat-grower has an interest in proportion to his bulk wheat delivered to the company.

Parliament has provided for a temporary board on which the Chairman of Co-operative Bulk Handling will be chairman, but this board must be superseded within 12 months by a board on which four of the five members are elected by wheatgrowers. The poll will be conducted under the supervision of two ex-Chief Electoral Officers, and thus any implication of partisanship or impropriety must reflect on these responsible gentlemen.

ADDRESS-IN-REPLY.

Fourth Day.

Debate resumed from the 29th July.

HON. A. H. PANTON (Leederville) [4.40]: During the years I have occupied a seat in this Parliament, I have heard many Speeches delivered by His Excellency the Lieut.-Governor and also by his predecessors. It is instructive to look back on those Speeches, some of which have been very interesting and, if I may so express it, full of meat. Some of them have been short and some have been long, but on this occasion we can say that, although the Speech was very long, there was very little in it to create a spirit of optimism as to the future of the State.

A new technique seems to have been adopted since the present Government took charge of the Treasury Bench. Over the years the custom has been for a member to move a motion for the adoption of the Address-in-reply, as was ably done by the member for Wagin on the opening day, and for the Leader of the Opposition to reply, after which the debate was continued, and any drastic criticism that was offered was usually answered by the Minister controlling the department concerned. As I have stated, however, a new technique has been introduced. Last Wednesday night the Leader of the Opposition drastically criticised the Housing Commission, and the Minister for Housing, as well as the Premier, took it upon himself to try to answer the criticism by way of interjections, but two days afterwards, a reply by the Minister for Housing appeared in "The West Australian." On Wednesday night also, the member for Irwin-Moore made some implications about the number of Communists in the school-teaching profession, and on Friday the Minister for Education replied to the hon. member in the columns of "The West Australian."

Hon. J. B. Sleeman: That must be the "new look."

Hon. A. H. PANTON: I used another term; I said new technique. I have a very decided objection to this new technique for various reasons. One reason is that, in my opinion, any criticism offered by a member in this House should be replied to in this House and not through the columns of a newspaper. If we accepted such a reply, I think that you, Mr. Speaker, would soon take a hand, as you did the other night when the member for Perth was speaking. We have to take it for granted that the statement appearing in the newspaper con-

tains the facts as given by the Minister or, rather, methinks, by his publicity officer, and I venture to say that if we alluded to it here, we would not get very far before you would intervene, and justifiably so, because, according to our Standing Orders, a member is not entitled to quote from a newspaper a report of something that has been done or said in this House during the current session. This new technique, in my opinion, is something thoroughly bad and, if Ministers are going to adopt it, I shall feel sorry for the publicity officer, because he will more than earn his salary.

In "The West Australian," also of last Friday, another report appeared, though not in reply to anything that had been said in the House. It was a statement by the Minister for Lands dealing with soldier land settlement. Had the Minister analysed the report before it appeared in the Press, I think he would have received a surprise. The report began—

Referring to the increased speed at which war service land settlement farms are being occupied, the Minister of Lands (Mr. Thorn) said yesterday that the Land Settlement Board was considering the development of Crown lands for the scheme.

The report went on to say that when the board had considered these proposals, they would be submitted to the State Government and then in turn to the Commonwealth. Thus the board is considering a proposal to develop Crown lands owing to the speed with which the war service farms are being occupied. After the board has considered the scheme, its proposals will be submitted to the Government, presumably by the Minister for Lands, and then to the Commonwealth. My experience as a Minister was that, when some proposal was submitted to the Government and had in turn to be submitted to the Commonwealth, it was necessary to wait until the Premier attended a conference of Premiers before one could know what would happen, and I think the Minister for Lands will be a good while wondering what is happening to his scheme of development. The Press report continued—

On most properties, partly in the Great Southern and west of the Great Southern Railway, large areas remained to be cleared. The board's programme aimed at the clearing of about 70,000 acres within the next two years. Completion of the work, half of which could only be carried out by the heavier type of bull-

dozer, must depend on the Government's success in obtaining this equipment.

Evidently the Minister is very perturbed about the increased speed with which these farms are being occupied, and so he has asked the Land Settlement Board to consider the question of developing Crown lands, and he intends to clear 70,000 acres, which will take two years, and half of which work can only be carried out by the heavier type of bulldozer.

The Minister for Lands: But the 70,000 acres is not unalienated Crown land.

Hon. A. H. PANTON: I am reading what is stated in the Press.

The Minister for Lands: It is uncleared land on the farms which is to be cleared to bring them up to Commonwealth requirements.

Hon. A. H. PANTON: I shall deal with Commonwealth requirements later on. I am quoting the statement that appeared in the Press. Unless one knew something of the inner workings and analysed the report, one would incline to the belief that the outlook was very promising. I suggest that the Minister should analyse such reports before they are published and couch them in such language as will enable people to understand what the position really is. I am satisfied that nobody could form a just opinion of the position from that statement.

According to the report, a total of 2,074 ex-servicemen desired to settle on the land; 180 properties have been allotted out of 229 advertised properties, and another 28 would probably be allotted on the following day. I take it for granted that the additional 28 were allotted, which means that 208 properties have been allotted out of the 229 that were advertised, for which there were 2,074 applicants. From the report one would assume that these allocations date from the inception of the scheme, and if that is so, it leaves 1,866 applicants who are still waiting for properties. So the soldier settlement scheme is not going ahead half as fast as those very keen critics we had a while ago would like—particularly the member for Mt. Marshall. I remember that on one occasion the present Minister for Housing, when he was sitting on this side of the House, said in a rather resigned tone, "Not one soldier settled." Members can imagine how he would say it!

Hon. J. B. Sleeman: Now he has forgotten all about it.

Hon. A. H. PANTON: A little while ago, the Minister for Lands interjected in an attempt to put me on the right track with regard to bringing the position up to Commonwealth Government requirements. I want to say something about Commonwealth Government requirements, because this report reads, under the heading of "Building plans"—

The policy adopted that properties should be occupied before approved renovations or additions had been completed was endorsed by ex-Servicemen.

Now, to begin with, this is the first we have heard of this policy being endorsed by ex-servicemen. I am sorry the member for Mt. Marshall is not in his seat, because he could give us some information, as representative of the R.S.L. I would like to know from the Minister to whom he refers when he mentions ex-Servicemen, because there are a tremendous number of ex-Servicemen, and thousands are not even interested in soldier land settlement. Does he mean by ex-Servicemen the land board of the R.S.L. or the R.S.L. executive, or the ex-Servicemen going on the land? I am not satisfied that any section of the ex-Servicemen—irrespective of which one it may be—should dictate to the Minister the policy of the Government or this Parliament concerning exactly what sort of places they are going to have, or when they are to go on these farms. The Minister goes on to say—

The construction programme of allotted farms involves the provision of 71 new farm houses, 71 sets of farm buildings, and 40 quarters for farm employees in addition to renovations on practically every farm purchased.

Reading that, I at least am in somewhat of a fog. I do not know whether those 71 farm houses and buildings are to be erected on places already occupied in accordance with the policy I have just read out, or whether the reference is to places proposed to be bought, or which have been bought, or which are being bought, and on which buildings will be erected. The report goes on—

The State Housing Commission was co-operating in the construction of new buildings—

This should be particularly interesting to the member for Mt. Marshall—

—which it was proposed should be carried out by the letting of tenders, but outside the principal towns—

and this I want to emphasise particularly to those gentlemen who previously were so critical of soldier land settlement—

—prospects were not bright at present for the erection of houses in country districts.

So that looks as though we are going to have farm houses and farm buildings in the near future, if at all, only on farms within the vicinity of principal towns. I do not know the Minister's definition of a principal town. I would say that Busselton would be one, but I doubt very much whether Wyalkatchem or Korrelocking would come under the definition.

Mr. Leslie: It is the most important part of the State.

Hon. A. H. PANTON: It may be a very important part of the State, but I very much doubt whether the Housing Commission would call those places principal towns. If Busselton or Manjimup were in the running for housing, I am afraid the member for Mt. Marshall would have a great deal more difficulty in convincing the Housing Commission than me that either of those other places could be called principal towns. So it seems to me that this article becomes more chaotic and involved the further one gets into it. If the Housing Commission is going to co-operate with the Minister in building houses only close to or in the vicinity of principal towns, I think we should know, as a Parliament, what those principal towns are. I suggest to the Premier that Pinjarra would be a principal town.

The Premier: Undoubtedly!

Hon. A. H. PANTON: But I think that under the new proposal Harvey would be more principal than Pinjarra.

The Minister for Lands: Why dig that up?

Hon. A. H. PANTON: I am only thinking that. It just happened to strike me that it may be. Here is another good one—

A contract had been let for prefabrication of 15 temporary cottages on properties where no housing facilities exist.

Are those properties the ones on which the 71 new farm houses are to be erected? Where are these prefabricated cottages coming from? Is this a new scheme we have heard nothing about? Just where will they

be obtained? That brings me to the end of the report, and I sincerely hope that the Minister will try to clarify it in this House; that he will not hand it to somebody else, but try to do the job himself. It is easy to say to his publicity officer, "Panton was grizzling about that report you wrote last time. You had better clarify it."

The Minister for Lands: That is the easiest way.

Hon. A. H. PANTON: The Minister may be able to overcome the difficulty by that means, but I would prefer to listen here to him clarifying, in his apt way, a report of this sort. That brings me to the board I have mentioned. I want to thank the Minister for giving me an opportunity to read the report of the board. It was a long time before I could pluck up courage to beard him in his den and ask for it but, after a couple of stiff coffees, I did so, and managed to get the report and read it.

Mr. Mann: To what report are you referring?

Hon. A. H. PANTON: I am referring to the soldier land settlement report by Mr. Brownlie, Mr. Smith and, I think, Mr. Byfield.

Mr. Mann: Is it a secret report?

Hon. A. H. PANTON: The member for Beverley had better put that question to his Minister. I have read it. It was so secret that I wrapped it up carefully and took it back. I think that if the hon. member approached the Minister with as nice a smile as I did, he might get the report, too. The outcome of the report was the appointment of this board that is now operating in regard to the land settlement scheme. I have no desire to start, or even enter into, any controversy about the ability of the then Director of Land Settlement, Mr. Fyfe. That is far from my mind.

The fact remains that Mr. Fyfe, who was Director of Land Settlement, was a very highly paid and highly regarded officer in the department, and that he has been supplanted by this board. I think that in justice to him and to the members of this House—particularly as the member for Beverley is now worried about the secrecy or otherwise of this report—it should be laid on the Table of the House. I read it and I say quite candidly and sincerely that there was nothing in the report to justify

Mr. Fyfe's being relieved of his position. Whatever the board had in mind or might have said to the Minister or the Government which did not appear in the report, I do not know nor care. The report was signed by the three gentlemen as an official document, and I repeat that there was nothing in it to justify such drastic action as relieving Mr. Fyfe of his position. I do not know whether Mr. Fyfe has made any reply to the Government or the Minister concerning the report. That is something else of which we know nothing.

I suggest in all sincerity that, if he has made a reply—I will be surprised if he has taken being relieved of his position lying down—the Minister should lay the report and Mr. Fyfe's replies to anything in it on the Table of the House, so that members may know what it was all about. I would like to know what Mr. Fyfe had to say about it. I have taken care on all occasions not to go near any of the departmental officers—particularly of the departments with which I was entrusted as Minister—and have not discussed this matter with Mr. Fyfe or anyone else, as I think the report and any reply to it should be laid on the Table.

I congratulate the member for Beverley, who made a long and stern fight to get soldiers settled on the land in the hard way, because he has accomplished it now. When the legislation was introduced into this House—members of the then Opposition did not criticise it at all—the ideal was to put up decent houses on the farms for returned soldiers, their wives and families. In and out of season, in this House, at R.S.L. meetings and at the land conference the member for Beverley said, "Let them do it the hard way, like we old fellows did it." Now he has had his way and it has been decided to build these two-roomed shacks—temporary shacks.

In 10 or 15 years time the member for Beverley—he will live that long, because only the good die young—will have opportunity to see these farms still with the two-roomed shacks or pre-fabricated houses on them. The Minister for Housing will agree that people today will take any sort of a house, even expansible or duplex houses, and undoubtedly these men, in order to get on to their farms, will accept any kind of proposition in the optimistic hope that some day they will be provided with better houses.

The experience of farmers who went about it the hard way was not that better houses were eventually provided. Most of them, except those who like the member for Beverley made a success of pigs or sheep and were able to build little mansions, are still living the hard way unless their parents died and left them nice houses in which to live. Again I suggest that the Minister lay that report on the table of the House, together with the answer, if any, of Mr. Fyfe. This House should have some voice in whether there is to be such drastic alteration made in the proposed agreement either by the board or anybody else. No doubt the Minister for Lands will be pleased that that is all I have to say about it.

Hon. F. J. S. Wise: With reference to bulldozers, I should say there is terrific difficulty in obtaining the imported heavy machinery.

Hon. A. H. PANTON: Not now that we have a Minister for Supply and Shipping.

The Minister for Lands: Such machinery is in short supply, and requires dollars.

Hon. A. H. PANTON: The longer we are in getting the machinery the longer it will be before the land is cleared. Whatever the board may have said and whatever it may have thought without putting it in writing in the report, I maintain that Mr. Fyfe carried the burden of starting this scheme and worked for a long time under great difficulties without even a small bulldozer or tractor. He had to start with tools of any description and he did not get even a kind smile from Commonwealth officers and very few from State officers. I say, and the member for Mt. Marshall will agree, that there has been one continual howl, particularly from the R.S.L., to have the job started. Mr. Fyfe did get it started, before I took over, and made some headway, and I presume he is now being criticised for having commenced the job before he had bulldozers and so on with which to do the work. I pay him the tribute of saying he was a hard worker who did a tremendous job under great difficulties, and I feel that he deserves better than he has received in return.

There is very little in His Excellency's Speech relating to the health of the community, there being only a brief reference to the Royal Perth Hospital. Not one word

appears about the future of hospital building in this State.

Hon. F. J. S. Wise: And nothing about the medical school.

Hon. A. H. PANTON: There is no reference to health, except what I have mentioned. I hope the Minister will listen to what I am about to say, as I would rather he replied in this House than in "The West Australian" next Friday. I am perturbed at the agitation that has taken place in certain quarters for new hospitals. I do not refer now to a place such as the member for Wagin mentioned, Lake Grace, which has a hospital but wants a better one. There has been agitation in two or three places for new hospitals in the vicinity of a very large hospital.

I would like to know whether the Government and the Minister for Health have given consideration to the report compiled and finalised by the committee appointed by the Willecock Government to go into the matter of regional hospitals. That committee was composed of some eminent medical men and practical health officers, with myself as Minister for Health in the Chair. It travelled over the State and took a great deal of evidence in many places. It was successful in obtaining the services of Dr. LeSouef who was then in England, having been a prisoner of war, and obtained permission for him to visit America, Canada and other places on his way home in order to get the latest and best information possible about hospitalisation in those countries. He furnished a wonderful report, which was a pleasure to read, and which was handed to my successor, the member for Kanowna.

I hope the Government and the Minister will not rush into any hair-brained scheme for erecting small hospitals here, there and everywhere, because I, on behalf of the Willecock Government, gave a definite promise to the people—in Geraldton, Albany and Bunbury in particular—whose hospitals were anything but good. Those hospitals were good in days gone by. I read a report on the Bunbury hospital, which was built in 1895 or 1896, and was opened by the then Premier, Sir John Forrest. At that time it was looked upon as one of the most up-to-date institutions in Australia, but when I last saw it it was—I think the member for Bunbury will agree—about the

worst hospital in Australia. It was promised that those towns would be the first to get regional hospitals. I am not complaining that those hospitals have not been built, and I know the Premier would say that men and material have not been available, but there is a possibility of pressure being brought to bear for the building of a hospital perhaps at South Perth or Midland Junction.

Hon. F. J. S. Wise: Or at Pinjarra.

Hon. A. H. PANTON: There is a hospital at Pinjarra, though it could do with improvement. I am worried about the possibility of the scheme for regional hospitals being dropped, to the detriment of a health scheme for the whole of Western Australia. There is no doubt of the unfortunate position this State is in, in that regard. In many places where people have settled they have built hospitals and some of the hospital committees have done great work in building, with subsidies from the Government, and in keeping the hospitals going. Strangely enough those hospitals that have been conducted by such committees are, generally speaking, the best in the country districts, and much better than the Pinjarra hospital, which is a Government institution. The reason is that the committees are on the spot, are anxious to help, and take a keen interest in the work they are doing.

The Minister for Health: I believe—and so does the Government—that regional hospitals are necessary.

Hon. A. H. PANTON: I am pleased to hear that. Though the member for Canning and the member for Guildford-Midland will probably not agree with me, I say that with the excellent transport now existing, and with a hospital such as will be available in Perth in the near future, further large hospitals close to the metropolitan area are not necessary. Undoubtedly as the population of Perth grows it will be necessary to construct another big hospital, and that will be a matter for consideration by the Government of that day. It would be a sub-regional hospital. I plead with the Government not to be rushed or coerced into building any more small hospitals within a reasonable distance of where the regional hospitals are to be built.

I have had the assurance of the Minister for Health that he and the Government

believe regional hospitals are necessary, and I hope that policy will be adhered to. With due deference to the Leader of the Opposition, I also discovered the North-West in 1942, but, unlike most members who have visited that part of the State, I know very little about land settlement in that area. In fact I was not greatly interested in it but was, as Minister for Mines and Health, interested particularly in mining. I came back from the North-West envisaging hydraulic engineers opening up the country with water for mining. When I returned the Japs had entered the war and hydraulic engineering had gone out of my mind in favour of civil defence.

[Mr. Triat took the Chair.]

I am more than positive that land settlement or closer settlement is not going to develop the North-West, but I consider it would be well worth while spending £10,000 or £15,000 to implement plans submitted by good hydraulic engineers for water schemes—artesian or otherwise—in the Nullagine and areas further north for the purpose of mining gold and other minerals. The member for Kimberley and myself when traveling in that area carried a panning-off dish, as I know a little about that sort of thing, and everywhere we tried we were able to get a trace of gold. You, Mr. Deputy Speaker, know sufficient of gold-mining to realise that there must be gold in those areas, and a good deal of it, too. Land settlement in this State or in any other country has generally followed a goldmining rush and it would be possible to open up the North-West in this way. I am satisfied that land settlement, if it is possible at all, will take place after gold has been discovered and the people migrate to that district. I am quite satisfied that Western Australia would never have had a big land settlement scheme if it had not been for the thousands of people who came to this State—most of them were starved out of Victoria and New South Wales, I suppose—after the discovery of gold.

I wish now to refer to another Commission that took evidence during the recess, on the betting laws. I simply desire to say that if the findings of that Commission—I will say all I want to mention about it when and if the Bill is introduced—are the best that can be produced, then they are not worth implementing.

Hon. J. T. Tonkin: The Commission was hog-tied from the start by the terms of reference.

Hon. A. H. PANTON: If a Bill is introduced there will be ample room for a great deal of discussion but, hog-tied or not, I think they are the most puerile findings brought down by any Commission. There is another small paragraph in the Lieut.-Governor's Speech which reads—

Activity in the fishing industry has continued to increase. An expanding export trade in frozen crayfish tails and canned fish is being developed.

I would like to know just what is happening to fish that we get from the sea. We are told from time to time that there have been schools to train fishermen under the rehabilitation scheme and so on and that they are catching huge quantities of fish in the Shark Bay area. I read in the newspaper—and this was not a statement by a Minister—that the freezing works are packed to the roof with fish and yet if a man desires to buy a pound of fish he has to pay 2s. 9d. or 3s. a lb.

The Honorary Minister: You go to the wrong shops.

Hon. A. H. PANTON: I do not go to a shop at all.

The Honorary Minister: Come to Subiaco and you will get it for 6d.

Hon. A. H. PANTON: That is political influence. I would not have the cheek to pay 6d. a lb. for fish as it would be starving the fisherman, but there is something radically wrong with the fishing industry beyond any shadow of doubt. It is all very well exporting frozen crayfish tails to America, as I do not like them, but when I was acting as Minister for Fisheries during the absence of the member for Kimberley, I had two conferences with members of the fishing industry. Representatives from all sections of the industry were present and the conferences proved very interesting. At times it was very amusing, and I was told some really good stories which I could relate to the Chamber if the Speaker had the patience to listen and I had the time. From the results of the two conferences I was quite satisfied that something could be developed along the lines of a board—much as I disagree with the appointment of too

many boards and I know the Honorary Minister will agree with me on that point.

Hon. J. B. Sleeman: How do you know?

Hon. A. H. PANTON: Because the Honorary Minister disagrees with the hon. member at times and she must have a friend to support her occasionally. I do not know who is the Minister in charge of this department—

The Attorney General: I happen to have that privilege.

Hon. A. H. PANTON: Then it is a good thing because it means that we have the portfolios of health and fish together. I suggest to the Minister that he obtains the reports of those two conferences as he will find them very enlightening. The conferences were attended, as I said, by all sections of the industry including the fishermen, the wholesalers and the retailers and it took them some time to agree, but I am satisfied that if their ideas could be developed we would have a scheme whereby fish could be landed in the State at a more reasonable cost without in any way exploiting the fishermen who, after all, do the job. I know there is a complaint that South African smoked fish is being brought to this country and sold much cheaper than our own schnapper and cod, but we must not blame the people for buying it. I personally prefer the fresh schnapper but a man who is on the basic wage cannot buy fish, or enough of it, and I suggest to the Minister that he should appoint an officer to study the reports of those two conferences in an endeavour to see whether such a plan can be implemented.

Hon. F. J. S. Wise: The Minister knows about the report.

The Attorney General: I have read it.

Hon. F. J. S. Wise: I have been at the Minister on this subject for quite some time. There are tons of fish in cold storage.

Hon. A. H. PANTON: On reading the newspaper on Sunday morning I found that we are now called upon to pay increased tramway fares, and that the fares for the Government buses and ferries have also been increased. I would like to hear the member for Nedlands on the subject, but unfortunately the member for Sussex has his attention. But I recollect vividly that the Grants Commission was in this State

some time ago and a railway officer, when asked, said that he considered the best way to check deficits by the tramways and railways was to raise the fares.

I remember the member for Nedlands almost cracking this roof in his exorable way as he took the view that it was the policy of the Government. There is no member of the Grants Commission talking to the railways now. It is a fact that tram fares have been increased, and I would like to know what the member for Nedlands is going to say about it, as he is not the sort to keep quiet if there is anything he wants to say to the Government. I would suggest to the Minister that it is time that sections such as exist on our trams were revised. On most of the tram routes there is a long penny section, but the anomaly is that if a man boards a tram between two sections he has to pay full fare. I do not know how far past Anzac-road the terminus of the Mt. Hawthorn tram is situated, but it is some distance. From Anzac-road to the corner of Newcastle and Oxford streets there are 11 blocks or 11 streets and the fare is 2d. for this distance—it was 1d. before the recent rise in prices.

If I wished to travel to Perth it used to cost me 3d., but the fare has been increased to 4d., yet if I want to get out at Lake-street, which is five blocks, I still have to pay full fare. I know that charge well because I get out of the tram at that point every Sunday to attend my church. I am not advocating cutting sections into bi-sections, but suggest that any streets within a section should come under the same fare. I know that members opposite will say that this side of the Chamber should have carried that out when it was in office, but the Commissioner of Railways has always opposed the suggestion and he will probably continue to do so. I suggest to the Minister that he refer my suggestion to the Commissioner. In Melbourne a man has only to request a ticket to the city and he is off how much he has to pay. In other words, in Melbourne a person pays for the ride he gets, but in this State if I board a tram between the Mt. Hawthorn terminus and Newcastle-street, I have to pay the full fare.

Hon. J. B. Sleeman: They did that in Sydney. We copied them.

Hon. A. H. PANTON: I thought they copied us, but I have been informed that it is the simplest means of collecting fares in Australia. That may be so, as the Commissioner of Railways has always argued that to alter the system would mean the issuing of too many tickets. If the sections are arranged it should be only a question of paying the fare for each particular section, whether it is 2d., 3d. or 4d. and I trust the Minister will give this matter some consideration and discuss it with the Commissioner of Railways who may have altered his views since my discussions with him.

In the matter of finance I feel somewhat like the late member for Pingelly (Mr. Brown) The then Treasurer Hon. P. Collier, had delivered his Budget speech and shortly afterwards Mr. Brown rose to his feet and said "Mr. Chairman, I admit right from the outset that I know nothing about finance." The reply of the then Premier was, "You will make a very fine speech." That is how I feel at this moment, and I do not profess to be an expert like the member for Murchison or others who have given this House many lectures on finance, but I do know that of late years all finance seems to dwell around the question of uniform taxation and the Grants Commission. During the last three sessions of Parliament most of the debate that has taken place in this House has been as to whether we should have uniform taxation or the right to impose our own taxation on the people. I am not trying to reach the realms of finance attained by the member for Murchison, but I wish to deal briefly with the two matters I have previously mentioned.

I was fortunate enough to be in Canberra when the then Prime Minister, the late Mr. John Curtin, introduced the Bill which sought to enact the system of uniform taxation. I attended Parliament House next day when Mr. Fadden, who was then the official Leader of the Opposition, dealt with the measure. I sat through the discussion during that day and all the next day. I heard the views of members on uniform taxation and those views were expressed from both sides of the House. As a result of what I heard, I was convinced that the State Parliaments did not have a friend in the Commonwealth Parliament, irrespective of party considerations at all. They all favoured a system of uniform taxation, and for my

part I am satisfied that that system is here to stay.

I have attended several Premiers' Conferences, having been in Canberra for the purpose of other discussions and, as I listened to the debates by the various Premiers, on no occasion did I note that the Commonwealth Government gave any encouragement to State Premiers, irrespective of party alignments at all, to think that they would be released from uniform taxation. I am convinced that the system is here to stay. I do not know whether the Grants Commission will be the organised body that will have the task of presenting varying amounts of money to the States from time to time.

The Premier: Neither does anyone else know.

Hon. A. H. PANTON: That is so; I am in good company in my lack of knowledge on the point. On one or two occasions even this session the Premier has said that in the interests of the States there should be another Federal Convention. I do not exactly know what type of body the Premier had in mind, but in view of the way we are drifting, month by month, in Western Australia—it can be said that the experience of this State is typical of that of the others—only one of two things can happen. Either we shall drift straight into unification or continue for ever as the very poor relation of our rich old uncle, the Commonwealth Government. I say that, irrespective of what political party may have charge of the Federal Treasury bench. I do not care who may be in power because they are all tarred with the same brush.

The position is accentuated now in view of the membership of the Commonwealth Parliament being increased to a large extent. It seems to me that the people of Australia are not going to put up with that sort of thing for very much longer. In my opinion, the rising generation and future generations, too, will have a lot more sense than the present one, and they will ask, "What is all this for? Here we have 13 Houses of Parliament and over 600 members, and what are we getting for it?"

The Attorney General: We are not getting much from the Commonwealth Parliament.

Hon. A. H. PANTON: Perhaps not.

Hon. E. H. H. Hall: Your party is in favour of unification?

Hon. A. H. PANTON: I am not discussing parties, but facts.

Hon. F. J. S. Wise: And the answer to the question is "No."

Hon. A. H. PANTON: As to the question of unification, if the party to which I belong stands for unification, then it will be unification.

The Honorary Minister: Do you not desire to be free?

Hon. A. H. PANTON: No, I have the best wife in Australia, and I do not want to be free. I know that possibly "The West Australian" will say that I have gone as near to advocating unification as I possibly could. For the last half century or more I have worked in the public interest, particularly in the Labour movement, for what I believe to be right and in order to build up Western Australia along lines that will be of benefit to the rising generation and to those that will come after us. Whether it would be better for posterity if unification were brought about, I cannot say, but I agree with the Premier, if he thinks along the lines I am thinking, that there is great need for the holding of another convention, I believe the time has long gone by when we should continue Premiers' Conferences or even conferences attended by Premiers and Leaders of the Opposition.

What is wanted in these days is a properly constituted convention composed of delegates elected from each State on the basis of proportional representation. I have yet to learn—in fact, I will not believe otherwise—that the present generation of public men who would be elected to attend such a convention would be any less Australian in their outlook than those who were chosen to attend the original conventions that framed the Commonwealth Constitution. In Victoria I listened to Mr. Alfred Deakin—I was then a very young member of the Australian Natives Association—and others advocating Federation. At that time they did not anticipate that Australia would have to go through two wars such as we have encountered during the past 30 years or so, nor did they have any idea that any Commonwealth Government would be forced to take over such great powers as became necessary during the recent war period. Had they had anything of the sort in mind, they would have made provision for it in the Constitution.

I may be reminded that several referendums have been held, but I do not place any reliance on referendums; I do not think they are worth the printing of the ballot papers. The member for Nedlands will remember that in 1933 a referendum was held in Western Australia on the question of secession. At that time an election was largely fought out on the same issue. The member for Nedlands was himself one of the leaders of the secession movement which gained favourable results at the referendum. But what happened? We went to the country and the issue was raised strongly. The member for Geraldton in his interjection a few minutes ago asserted that my party was in favour of unification.

Hon. E. H. H. Hall: I asked the question.

Hon. A. H. PANTON: The hon. member asked it, but there was an inference attached to it. What happened at that election? The referendum resulted in a large majority in favour of secession and there was in my own electorate a huge majority in support of it. But, as a result of the elections, the unificationist crowd was returned to power and assumed control of the Treasury Bench. That goes to show what value is to be attached to referendums. I do not take any notice of them. When sufficient pressure is brought to bear by the Press, it is possible to carry through anything. However, to revert to the question of the convention that I have suggested, whatever should be the result of the election of delegates, I would be prepared to abide by it. I am satisfied that, without any necessity for pressure being brought to bear by the newspapers, such a convention as I envisage would develop a new constitution that would be more satisfactory than the present one. Whether it would provide for the Commonwealth Government having a certain amount of power and the States lesser powers, I do not know.

The Premier: Why do you suggest election on the basis of proportional representation? Why not an equal number of delegates from each State?

Hon. A. H. PANTON: The Premier could have it that way if he so desires.

The Premier: I think it would be better.

Hon. A. H. PANTON: What I had in mind was that I did not want one political

party to secure the election of all its delegates and other political parties to have none. I had in mind Senate elections when only members belonging to one political party secured their return. I would be quite content so long as a proper representation was secured.

[*The Speaker resumed the Chair.*]

The Honorary Minister: With a few women?

Hon. A. H. PANTON: I referred to delegates, and did not mention sex at all. I would not for one moment say that one must be a woman. If the people of the country say there must be some women among the delegates, then they should be elected.

The Honorary Minister: There is nothing in the Act to say that they should be women.

Hon. A. H. PANTON: What Act? I did not suggest anything about an Act.

The Premier: When you suggest election by proportional representation, would you also say there should be an equal number from each State?

Hon. A. H. PANTON: I did not go that far; I had in mind Senate elections with members of one party only being elected. I am prepared to leave the details to someone more capable of dealing with such a matter than I can claim to be. I have pointed out that instead of worrying about Premiers' Conferences to deal with financial adjustments, the Premier might accept a suggestion from me and go bald-headed for a convention such as I have in mind.

Hon. A. A. M. Coverley: He will go bald-headed, all right!

Hon. A. H. PANTON: I merely used that term as a figure of speech. I know the Premier is wrapped up heart and soul in the interests of Western Australia, just as are others of us who have lived here for so long. We all desire to see the best done for Australia. After all, we are Australian and irrespective of whether we barrack for Western Australia or for Victoria at a football match, we may have our preferences, but we are still Australian. I am certain that a delegation from each State, sitting together as a convention, would draft a constitution that would be satisfactory to future generations and of benefit to Australia in general and to Western Australia in particular.

MR. BOVELL (Sussex) [5.40]: On the occasion of the opening of the present session, I was able to listen to the Lieut.-Governor's Speech with much greater interest because the previous time it was my privilege to have the task of moving the adoption of the Address-in-reply. As it was the first time I had spoken in the House, it caused me some little concern. This year I feel that the ceremonials that distinguished the opening of this, the second session of the nineteenth Parliament, were most appropriate. The paragraph of paramount importance in the Speech was that relating to the visit to Australia of His Majesty King George VI, Queen Elizabeth and Princess Margaret. I join with all other loyal citizens of the Commonwealth in extending to the regal party a right loyal welcome and it is the hope of all of us that by their visit—it will be the first occasion that a reigning monarch has visited Australia—the bonds of Empire will be further cemented.

It is true that the Crown is a symbol. It is the binding force that keeps together the whole of the British Commonwealth of Nations. Never before has a Royal Family been held in higher esteem than those who are about to visit us. We look to them as a symbol of the British way of life, as the epitome of everything British that we uphold. In these days when we are faced with a threat of some foreign influence that has been described as Communism—I do not know what may be the term applied to it—anything that is disloyal to, or disruptive of, the British way of life should be dealt with as a criminal only. Any body that is foreign to our way of life should be dealt with as a criminal offender, regardless of what name may be applied to it.

I feel that we must be thoroughly united today in upholding the traditions of the British Family of Nations. We face this threat of communistic influence. The member for Irwin-Moore mentioned the number of known Communists in Australia. I do not know how many there may be; but it must be remembered that at the time Hitler became Chancellor of Germany in 1933, I think only three per cent. of the German population were members of the Nazi Party. That should serve as a warning to every Australian that a small

minority could disrupt our community by working in such a way. They have tried to do so by using their influence in powerful trade unions. I am pleased to note that many of these trade unions are now taking steps to rid themselves of this rotten influence that is retarding the progress of Australia at a time when we have the opportunity to make our mark and secure a firm place in the world's markets.

Hon. A. H. Panton: The Liberal Party was a bit wishy-washy the other day about it.

Mr. BOVELL: The Liberal Party cannot ban Communists from Australia. If we ban Communists they will call themselves by some other name. The Liberal Party is in favour of banning disloyal and treasonable persons.

Several members interjected.

Mr. BOVELL: The member for Fremantle has referred to certain people, but I do not know to whom.

Hon. J. B. Sleeman: Wealthy people.

Mr. BOVELL: He said they supported Communist funds. I would like him to submit proof of his statement later on should he speak to the debate.

Hon. J. B. Sleeman: Read the newspaper tonight.

Mr. BOVELL: I wish to emphasise the fact that some trade unions are taking the course of banning treasonable people, including Communists, who are in their ranks. These unions are to be commended for doing so and I do not mind giving them credit for their action. But the banning of Communists from Australia is a different matter from banning them from an organisation. As I said, the Communists could call themselves by some other name. They are known as Communists in Australia and these unions are doing the right thing by putting them out of their ranks.

Mr. Hoar: In the same way the Liberal Party changes its name every few weeks.

Mr. BOVELL: The proposals set out in the Lieut.-Governor's speech for legislation to be introduced during this session are to be commended. Since Parliament has assembled, we have heard some criticism of the Government and its actions. Personally, I feel that the people of this State are satisfied with the administration of the

McLarty-Watts Government. Satisfaction has been expressed throughout the Sussex electorate of the work the Government has done in regard to education, particularly as to country schools and affording country school children opportunities for education similar to those available to children in the metropolitan area.

Mr. Reynolds: Particularise! Do not generalise.

Mr. BOVELL: The member for Forrest is voluble in his interjections, but should he care to come to Busselton I should be glad to show him the buildings that are in progress.

Hon. J. T. Tonkin: The present Government is not responsible for those buildings.

Mr. BOVELL: I admit that the former Minister for Education made a statement in Busselton previous to the elections in March, 1947.

Hon. J. T. Tonkin: Will you admit that the previous Government gave approval for the work to be done?

Mr. BOVELL: I do not know anything about that.

Hon. J. T. Tonkin: Of course you do! It is a fact, anyhow!

Mr. BOVELL: The present Government is doing the work.

The Premier: Hear, hear!

Mr. SPEAKER: Order! The member for Sussex will address the Chair.

Mr. BOVELL: I emphasise the appreciation shown by the people of Sussex of the work done by the Government in their district and throughout the country. During this session many references have been made to reports that have appeared in "The West Australian" newspaper. I wish to read a sub-leader that appeared in "The West Australian" of Saturday, June 12th, 1948. It is headed, "Dairy Production," and reads as follows:—

Group settlement was inaugurated in 1921 and by the end of 1923, 96 groups had come into being. The way was being paved for the subsequent development of the dairying industry, which was to bring with it improved breeding and farming practices, a big increase in production (leading to more extensive manufacturing activity) and the investment of much private capital in the South-West. In 1921 total milk production was 11,329,000 gallons; for the first ten months of 1947-48 milk used for manu-

facturing purposes alone amounted to 33,430,000 gallons, suggesting that this may be a year of record activity. The previous manufacturing record was established in 1941-42 when consumption of milk for all purposes was 49,000,000 gallons. Seasonal conditions, of course, have contributed to the results this year.

While the increased production is gratifying, it is well to keep in mind that West Australian dairying is still only a small industry and that our output is limited compared with those of other States. In recent years the total number of dairy cows in Australia has declined. Federal figures for the five years ended March, 1947, show, however, that during the period the number of cows in this State in milk and dry increased from 129,700 to 131,700 and the indications are that, as the industry emerges from its wartime and post-war difficulties, more cows will be brought into production. There is obviously still room for expansion and improvement.

It is gratifying to know that while the Australian total of dairy cows has decreased, the number in Western Australia has increased. I draw the Government's attention to the necessity, in the dairying country south of Busselton, for the establishment of a dairy farm research station. This would be not only an encouragement to present producers, but would also be of great assistance to the establishment of additional settlers in the district. The Soldier Land Settlement Scheme is being proceeded with in the Kudardup area, which is in the Augusta district, and the establishment of such a research station would be a great help to the industry in that district.

Recently it has been rather difficult for dairy farmers to procure penicillin suspension for the treatment of mastitis in dairy herds. I have received a letter on the subject from the secretary of the Mettrieup-Willyabrup branch of the Farmers' Union of W.A. It reads as follows:—

I have been instructed by the above (the Mettrieup-Willyabrup Branch) to request your help in having a suitable firm in Busselton carry stocks of penicillin for use as a cure for mastitis in dairy cows.

The situation at present is that a permit can be obtained to purchase penicillin, but firms have to send to Perth for supplies which delays treatment for about three days. We believe that to gain the effect of which the treatment is capable, treatment must be carried out within 24 hours of diagnosis.

We would greatly appreciate your assistance in this matter.

I believe that penicillin suspension should be made available to chemists, butter factories or reputable firms in the same way

as poisons are supplied. It should be issued to dairy farmers on application. They should not have to waste time in obtaining permission and waiting three days until the penicillin is delivered, because then it may be too late to effect a cure. I ask the Government to give this matter consideration.

In conclusion, I wish to repeat a former statement I made in regard to the defence of Australia. I am of opinion that a single Defence Minister is not sufficient for the defence requirements of Australia. I do not know what the State Governments do in the way of co-operation with the Commonwealth in the matter of defence, but there should be liaison between the State Governments and the Federal Minister for Defence in regard to the defence of Australia. There should be a Cabinet Minister in each State responsible to the Federal Minister for Defence for defence matters. It is quite impossible for one man alone, no matter how capable he may be, adequately to control the defence of the great coast line of Australia.

MR. MARSHALL (Murchison) [5.57]: Although I have been a member of this Chamber for 27 years, I am doubtful whether there has ever been a better setting for a debate upon the fiscal policy adopted by Australia. The subject is one of world-wide interest and I have listened keenly to the debate so far as it has proceeded. Before making some observations upon the fiscal policy, may I be permitted to offer my congratulations to the Clerk of the Assembly upon his promotion and to his assistant and the others following in their train who also have received promotion. They have all earned it and are worthy of it. I sincerely trust that their term of office will be a lengthy one, as experience has shown that they are diligent and have been ready and willing at all times to assist members.

I do not desire the Treasurer, or any other member of the Government, to imagine that my utterances are directed against them. The fiscal policy they are pursuing has been handed down by their predecessors and, as far as I can learn, has been the fiscal policy of Australia since it received its independence. It has been followed by the Commonwealth and the States through the years. It would, therefore, be unfair for me to make any attack on the

present Government. What I desire to point out is that the Budget, as presented to Parliament each year, is merely a financial statement of receipts and expenditure, and is most misleading. To a large degree, it plays a deceptive part inasmuch as people who do not study the formula of the Budget would be led to believe that the State at times is in a prosperous financial position because we have, on occasions, had Budget surpluses.

Hon. J. T. Tonkin: We will not have one this time!

Mr. MARSHALL: Irrespective of whether we do or do not, the policy we pursue is wrong. We should be honest with Parliament and the people, by giving them a clear and concise picture of the financial situation of the State. What does the Budget reveal? Apart from the fact that we see how much the Treasurer has received by way of payments, through taxation and other charges for services rendered—they are two mediums through which he collects money, and a third is borrowings—it gives us no indication of the actual financial position of the country. What it does show from year to year are the amounts collected and expended. It is purely and simply a financial statement. While we can find a list of borrowings, we never find in the Budget the value of the assets possessed by the State.

Every year we are reminded of the fact that we owe approximately £100,000,000 as a State debt. Every year, too, we are reminded that we pay approximately £4,000,000 in interest on borrowed moneys. We never, however, see a reference to the assets which these borrowings have created. For instance, we have great assets in the Canning Dam, the Mundaring Weir, the dairying industry, the farming industry, Government buildings, roads and bridges, railways and tramways. But never do we see in the Budget what their value is as compared with the debt which we owe, so we never know the actual financial set-up of the State. We cannot say whether it is insolvent or not because we know not what its assets really are.

I would like the Treasurer to give serious consideration to the presentation to Parliament of an annual balance sheet showing not only the State's liabilities but its assets, as any ordinary institution would

do to directors and shareholders. Until we do get a balance sheet, we will never realise whether we have any assets upon which we may call to avoid, as I consider ought to be done, this particular State going further into debt. All will appreciate the fact that no Government can exist without finance. I forget who the wise man was who once wrote or said, "Finance is government," but, whoever he was, he saw deeply into the situation, for that is correct. While we have different parties wrangling with each other about which was the more successful and the better of the two while occupying the Treasury bench, the results to the people of the Commonwealth, and this State in particular, have been just the same—debt and taxation over and over again, until now we are on the brink of a crisis. The discussions and heat between the parties will become greater because the finances of this country are almost strangled. That is not because ours is not a wealthy State or a wealthy Commonwealth, but because we have pursued a fiscal policy which is obsolete and unscientific.

I want to pay a tribute to the Leader of the Opposition for having got through Parliament a Bill which brought into existence the State-owned Rural and Industries Bank. Credit must be given to him for his wisdom and foresight in that regard, and may I compliment the Parliament of that day for having given sanction to it? But of little use will it be to us if we are to continue following the financial policy to which we have been adherents all these years. We now have this bank, and I want the Treasurer to show me, and this Parliament, the actual financial position of the State, for I venture to suggest that if the assets and the liabilities were shown clearly and briefly, we would see that, whereas we have a debt of £100,000,000 against the State, we have assets three, four and even more times greater. That surplus of assets over liabilities could be used by the bank as the backing for its future career.

Over many years, I have frequently moved motions endeavouring to get the Commonwealth Government to change its fiscal policy to a sane, logical and more up-to-date one in order to save the situation, and I know that there are members today who will not believe me when I say—conscien-

tious men though they be and willing to do all they can for the welfare of this State—that this bank is capable of financing Western Australia, free of any cost to the people. I propose to refer to a book, "Why I Fight," written by John T. Lang. I am not, however, going to quote John Lang's opinion—not that I disagree with his opinions as they appear in the book—but a statement made by Sir Denison Miller, first Governor of the Commonwealth Bank. When he spoke at the opening of the bank in Sydney there were about three members on the staff at the time he made certain statements about the bank and its possibilities. I am going to quote statements made by him at that time and also from a speech made by him in London. Just as the Commonwealth Bank has progressed, so the Rural and Industries Bank in this State can carry on, with certain reservations which I shall deal with later. At page 118 of this book, Sir Denison Miller is quoted as having made the following statement on the 20th January, 1913, at Stanway House, King-street, Sydney:—

The bank is being started without capital, as none is required at the present time, but it is backed by the entire wealth and credit of the whole of the Commonwealth of Australia.

That is all it requires. The Rural and Industries Bank of Western Australia is backed by the whole of the resources, assets and credit of Western Australia. In this same book, at page 131, there is another reference to a statement made by Sir Denison Miller, this time in London. It is as follows:—

The bank is in an unique position in having the whole of the Commonwealth of Australia at its back. It has no capital, nor has it required any, as the people themselves and their country are its security.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. MARSHALL: Just as the Commonwealth Bank started with only the confidence, resources and assets of the nation behind it, which is clearly defined by Sir Denison Miller in his utterances, so the State Bank can be of great value to the State. I think that where a great majority of the people get rather mixed is between two factors, that is, wealth and what might be termed virtual wealth. It is because of their misunderstanding on this point that Treasurers, economists and professors can

put it over the people, as they did in 1930, and lead them to believe that the nation is in a state of poverty. The real wealth of a nation is its capacity to produce goods and services when and where required. It does not take much consideration for any person to realise how wealthy this State of ours could be if we allowed production to go at full speed and expand.

The great volume of wealth which could be produced in this State would, when turned into money, bring to Western Australia a greater volume of wealth than has been possible under the present fiscal policy. At every turn, where a Government desires to move, it is handicapped or restricted by virtue of the fact that it has not any money. It is by virtue of the power which bankers have over Governments that has brought this State, this Commonwealth and practically every country in the world, to the condition in which we find them today.

One has only to glance at our own State to find that most of our public buildings are old, dilapidated and deteriorating. Many of them should have long since been demolished and reconstructed. The State-owned transport system is in a deplorable condition. National works of great urgency have to be left in abeyance until money is forthcoming, and no matter where the Government turns in order to give effect to the wishes of the people it finds that its efforts are frustrated because it has not sufficient money with which to build or commence these works.

The Honorary Minister: What is money? Is it paper money or gold?

Mr. MARSHALL: There are some people to whom this financial system has been most generous and it is very difficult for those people to appreciate the fact that thousands of their own kind, to whom the system has not been very generous, have lived in a state of deprivation and degradation for years amongst those things which we dislike and which we endeavour to rectify by legislation. It does not augur well for persons who have been pleased with this system to be so egotistical as to imagine that, because others are living in a state of poverty, born in it and reared in it, and unable to get away from it, they cannot be generous to those who form the great multitude of this country.

Hon. J. B. Sleeman: The Honorary Minister is looking guilty.

Mr. MARSHALL: They are fortunate; very fortunate. They have been very generously treated, but I sincerely hope that those who have profited by the system will be generous enough to understand that there are millions of people who have not been pleased with a mere sustenance right throughout their existence. So when we find that the fertility and climatic conditions of the country provide for the production of huge quantities of wealth it should be possible to convert that real wealth into money and thus give those, who are subjects of this particular country, a much higher standard of living and give the Government freedom of action to put its policy into effect.

I feel as though the present Treasurer finds now, that while he would like to do much to fulfil some of the promises which he gave to the electors—and he gave many—he is in the invidious position of not being able to give effect to those promises, due mainly to the fact that he has not the money. I would respectfully suggest, too, that he is, on these nights, having a very sleepless time in weighing up the pros and cons in order to bring his budget somewhere near to respectability at the end of the year.

Hon. J. B. Sleeman: Why did he make the promises?

Hon. A. R. G. Hawke: He is visibly fading away.

Mr. MARSHALL: I do not want to go into that aspect. I think when it comes to making promises, we are all more or less really guilty. Some of us make promises conscientiously believing that we can give effect to them, but we find, when we are victorious at elections, and strenuously try to give effect to such promises, that all efforts are frustrated because there is no money. So the real wealth of the nation is its capacity to produce goods and services. I feel that the present banking system has been conceded a power to which it has no legal right; that is, to use the nation's credit as though it belonged to the institution concerned. I might even say to individuals, much less to Governments. Right down through the ages every Government, no matter what political camp it may choose as a place for its banner, has constantly and incessantly borrowed from private in-

stitutions that which belongs to the nation as a debt against the nation and has impudently put its hand into the pockets of the people, taking out of it cash termed as taxation to service this debt and giving an undertaking that one day it will redeem the debt—a practical impossibility under the present fiscal policy.

The Budget belies the actual position. I have known Treasurers to boast of the fact that they have shown a surplus. They have had an excess of revenue over expenditure, but have never indicated how it was possible for them to receive sufficient in taxation and charges for services rendered. The actual position is that the Government, whether it shows a deficit or a surplus, in most cases, with very few exceptions, borrowed millions during the same period and under our present economic system it is inevitable that a fresh infusion of money will have to be put into circulation in order that industry may survive. It is now on record that industry never pays out as much in dividends, wages or salaries as will be sufficient to buy the goods which it produces and, unless there is a fresh infusion of capital, industry stagnates.

The point I wish to make is that it is criminal for a Government to borrow credit from private institutions, or even individuals, as a debt against the nation. The only institution that has the right to manufacture money, and issue credit because it takes the place of money, is the Commonwealth Bank. By virtue of the introduction of the cheque system private institutions have been able to use the nation's credit as though it belongs to them because every issue made by a bank is a lien on future production, which is the nation's credit. Every issue is a lien against future production and those who produce the real wealth of the nation and, if it produces it, it must ultimately belong to the nation and the nation's bank must be the only bank. The nation's bank should be the only bank permitted to use the nation's credit, and this credit should be used for the benefit of the people. Because of this, I have been particularly hostile to the Commonwealth for its action in perpetuating this vicious system which has now reached almost a criminal stage.

Strange as it may seem, the report of a Royal Commission appointed by the then Prime Minister, Mr. Lyons, had no hesitation in declaring that, because of the powers conferred upon the Commonwealth Bank, it could give financial accommodation to any individual or Government free of cost. I have a copy of the report of the Royal Commission appointed to inquire into the monetary and banking systems and to report whether any and if so, what alterations are desirable in the interests of the people of Australia and the manner in which any such alterations should be effected. I wish to quote paragraphs 503 and 504 at page 196. It may be irksome to members to listen to these quotations, but it would be of little use my making an assertion along those lines unless I quoted some authority in support. These quotations should enable members to appreciate that where we are drifting must be towards industrial slavery unless the policy is changed. The report states—

503. The central bank in the Australian system is the Commonwealth Bank of Australia. This bank is a public institution engaged in the discharge of a public trust. As the central bank, its special function is to regulate the volume of credit in the national interest, and its distinctive attribute is its control of the note issue.

Within the limits prescribed by law, it has the power to print and issue notes as legal tender money, and every obligation undertaken by the Commonwealth Bank is backed by this power of creating money with which to discharge it.

504. Because of this power, the Commonwealth Bank is able to increase the cash of the trading banks in the ways we have pointed out above. Because of this power, too the Commonwealth Bank can increase the cash reserves of the trading banks; for example, it can buy securities or other property, it can lend to the Governments or to others in a variety of ways, and it can even make money available to Governments or to others free of any charge.

Yet we find that every political party, in spite of what the Commonwealth Bank was instituted to do, has perpetuated the system of debt and taxation. Some change in the system is required. Little thought should be necessary to enable us to realise that we cannot proceed much further under the existing fiscal policy.

Many members can recall the prices of goods and services when no taxation or very little taxation was the rule. We can recall

the gradual but none the less sure upwards spiral of taxation and, side by side with that, the upward trend in the cost of living or goods consumed. Here I take some of the economists to task. They are always talking about inflation and are inclined to overlook the major factor in the present high costs. They blame high wages and shorter working hours, but seldom give the people the basic cause of the increase in the cost of living and the price of goods and services. This is due to the fact that every penny taken from the people by way of taxation must ultimately figure in the price of goods and services. It can come from nowhere else. When we remember that, in the year before last, the Commonwealth took £374,000,000 out of the pockets of the people in all forms of taxation, and that all this must figure in the prices of goods and services, how can we expect to keep down the cost of living? To do so would be ridiculous in the extreme.

Every member knows from experience that a few years ago we could purchase all we required in the way of clothing or foodstuffs at a fraction of the present prices. There was very little taxation in those days. Today, not only have those costs doubled and trebled, but the goods have also declined in actual quality to the extent of 50 per cent., some even more, and the unfortunate taxpayer is thus being robbed both ways, firstly, by the excessive price he has to pay and, secondly, by the inferior quality of the goods supplied. This has been mainly brought about by the fiscal policy which all Governments, irrespective of party, have pursued.

The first request I made to the Premier was, I think, missed by him. I should like him to consider presenting to Parliament annually so long as he remains in office—the period might be brief—a complete balance sheet, not a financial statement, with a valuation of all the assets of the State. Further, I should like him to obtain the best legal advice on the Constitution insofar as it applies to a State-owned bank. There can be no doubt about the spirit of the Constitution, which provided that the State should have sovereign rights in a given direction and that the Commonwealth should function within specific powers delegated to it. But there is a conflict in the Constitution as regards banking.

Before dealing specifically with that point, I should like to say that banking practice has shown that it is quite safe for an institution to issue credit at a ratio of approximately £10 to £1; in other words, £10 worth of credit to every one pound held in legal tender. So credits depend upon the liquidity of the assets held by a bank in the way of legal tender. A bank dare not exceed that ratio lest there be a run on its funds. Banking is fraudulent because, obviously, if every depositor wished to collect his funds, the bank would have to close its doors; it simply could not meet the demands, seeing that it had issued credits far in advance of the legal tender held. But it is safe enough to work on that ratio because, during normal times, people do not call upon the banks to deliver.

Mr. Mann: They did on our savings bank.

Mr. MARSHALL: Yes, and also in New South Wales, but the action was taken in New South Wales to bring Mr. Lang into disrepute. Little did the people realise that Mr. Lang was the greatest champion of their cause. As a result of a discussion at the Premiers' Conference, the Premiers' Plan was evolved, but Mr. Lang was the one man who stood out against the banks. No wonder efforts were made to pour vials of wrath on his head. No bank can be said to be in a solid position unless it has some guarantee that the cash it holds is somewhat near to conformity with what the nation can produce in the way of real wealth, allowing for the credit issued for the production of that wealth.

In an attempt to solve the problem I have been seeking authorities to show what the framers of the Constitution actually intended. Section 51 of the Commonwealth Constitution provides that the Commonwealth shall have power over banking except State banking. In Volume 1 of the Commonwealth Acts, 1901-35, at page 21, I find the following:—

Banking other than State banking; also State banking extending beyond the limits of the State concerned; the incorporation of banks and the issue of paper money.

When the Constitution was framed, paper money was little known. Currency consisted chiefly of gold and silver coins. I hold in high esteem the wise men who framed the Constitution. They were

men of great vision, though cautious, and I suppose they had very little knowledge of banking. It would be of little use giving the States full power to conduct their own banks while the Commonwealth held the power over the note issue. To assert that a State might create a bank of its own and to permit it to function without authority to control its own monetary unit would be tantamount to saying that the State could indulge in banking, but only at the mercy of the Commonwealth, because if the Commonwealth Treasurer so desired he could cause a run on the bank and refrain from issuing sufficient legal tender to supply the demand, having regard to the run upon it, and the bank would have to close, as it did in New South Wales. But that is not the only point I want to make. In Section 115, on page 84 of the same volume, appears the following:—

The State shall not coin money nor make anything but gold or silver coin legal tender in payment of debts.

That is a remarkable provision, having regard to Section 51, and I do not know of any State Government having made any form of money legal tender. I do not think there is an Act anywhere in the Commonwealth, outside the Commonwealth laws, that has anything to do with making gold and silver, or even notes, legal tender. At first sight one would think that that gave the Commonwealth supreme power over the State so far as its banking was concerned. But if that is so, it is a distinct contradiction of the spirit of the Constitution, because if a State was authorised under the Constitution to control its own banking, it must have the wherewithal to control its functions. I want the Treasurer to go fully into that matter and see if he cannot get some constitutional lawyer to tell him exactly what this provision really means.

The Minister for Education: Do you not think that it was lack of vision on the part of the framers of the Constitution?

Mr. MARSHALL: It was; but in their day things were different from what they are now. In those days the currency was nearly all gold, silver and bronze, and there were very few notes. But whatever applied to the coining of gold and silver monetary units must surely apply to the note issue now. I am not a constitutional lawyer, or a lawyer of even the lowest mentality, so I

cannot see but that there is a distinct contradiction about which I would like the Treasurer to spend a few shillings or a few pounds in securing an opinion.

Hon. J. B. Sleeman: You will not get that for a few shillings!

Mr. MARSHALL: I was particularly interested in the judgment given by the Commonwealth High Court under, I think, Section 48 of the 1945 Commonwealth Act, which was passed through the Commonwealth Parliament, wherein it was demanded that all local authorities and State Governments should do business with the Commonwealth Bank. Members will know that that was challenged and some of the comments by the judges on that particular occasion were most interesting. They left no doubt in my mind that the States, within those powers delegated to them, were completely sovereign and the Commonwealth Government had no right to interfere. Their decision on that occasion implied that. But some of the summing up by the respective judges, particularly the Chief Justice, Sir John Latham, was more than interesting. In the report in the Melbourne "Herald" on the 13th August, the Chief Justice had this to say—

The Federal Government had full power of legislating with respect to the currency of Australia under Section 51 of the Commonwealth Constitution It was a Parliament which possessed only "enumerated or selected legislative powers"—a proposition "as to which this court has never faltered."

Further on he said—

It was one thing, however, for a Government to establish a bank for the purpose of doing the banking business of that Government. But it was quite a different thing for the Federal Parliament to establish a bank and require the States to do all their business with that bank.

Later, he went on—

The Federal Parliament had no power to make laws with respect to State governmental functions as such—

And if one of our functions is banking, the Commonwealth Government has no right and no power, as stated here, to interfere—

and the State Parliaments had no power to make laws with respect to Commonwealth Governmental functions as such.

Mr. Justice Rich, in offering some comments, had this to say—

The Commonwealth Constitution expressly provided for the continued existence of the States. Any action by the Commonwealth

which would prevent a State from continuing to exist and function as such is necessarily invalid.

We cannot function without money. We can, under the Constitution, have our own bank; and it is on the Treasurer to prove conclusively that we can control the note issue or get some guarantee from the Commonwealth that the note issue will not be denied us. Talking of the sovereignty of the Commonwealth I would like to quote a statement by Dr. Evatt who, I think, we all accept as being a fairly keen authority on constitutional law. In the "Australian Labour Leader" at page 545 he states—

This is rather a matter of terminology, but Holman was quite justified in voicing a complaint. Curiously enough, since the decision referred to by him, it has been authoritatively declared that, within their sphere, the States are just as much "Sovereign" as the Commonwealth within its sphere The powers of the States within those limits are as plenary as are the powers of the Commonwealth.

So there it is stated by certain renowned authorities that we are just as sovereign as the Commonwealth within those respective powers conferred upon Governments or Parliaments under the Constitution. I understand that it is not altogether ethical to make any reference in this Chamber to what might be said to be a little exchange of courtesies outside the Chamber, but during the tea adjournment I was conferring with a very fine, intelligent and worthy representative of this Chamber who has had some experience in the banking world, and he doubted the accuracy of a statement I made. I feel that he was justified in doing so because he has been a banker, or a banker's employee, and I have never been inside a bank, not so far as rendering a service is concerned. I feel, too, that it is necessary for me to quote some authorities on banking to give members an idea of what we must accept as being authoritative statements on banking and banking practices. I have here Vol. 1 of "Hansard" of 1939, and at page 114 is a reference to the statement of H. D. McLeod. No-one will dispute his right to speak on this matter. He was at one time Chancellor of the Exchequer in England and is a noted writer on banking. He is not a Communist, or even a Labour man.

The Minister for Works: That must have been a long while ago—Mr. McLeod!

Mr. MARSHALL: Yes. It shows how long we have been waking up to it! It is a long time since he wrote his book, "The Theory and Practice of Banking."

The Minister for Works: What year?

Hon. J. B. Sleeman: What speech are you reading?

Mr. MARSHALL: None. I am reading a quotation from this book. I hope members will not start to wriggle away from it or to challenge authorities. They can get the book and check up themselves. I do not want to do it again. The quotation is here word for word. If any member doubts me he can get the book; it is in the library. I do not know that I should be forced to bring the book down here every time I want to quote from it. It is simpler to read the quotations from "Hansard" than to look through the books themselves. McLeod said—

The essential and distinctive feature of a bank and a banker is to create and issue credits payable on demand, and this credit is intended to be put into circulation and to serve all the purposes of money. A bank, therefore, is not an office for the borrowing and lending of money; but it is a manufactory of credit. In the language of banking a deposit and an issue are the same thing.

As my hon. friend would know! Another authority, Davenport, in his "Economies of Enterprise," states—

Banks do not lend their deposits but, by expansion of credits, create deposits.

Mr. Bovell: How long ago was this?

Mr. MARSHALL: What does it matter? The practice is the same. When did the practice change?

Mr. Bovell: That is not my practical experience.

Mr. MARSHALL: I know. It would not be the hon. member's practical experience because he has none.

Mr. Hoar: They must have kept him in the dark.

Mr. MARSHALL: Would the hon. member recognise J. M. Keynes as an authority? He is more modern. It is not so long ago since he was playing a part in the Exchequer.

Hon. A. R. G. Hawke: He has never been to Busselton!

Mr. MARSHALL: He had this to say—

There can be no doubt that all deposits are created by the banks.

Then there is R. G. Hawtrey, who, in his "Trade Depression and the Way Out," says—

When a bank lends, it creates money out of nothing.

We had the Commonwealth Bank starting without anything. These authorities point out very clearly what banks are doing. I have here the British bank officials' journal, "Branch Banking," of July, 1938, in which it is stated—

There is no more unprofitable subject under the sun than to argue any banking or credit points, because there are enough substantial quotations in existence to prove to the uninitiated that banks do create credit without restraint and that they do create the means of repayment without themselves.

Hon. A. R. G. Hawke: You have not any book on the subject written by W. S. Bovell, have you?

Mr. MARSHALL: I could read many more similar quotations. I am surprised that the member for Sussex has not given the subject some study. All the authorities I have quoted are available in our Parliamentary library.

Mr. Fox: Bank employees are not concerned with that sort of stuff.

Mr. MARSHALL: I do not know about that, but when I was engaged in industry I took a keen interest in it, and if any problem confronted me I found a solution, or got hold of someone who could give it to me. That is the difference evidently, between us. Surely any member giving this subject just a little consideration can see its evil aspects. It is of little use for the present Treasurer to castigate the Leader of the Opposition, or vice versa, because we can go back probably 35 or 40 years and learn that each and every Treasurer, with very few exceptions, found it impracticable to give effect to his policy to create national works, which he knew to be of an urgent character, and of great necessity to the people. We all know that.

We have nothing more glaring than what happened in 1930—than the power which the international octopus had over all countries and all nations. They called it the Premiers' Plan. It was nothing of the kind. It emanated from Sir Otto Niemeyer and Professor Gregory, whose real name, I believe, was Guggenheim. It is nice to have an English name; and in his case it covered a multitude of sins and viciousness. They were the individuals who drew up the

Premiers' Plan, but see how snidely they put it on to the Governments!

Mr. Bovell: But the depression was worldwide!

Mr. MARSHALL: Yes, and it was a worldwide oligarchy which created and fomented it. They would have had it on us in 1922, also, if it had not been for Sir Denison Miller with the Commonwealth Bank. As fast as they sold securities he bought them, and as fast as they called up overdrafts he issued credits. It was Mr. Stanley Melbourne Bruce and Sir Earl Page who stopped that in 1924. Bruce has frequently been referred to as Australia's noblest son. Some of these individuals ought to be put on trial for treason against the nation. I hear a lot about the Communists today, but who financed Hitler? The man who instigated the financing of Hitler now smokes cigars and drinks champagne in London.

Mr. Leslie: It was not the member for Sussex.

Mr. MARSHALL: He probably would have been had up had he done so.

Mr. Leslie: He smokes cigars.

Mr. MARSHALL: There is the seriousness of men who come here to do something for the welfare of the State! Before this session is out each and everyone of us will have taken the Treasurer to task because he cannot give us all we want as he has not the money to do so. All too frequently have I seen that happen in this Chamber. This country was never more wealthy than in 1930, but our factories were stopped because there was no sale for the goods they manufactured. The warehouses were chock-full of them. In the area represented by the member for Sussex, where the people go in for dairying, milk was being poured down the sink because it could not be sold.

We had a record harvest of 53 million bushels of wheat, and then Sir Otto Niemeyer and his satellites told us it was a poor country and we would have to draw in our belts. Professor Copland reiterated it, and he was rewarded for his part, and has been ever since, by all Governments. He then went to America where he said that the solution of the depression in Australia was a failure, and that he was not asked to put up a programme, but only to solve the problem under the direction of Sir Otto

Niemeyer. They succeeded in their intentions; they reduced the standard of living in Australia by 50 per cent. and starved hundreds of thousands of people in the process.

The Honorary Minister: At what price was Russia selling its wheat at that particular time? It was at 1s. a bushel.

Mr. MARSHALL: I think the Honorary Minister might leave Russia, the Russians and everything that has a rush about it, alone. She is too old; she is right out of date. No member can deny what I am saying about that depression period. It was worldwide. It started in America, spread to England and then to Australia. It was created internationally by the international banks. When Mr. Savage or Mr. Fraser went to England to arrange financial accommodation involving about £9,000,000—a conversion loan—Montagu Norman had no hesitation in telling him to “Go back to New Zealand and reduce the standard of living. It is too high.” And that is what they had to do. Where is the power of a Government when an outside influence such as that can dictate the terms and conditions under which it shall exist politically?

In order that members may realise what statesmen have experienced in the past in relation to the banking system that we seem to cherish so dearly, I will give some further references. Dealing with the human race in general, it seems to be that the crueller we are and the more drastically we deal with people the more we are appreciated by them. We are practically enslaved by money power today and yet we have alleged or potential statesmen who say, “No, do not change it.” Could anything be worse than what we have experienced in the last 25 to 30 years, with two world wars and a depression between them?

We now have another war and another depression on the horizon and both of them will come upon us unless there is a change in the fiscal policy and unless some individuals are robbed of the power that they have and which they will certainly use unless prevented from doing so. It is a power that should belong to Governments. From Vol. 1 of “Hansard” of 1940 I will quote to show the experience of statesmen who confessed what has happened and will happen again. At page 1317 there is a quotation from Abraham Lincoln, who said—

I have two great enemies, the Southern army in front of me and the financial institutions in the rear. Of the two, the one in the rear is my greater foe.

He knew them, and they knew him, and they cost him his life when he endeavoured to reform them. William Jennings Bryan said—

The money power preys upon the nation in times of peace and conspires against it in times of adversity. It is more despotic than monarchy, more insolent than autocracy, more selfish than bureaucracy. It denounces, as public enemies, all who question its methods or throw light upon its crimes.

J. T. Lang could speak feelingly on that. The Lord Chief Justice of England in 1875 said—

The issue that has swept down the centuries and will have to be fought sooner or later is the people versus the banks.

Thomas Jefferson, a great writer on banking and monetary reform, said—

If the American people ever allow the private banks to control the issuance of their currency first by inflation and then by deflation, the corporation that will grow up around them will deprive the people of all their property, until their children will wake up homeless on the continent their fathers conquered.

That position is not far off now. An inquiry was held into the banking system of Canada and Mr. Towers, the Governor of the Bank of Canada, was cross-examined by Mr. McGeer, K.C. I will quote from page 1314 of the same volume of “Hansard” to show the member for Sussex that his convictions on banking are entirely wrong. If he looks up these authorities and gives their views everyday application he will find that he has been on the wrong track. This quotation is as follows:—

Mr. McGeer: When you allow the merchant banking system to issue bank deposits, with the practice of using cheques, you virtually allow the banks to issue an effective substitute for money, do you not?

Mr. Towers: The bank deposits are actually money in that sense.

Mr. McGeer: As a matter of fact, they are not actual money but credit, book-keeping accounts which are used as a substitute for money?

Mr. Towers: Yes.

Mr. McGeer: Then we authorise the banks to issue a substitute for money?

Mr. Towers: Yes, I think that is a very fair statement of banking.

Mr. McGeer: Would you admit that anything physically possible and desirable can be made financially possible?

Mr. Towers: Certainly.

All that is wrong with our glorious country is that we are pursuing a fiscal policy that must ultimately enslave us. That goes without further argument. Another point frequently raised in the Press and used by economists and writers—particularly those paid by the bankers for expounding their vicious theories—is the argument about inflation. Every time that anyone such as myself rises to advocate a change in the fiscal policy and refers to the nation's credit an Aunt Sally is erected, and they say, "He is going to create millions of notes and debase the currency." It is nothing of the kind.

No monetary reformer that I know of has ever advocated the printing of millions of notes and the causing of inflation, although that is a good way in which to put up an Aunt Sally and then knock it down again. Such a policy has never been advocated by me. Strange as it may seem, before the recent war started, Australia had about £45,000,000 of money, legal tender, in circulation, and a debt against it of £1,300,000,000. The rest of it, of course, was credit issues. I have never advocated the printing of millions of notes to cause inflation and I disagree too with those writers who will always place the responsibility for inflation upon the cost of labour and the shorter working week. In this age of mechanisation the wage-earner should be receiving some advantage from it, but he does not. Take the farmer! When I was a boy farmers started work before daylight and finished after sunset and in those days they only had an ox or a horse and a single-furrow plough.

Today farmers have a tractor and a 12-furrow mouldboard plough which does fifty times the tilling done in the early days. Not so long ago W. D. and H. O. Wills installed a machine in Sydney. They had 700 girl operatives and after the installation of the machine 697 of these girls were discharged, allowing three to operate this machine. What did they get from the introduction of mechanisation?

I well remember Sir Hal Colebatch taking me to task on one occasion and using this same argument by putting up his own Aunt

Sally and kicking it down again. Let us see just exactly what causes inflation. I have already said that every penny taken out of the pockets of the people per medium of taxation must ultimately figure in the cost of goods and services. It cannot come from anywhere else. It is by virtue of monetising the volume of wealth over a given period and turning it into money that it is possible to derive taxation. Some members are constantly complaining about the producer not being able to pass the cost on to the consumer, but the question of taxation must be taken into account. After all, if it is not he will be producing at a loss.

Inflation is caused in two different ways, and the one principle used is that if we find a sudden increase in the purchasing power of the community without a corresponding increase in the production of real wealth then we will experience inflation. But I advocate that the Commonwealth Bank should do as that report says it can do. Let us see how cumbersome such a system would be. We will assume that the Government requires 30 millions of money and borrows it for this year. I will show how snidely the Press reporters or their financial editors misrepresent the position. The Government borrows 30 millions of money.

Hon. A. R. G. Hawke: It will need more than that.

Mr. MARSHALL: The Government borrows it at five per cent. interest. The Press will not complain about that at all, but let the Government get that amount from the Commonwealth Bank interest free, then they say it is inflation. Which of the two is inflationary? The credit issued debt free or the credit issued with interest attached? Taxation must figure in the price of goods and services from which interest is drawn; does that not cause inflation? Of course it does, but that is the policy which these writers pursue. Debt-free money is inflation, they say, but as long as it has an interest trailing behind it in perpetuity and for all time then it is not inflation. Yet we borrow exactly the same amount and for exactly the same time.

Hon. F. J. S. Wise: I bet the Premier wishes he knew where to get it.

Mr. MARSHALL: I repeat, we must realise that there is an international gang which has long since kept complete control

per medium of 33 reserve banks throughout the world, and organised from America. I well remember Reginald McKenna making a statement that no power on earth was greater than the power of the Central Reserve Bank of America. Again, I remember the chairman of the Central Reserve Bank of America—his name is Burach or something like that—who was the technical financial adviser to the American Government during the first World War. When a Congressional Committee was appointed to inquire into the banking system of America, this man was questioned by one of the committee as to the power he possessed during the war seeing that he was also chairman of the Central Reserve Bank of America and of other banks which were interlocked with it. This man had complete power over the industrial and economic life of America and admitted that he was the most powerful man in America at that time.

I noticed during this last war that all loans had a special mission about them. It was not so much the volume of money people were asked to subscribe, but the raking in of new subscribers. The number of people who subscribed was the most important factor. Why? Because these people were trying to prop up a financial system which cannot possibly last much longer and the more subscribers there are, the harder it is to reform the monetary system, that is the idea of getting large numbers of people to buy certificates and to subscribe to loans. It was done throughout America, England and Australia. So I believe that the late Reginald McKenna, who has now gone over the great divide, did try to do much to save England and failed because of Montagu Norman, the American representative who was then Governor of the Bank of England and who financed Hitler before the last war. Montagu Norman was knighted for his treasonable behaviour towards the people and now drinks champagne and smokes cigars midst those whose misery is of his making. Reginald McKenna said that those who control the nation's money hold in the hollow of their hands the destiny of that country.

So we can go on requesting Ministers to give attention to things long overdue and for improved buildings for schools, the reduction in water supplies which is becoming almost intolerable on the Goldfields, and to give us better facilities in a hundred and

one different ways, but I know that while I plead for it, or even fight for it, it is hopeless under this financial system. Until members wake up to the fact that to permit private ownership of the nation's credit is wrong, it will not be possible to solve any great problems.

MR. YATES (Canning) [8.40]: On perusing the Lieut.-Governor's Speech, a copy of which was supplied to all members, I find that lying before us is a period that can be prosperous or otherwise according to the activities of my Government. I am very pleased to say that in the past 12 months my Government has performed creditably. It has undertaken many new works, it has made many bold moves which, of necessity, has meant the spending of much more finance than would normally be the case, had it been allowed to plod along in the same old way as the previous Government. Therefore, comments which are voiced by the Opposition regarding the alarming increase in expenditure can only be justified when we review the works performed by the Government and the money spent in various avenues for expanding our State.

If this State is to expand, irrespective of whether our finance is controlled by the international gangsters as mentioned by the previous speaker, or otherwise, it is necessary for us to spend money which at the moment we do not own, some of which comes to us through the good graces of the Commonwealth Grants Commission, and the remainder from our own efforts through State taxation. On reviewing the history of Western Australia from its inception, I find that Governments, both present and past, have been through periods of depression and of great prosperity. In those days, the Government then in power incurred great expenditure for the development not only of Western Australia but in assisting the Commonwealth to make this part of Australia a worthy contributor to the ultimate success of the country's future. One great scheme which I am going to dwell on tonight was instituted in the early part of the century, and prior to that much money and resources went into it namely, the Goldfields water undertaking.

As a resident of the Goldfields for many years, I feel that I have sufficient knowledge to be able to speak on the disabilities under

which people in the Goldfields and farming districts serviced by the Goldfields water supply scheme suffer, to bring before the notice of the House the difficulties they have to contend with concerning high water charges. In the periods 1897 to 1912, the operating expenses of the Goldfields water undertaking amounted to £586,972. In the years 1946-47, the operating expenses were £193,748. Although I brought in the early period, 1897 to 1912, which was quite a lengthy period, on looking through the figures supplied in the annual report of the Department of Public Works for the financial year 1946-47, I find that the expenditure on that scheme fluctuated only according to the periods through which the country was passing, that is, periods of depression or prosperity.

During World War I, from 1914 to 1920, the average expenditure was in the vicinity of £85,000 per year for operational work. The operational expenses rose sharply after the war, reaching the peak in 1929-30 of £147,000. Then, during the depression years, the figures dropped back to £93,000, but since then there has been a steady growth of expenses incurred in operating the Goldfields water supply scheme until we find today that the figures supplied for the previous year represent the greatest yearly expenditure incurred since its inception. Looking on the other side of the operations of this undertaking, we find that the accumulated loss since the inception of the scheme, amounts to £2,184,431, not such a great amount of money when one analyses the extent of that huge undertaking, the people that it has serviced faithfully, and the unbounded good it has done in expanding industries covered by the scheme.

We did have some surpluses during those periods under review. The first surplus occurred in 1930-31 amounting to £2,900, and there was a surplus of £32,000 in 1937-38, but in 1939-40 it dropped back to £21,000, and there was a deficiency running into £50,000 to £60,000 per year from 1941 onwards. In a big scheme like that, which is servicing to a large extent our most important mineral deposit, that is the Golden Mile and to a lesser extent, the Norseman goldfield, I feel that a deficit of £53,000 a year, which is the figure for 1946-47, is not such a great amount considering everything that has been done from 1897 to 1947. The time is ripe

for a review of the position, for a flat rate for water not only for Goldfields residents or the farmers comprising the population between Mundaring and Kalgoorlie, or the miners at Norseman, but for all other places in the outback of this State. This would act as an incentive for greater production, and for people to leave the metropolitan area and establish themselves in country districts where they might be urged to assist in the expansion of our State's industries.

There are many avenues in which these people can work. They can go to the Goldfields and take on mining. They could go into other parts of the country and undertake farming and sheep-raising. There is quite a number of pursuits that such people could engage in if only an incentive were given them to leave the metropolitan area with all its comforts, its cheaper travelling facilities, its cheaper rate for electrical current, and above all the greatest necessity of life, cheaper water. Residents of the metropolitan area have the benefit of an exceptionally good water scheme at a very cheap rate for the water consumed.

A few days ago, the member for Mt. Magnet spoke of people in a part of his electorate having been informed by the Water Supply Department that a concessional rate of 2s. 6d. per 1,000 gallons solely for growing vegetables and granted by the Government in the early part of the war, 1942, I believe, had been discontinued. This concession was granted at a time when the country was faced with a lack of manpower owing to the war, and it was very difficult for people to procure vegetables. The Government of the day supplied water at a cheap rate to enable these people to produce an urgently-needed commodity. One would have thought that such a concession, granted in a time of need, would be continued as an incentive to the people who had done their bit during the war. Property holders in the country were manpowered because they had to produce wheat and all sorts of work had to be done that required manpower. These people did their bit by producing so that other men could leave to fight for the protection of the country. The time is opportune for the Government to declare its attitude regarding this important question to people in the outback country.

The Goldfields water scheme has proved itself through bad times and good since

1897, and the Government would be doing a great service, not only to the people already settled in the country, but also to others who might be induced to take up their residence in the country if it provided the incentive of cheaper water. Such a concession might well prove to be an important factor in the future prosperity of the State. When the originators of the scheme considered ways and means to obtain finance, I am sure they did not visualise that the goldmining industry would continue as it has done. There were statements long ago that the Goldfields were practically finished, but those men had great vision and courage and decided to commit the State to this huge undertaking, one which received worldwide recognition as an outstanding engineering feat of the day. Time has proved how outstandingly successful the scheme has been, not only for the users of the water but also for Australia as a whole.

During the period of the depression mentioned by the member for Murchison, the great hardship suffered by the people would have been much worse had not this State been able to produce the gold so urgently needed to enable Australia to obtain credit overseas. Without an adequate water supply, the mines might have been closed down years ago. A similar scheme introduced into the agricultural districts will prove just as successful, and I urge the Minister for Works to bring before the House in the near future a concrete proposal for granting concessions to people using the Goldfields scheme as well as other country water supplies, even if it means that metropolitan consumers must bear slightly increased rates to meet the deficiency. Of course there will be squeals from people throughout the metropolitan area, which is probably the reason why previous Governments did not have the courage to increase the metropolitan rate in order to benefit country users. By so doing, votes might have been lost. It is immaterial to me whether metropolitan users complain or not. If I can see that the State as a whole will benefit by the introduction of a flat rate for water, I shall be prepared to endorse any move that may be made by this or any other Government to give effect to that policy.

Hon. A. R. G. Hawke: I wonder what the Treasurer thinks of it.

Mr. YATES: I do not think that any member of the Opposition would say that money so spent would be wasted, taking into consideration the benefit that would be conferred upon so many people. It would be an important step for the Government to take, and I hope the Minister for Works will consider the suggestion.

Mention has been made of the stability of the goldmining industry, the present high cost of production and the fixed price for gold, which does not permit of the working of low-grade mines. Some of these low-grade mines have had to close down owing to the high cost of material, the introduction of the shorter working week and other disabilities, some of them caused by the world war. The Government should be vitally interested in the future of the goldmining industry as well as in the development of other mineral resources with which this State abounds. I suggest that a committee of experienced men be appointed to make a complete investigation and report on the mineral resources of the State, the expenses incurred in producing gold, iron-ore, and other minerals and to present to the Government a scheme which would ensure not only the future of those industries, but the prosperity I have mentioned.

We read of the alarm felt by the companies on the Golden Mile about the necessity for closing down some of the smaller mines controlled by them. The companies state that the small production does not warrant the heavier expenditure involved; and although those mines could produce fairly large quantities of gold, the companies cannot work them at a loss. The closing down of those mines would be a loss to the Commonwealth also. We have no desire to see our goldmining industry falling into the doldrums as it did in 1924 to such an extent that eventually the Commonwealth had to offer inducements to enable the industry to be carried on. Subsequently the price of gold increased, but unfortunately the cost of production increased also. I am sorry to say that the cost of production today has virtually overtaken the price of gold itself.

Mr. Kelly: It overtook the price of gold 12 months ago.

Mr. YATES: Not quite, if one will read some of the balance sheets of the smaller companies. The industry, as a whole, is slipping back. Some individual companies,

working good deposits, are making a little headway. Unless the Government takes some active interest in this most important industry I am afraid these mines will close down. They are falling out of production without much publicity and the men working in them will be drifting to the metropolitan area. I have suggested two means by which the men may be retained on the Goldfields. One was that water charges should be reduced, and the other that a committee should be appointed to investigate the manner in which the Government might assist the future development and expansion of the industry, whether by financial assistance or by some other method.

I am afraid that it is left to private members of Parliament, using such opportunities as the debate on the Address-in-reply, to bring forcibly to the attention of the House what is happening in their electorates. But nothing happens. What they say is reported in "Hansard" and, unless some member in the distant future asks for a copy of "Hansard" to refer to the speeches, no-one remembers that the matter was brought up in the House. But if a committee were formed to advise the Government, something could be achieved.

Hon. A. H. Panton: Yes, we know!

Mr. YATES: It need not be a Royal Commission, either.

Hon. A. H. Panton: The report would go into a pigeon-hole and be forgotten, too.

Hon. A. R. G. Hawke: What we need is a committee to control the Government.

Mr. YATES: I think the Government, as a committee, is controlling the position very well. Such a committee would be a move in the right direction, as it would give the necessary publicity to the industry both here and in the Commonwealth sphere.

Hon. A. H. Panton: Where do you suggest we could get such a committee?

Mr. YATES: I am not the Government, but only a member.

Hon. A. H. Panton: A very important one.

Mr. YATES: Mention has been made of housing. Many statements were made on the subject by the Leader of the Opposition on one day, and the next day the Minister

for Housing made a statement reviewing the figures quoted by the Leader of the Opposition. But what do figures mean? They do not mean houses. They are figures and nothing else. I am quite convinced that the house-building programme in the past 12 months has been most encouraging. I admit quite freely that the Government took over a housing scheme that was already well under way.

Hon. A. H. Panton: Hear, hear!

Mr. YATES: I did not see anything in the report of the Royal Commission on Housing that reflected in any way on home-building itself.

Hon. J. B. Sleeman: Are you satisfied with the progress made?

Mr. YATES: No. I shall never be, until every person needing a home is housed.

The Premier: Hear, hear!

Mr. YATES: I am satisfied with what the present Minister for Housing has done. I do not think any other member of this House could do a better job than he is doing at the moment. I say that quite sincerely. He has investigated every scheme that it has been possible to investigate and that might assist in speeding up the housing programme. I am prepared to take any member of this Chamber to South Perth to prove that I am right in saying that houses are being built there. I can take them to other electorates in the metropolitan area and to the country where they will see ample evidence that the State housing scheme, as introduced by the Opposition when in power and as carried on by this Government, is making very creditable progress.

At the end of the year, members will be obliged to admit, in all fairness, that progress has been maintained, especially when one takes into consideration the disabilities under which the present Government is labouring and which were not in existence this time last year. There is the 40-hour week, which no member of the Opposition has as yet had the courage to discuss in the House as being one of the reasons that have retarded building operations.

Hon. J. B. Sleeman: You did not have the courage to try to stop it. Your Government withdrew the State's advocate.

Mr. YATES: The present Government did not do it at all. The Government was quite sympathetic and did not interfere with the application for the 40-hour week at all.

Hon. J. B. Sleeman: Nonsense!

Mr. YATES: We now have the 40-hour week.

Hon. J. B. Sleeman: In defiance of you!

Mr. YATES: Not at all. Twelve months ago I said in this House that I was in favour of the 40-hour week, but I did not want it introduced then. During the past 12 months figures have proved—and they do not lie, according to the Leader of the Opposition when he produced figures relating to housing—that production had dropped back in Australia owing to the introduction of the 40-hour week.

Mr. Reynolds: I can assure you that production is not down in most of the mills in my electorate.

Mr. YATES: I am pleased to hear the hon. member say so. It does give encouragement to back the 40-hour week. If all the industries in Australia would do likewise, the 40-hour week would be a blessing. But is it a blessing? I am still hopeful that industries in Australia will pull together, that the men will say, "We will rely on arbitration; we will not break the law to get what we want, but will pull together for two years." If that were done, I am quite certain that most of our major difficulties would be overcome and Australia would be in a much better position. It cannot be denied that the many strikes occurring in the coalmines in the Eastern States are not due to conditions of labour, to wages or to the 40-hour or 36-hour week, whatever hours the men may work. There is some sinister influence behind it all, otherwise we would not have eight and ten strikes every day of the week. We would not have all these stoppages. It seems to me that they are trying to stop industry from building up reserves in case we face another world conflict.

There are no reserves of coal in any State. We have been trying to build up a reserve in Western Australia. I am not saying anything about our own mines at Collie. I admire the production rate achieved there over a period of years. I have nothing to say about the recent stoppage, because I

have not been fully informed about it apart from what I read in the Press. Taken as a whole, the men at Collie have set a lead that could be well followed by the rest of the mines in the Commonwealth.

I am now going to discuss a matter that is very dear to me; and I feel that after members have heard the proposal I shall put forward, they will also have some sympathy for the project even if they are not entirely in accord with it. I speak of a second air route between Australia and England. For some months I have been interested, with a number of men in Perth—prominent in the business world, though not all are in business—in the introduction of an air route to connect Perth with London. I will mention the names of the people on the committee in order to give members an idea of how important we feel the project is. We have Sir Hal Colebatch, Professor Murdoch, Mr. A. Lee; Mr. Doyle, manager of the A.N.A.; Mr. Sands, who was at one time a great Air Force man; Mr. C. L. Foote, Mr. W. G. Pickering, Mr. J. Woods, Mr. R. Moyle and Dr. Gellie with Mr. S. W. Perry as chairman of our first meeting, and myself as a member.

Hon. A. H. Panton: You seem to be the only working man on it.

Mr. YATES: The member for Leederville will see, after I have discussed this project, that they are all workers.

Hon. F. J. S. Wise: You know what O.B.E. stands for.

Mr. YATES: I have heard several definitions of that. We had a meeting recently and discussed this project, and it was pointed out by the chairman that the proposed route would be a further connecting link between England and Australia. In view of the recent troubles in India and between the Arabs and the Jews in Palestine, the establishment of a second air route is all the more imperative in order to link up Australia with England. Considerable correspondence has taken place between the committee and the Commonwealth Government, but that Government so far has not been very sympathetic because it says it is committed to the present route. However the time is fast approaching when either the Commonwealth Government of Australia or the Government of Great Britain or the two in combination will have to de-

cide to establish a second route in view of the fact that the present route passes through very troubled countries and might at any time be broken as a link between Australia and England. A second route should either be thought out as a possibility for the near future or established not as an emergency base but as an air route which could function from the moment of its completion.

Recently I introduced a deputation to the Premier to discuss this very important matter, and I have here a copy of some of the information placed before the Premier. First of all, the proposed route is from Perth to Cocos Island, a distance of 1,740 miles; from Cocos to Diego Garcia, 1,490 miles; Diego Garcia to Mombasa, 1,995 miles; Mombasa to Khartoum, 1,450 miles; Khartoum to Malta, 1,800 miles; and Malta to London, 1,370 miles—a total of 9,845 miles. We decided to call our committee the Empire Indian Ocean Air Route Committee, because we felt it was an Empire project. We had no interest in this venture being run as a private concern. We desired the Commonwealth Government to commence operations alone or in combination with the British Government. The committee was alarmed at the lack of interest on the part of the Commonwealth Government in providing a second line of air communication in the event of any disruption of the present air route to the United Kingdom.

The members of the committee had been in communication with the Minister for Air for the Commonwealth, but the Commonwealth Government being committed to the present route, he would not give any favourable reply to our request. We feel, however, that politically and economically, the route would be a very good one to institute. It is well known that in the early stages of the war the British Government investigated the possibility of a route to Australia and in fact instituted an aeroplane route from the coast of Western Australia across the Indian Ocean to, I think, the southern part of South Africa. It touched Cocos, which has a 1,200 yard airstrip at the moment and all the aeroplane facilities available. In view of the distance between each of the stopping places I have mentioned, and after having contacted experts who agree that the present Skymaster, fully

loaded, could undertake these journeys with a safety margin, we feel the time is ripe for some interest to be taken in the eventual establishment of this route. We pointed out to the Premier the advantages of the route and I will read them to the House. They are as follows—

1. The proposed route is of great strategic importance in the defence of the Empire.

(a) It travels over British territory.

(b) Its distance from Perth to London is the same as from London to Darwin.

(c) The establishment of air route facilities at Diego Garcia and Cocos with emergency landing facilities at Seychelles must be considered as a vital link in the Empire Defence plan. This was instanced during World War II, when this route was used after Singapore was cut off.

Do not forget there is always the possibility of Singapore being cut off a second time. It was said that it could not be done before, but it happened.

2. The proposed route will link up two continents by a direct air service, not now linked in direct service other than an infrequent shipping service.

(a) It provides Australia with a point of entry through a modern capital city, in preference to a comparatively isolated area—the economic value of this should be quite apparent.

(b) From an airline economics point of view this route provides a greater utilisation of aircraft as the terminal point of Perth shortens the present London to Sydney service by 2,000 miles.

(c) The economic value of the route, connecting as it does with the existing African airline network at Mombasa or Nairobi, gives Australia and Africa, for the first time, direct air communications for the interchange of population, commerce, tourists, etc.

(d) The proposed route presents no operational difficulties for land based aircraft operations. The longest single stage of flight is 500 miles shorter than the popular Honolulu-San Francisco Pacific Service.

(e) In the opinion of the committee the value of this route in no way conflicts with the political or economic value of the present route as it encompasses new and influential territory.

(f) The proposed route should prove immensely popular from a tourist and business man's point of view, as basing the fare Perth to London on the present San Francisco-Sydney route, i.e. at 6½d. per passenger mile, the Perth-London fare could be £277 as against the present Sydney-London fare £325. Then, if we consider the present air communications with, say, South Africa using Nairobi as a terminal point for

connection with other existing services, the Perth to Nairobi route fare could be £152 as against £380 by the existing roundabout route, thus effecting a saving of £228 and a saving in air flying time of 31 hours.

Migration: The proposed route would be more economical for mass migration than by the present route as Perth could be used as a terminal point and migrants could travel to other States by rail or interstate ships—or by the use of the existing air services—thus effecting a considerable saving to the Commonwealth.

They are the proposals and the advantages which the committee put to the Premier. This evening during the memorable debate on finance, in which I was very interested, mention was made in the House of two world wars and the possibility of a third. But finance means nothing if we find Australia cut off from air communications in the event of any future conflict. Not many people knew the value of the service instituted during the war as it was to all intents and purposes very secretive. Only a few people were aware of it outside of those who had something to do with the installations and the supplying of fuel, etc., and the men using the route. But since the end of World War II. that route has been abandoned owing to the fact that seaplanes are not used for the conveyance of passengers. They are not the most suitable type of aircraft.

Following the introduction into Australia of the very popular Skymaster aeroplanes, and knowing that after a lengthy period they have proved themselves reliable and satisfactory in every respect, we as a committee felt that that type could be used quite easily on this connecting route between Australia and South Africa. I point out that the route from Africa to England is already in operation. If we made that connecting link between this State and South Africa, I am quite sure the difficulties with regard to through traffic, and the same planes using the existing facilities, would be easily overcome. Recently the Leader of the Opposition was handed a copy of this report, and I am very pleased to say that when he goes to England he will interest himself in seeing what can be done there to further the scheme. He feels as I, and as many other members in this House must do, that a second air route to England is a vital necessity to us, both from a defence point of view and that of the future existence, not

only of Western Australia, but of Australia, insofar as its trade is concerned, especially as the trade would be coming from South Africa. At the moment, it is denied us.

To go to South Africa by sea today is more difficult than to go to England. Very few ships make a call at the ports where one would require to disembark. Therefore, people desiring to go there travel to Sydney where they catch a plane and go practically to England before getting to North Africa where they connect with the route to South Africa. They have to fly probably 5,000 or 6,000 miles more than they originally intended.

The introduction of this route would open up trade for us and would be most popular from a tourist point of view, which would assist in making the route pay. Businessmen in England would make great use of it without its being detrimental to the other route. At times people have their names placed on a waiting list to get a plane to England. I can see no obstacle to the second route being inaugurated. I am happy to say that the Premier met the deputation very favourably. He was impressed by everything that was told him, and he promised to get in touch with the Prime Minister and place his views before him. I am certain that the support of the present Government will be behind the scheme if it is commenced. It is now up to the Leader of the Opposition, when he is in England, to do all he can to bring it to a successful conclusion.

Several days ago I asked a question in the House regarding the amounts of money allocated by the Lotteries Commission to the Red Cross in Western Australia. The figures as supplied were—in 1936, £50; in 1939, £350; and in 1948 a special grant of £1,400 to assist the blood transfusion clinic. That is a total of £1,800 since the inception of the Lotteries Commission. I asked that question for a particular reason. Members will not deny that the Red Cross organisation in Western Australia is second to none, as far as organisations go that do good for our fellow men. In every avenue and walk of life we have some contact with the activities of the Red Cross. During the last world war the work it did on service was absolutely amazing. I had many contacts with officials of the Red Cross while in the Middle East and New Guinea, and I say

without fear of contradiction that their contribution towards the war effort was of such an outstanding nature that it assisted in a great measure in maintaining the morale of the troops until the war was brought to a successful end.

Recently the Red Cross Society decided to go to the people of the State for funds. The State branch of the R.S.L. decided to assist, and a joint appeal was made, half of the funds so collected to go to the Food for Britain Appeal, which was being inaugurated by the Red Cross, sponsored and assisted by the R.S.L., and the other half to go towards the local funds of the Red Cross to assist it in the coming year's activities. No-one will deny that those are very worthy causes. I was on a committee that assisted in the appeal. As a member of that committee, I attended a meeting one day when we were told that Lord Nuffield had donated a car to the Red Cross in Western Australia, provided the Red Cross would raffle it to augment the funds for Food for Britain. That was a good suggestion, and the committee was enthusiastic. It made approaches to the Lotteries Commission, which refused permission for it to run the raffle.

As a member of that committee, I said I would take the matter up with the Minister controlling the Lotteries Commission, to see whether we could get the Commission to agree eventually to the raffle being run. I wrote to the Minister for Police, pointing out the urgency of the need of the Red Cross for funds, and the generous gift of Lord Nuffield. I stated that if the Lotteries Commission would not give permission to run the raffle, being tied up by the Act, I could see nothing in that Act to prevent the Lotteries Commission from running the raffle, with its own officials, and donating the proceeds to the appeal. The letter I received from the Minister was most disappointing. It stated flatly that the Commission was not interested. That was the purport of the three lines I received in reply. I think it is time steps were taken to amend the Lotteries Act to allow of a raffle being run for such a worthy cause on an occasion such as that, especially seeing that in the period since 1932, when the Lotteries Commission took over in this State, it has donated only £1,800 to one of

the most worthy institutions in Western Australia.

Hon. A. H. Panton: Was the Commission ever asked to donate more?

Mr. YATES: I do not think it would be necessary, seeing that the Lotteries Commission makes allocations to various charities.

Hon. A. H. Panton: I understand that various institutions apply to the Lotteries Commission for funds.

Mr. YATES: I believe the Lotteries Commission makes grants to various hospitals and so on without being asked to do so. I admit that smaller organisations from time to time write to the Commission seeking donations. In any case, the Red Cross has in the past run its own appeals, assisted by the public, and has not gone cap in hand to the Lotteries Commission for funds.

Hon. F. J. S. Wise: The Act restricts the Lotteries Commission's actions in that regard.

Mr. YATES: It is restricted to permitting lotteries up to the extent of £150. Recently a man donated a yacht worth about £2,000, but when he found that the Lotteries Commission would allow it to be raffled for a small sum only, he withdrew his offer.

Mr. Styants: The 2/28th Battalion Association wanted to raffle a house in Kalgoorlie, but was not allowed to do so.

The Premier: The Lotteries Commission receives numerous requests of that kind and would be inundated with them if they were granted.

Mr. YATES: That may be so. The Commission is a law unto itself, and that power was given it by this House. In the case I have mentioned, the Red Cross asked the Lotteries Commission to help. It must not be forgotten that a car was raffled last year and raised quite a lot of money. I would like to know how those running the raffle got round the Lotteries Commission on that occasion but, as it was for a worthy cause, I will not inquire into it. If the Red Cross decides in future to hold a similar appeal, when a similar offer is made by Lord Nuffield, or some other philanthropist, and if I know that the feeling of the Lotteries Commission is then the same as it is now, I will be disposed towards having the Act amended to allow provision, in exceptional

circumstances, for a lottery or raffle to be conducted by an organisation such as the Red Cross.

The Minister for Housing: The Lotteries Commission, of course, is bound by its Act.

Mr. YATES: There is nothing in that Act to say that the Commission could not run the lottery for the Red Cross.

The Minister for Housing: I do not think it could do so under the Act. To amend the Act is another matter.

Mr. YATES: I think it is time the Act was amended.

Mr. Styants: Bring down a Bill for that purpose, and see how we get on.

Mr. YATES: It might be brought down later in the session. I believe that the Red Cross was denied a lot of money by the refusal of the Lotteries Commission, which probably felt that it did not have the necessary power, even though Lord Nuffield had made such a generous offer in presenting a car to the Red Cross in this State.

The member for Leederville had a lot to say this evening about hospitals and I agree with what he said on that question. He has been interested in hospital activities in this State for more years than I can remember. In view of the fact that regional hospitals were to be part of the future policy in this State, I regret nothing further has been done to implement that scheme. It might eventually be put into effect but, speaking as the member for Canning, and more particularly for South Perth, Victoria Park, Belmont and Melville, I would point out that those districts are practically without the use of any hospital except St. John of God's, at Belmont, which is the only hospital of any size south of the river. Some two years ago, the South Perth Road Board, accompanied by Dr. Hislop and representatives of the Health Department, inspected a site near the pine plantations, and another elsewhere, for the purpose of earmarking that land for a future hospital. Since then, the South Perth Road Board and the district medical officer and others have been active in trying to arrange for the establishment of another hospital south of the river. The time must come when we will decentralise our hospitals as much as possible away from the Royal Perth Hospital.

If members are interested, they can go down any morning and see the congestion in Victoria Avenue and round St. Mary's Cathedral, where it is difficult to get a vehicle through because of the cars parked on both sides of the road. On a visiting afternoon or evening, one cannot find parking space for a car within a quarter of a mile of the hospital. What will be the position when another wing or two are added to the present building? It is time we shifted some of our hospital facilities away from the heart of the city. The proposal of the South Perth Road Board is a worthy one. The committee, and even Dr. Hislop, visualised a 200-bed hospital in the area I have mentioned. It is a good piece of land, away from noise, fairly high, and one that would be beneficial in every respect to the patients who would eventually go there.

Hon. A. H. Panton: What is wrong with the site of the Edward Millen Home?

Mr. YATES: That was suggested recently. There was a public meeting at South Perth at which were representatives of the Perth City Council, the Canning, Melville and South Perth Road Boards, and practically every organisation in South Perth. The hall was well filled, and a suggestion was put forward about the use of land at the Edward Millen Home. The committee is favourably inclined towards having that proposal investigated, and would be happy if the Government decided to erect a public hospital there. It would not cavil at the piece of land given by the Government. That position is commendable in every way. There is a tram service to it, and it is close to the main highway, but far enough away not to be a nuisance to traffic. Together with the member for Leederville, I urge that further consideration be given not only to the establishment of a hospital in the South Perth or Victoria Park districts, but to the expanding of hospitalisation in this State as fast as possible.

Mr. Styants: Whilst the nursing staff cannot cope with our existing hospitals?

Mr. YATES: It is a very difficult problem but I believe the corner has been turned as far as staffing is concerned. Conditions are much better and they are starting to recruit quite a number of girls, but we are still a long way from having the required number. We will eventually get that far,

but in any case it took a number of years to complete the new wing of the Royal Perth Hospital, and it will take many more years to build the new hospital in South Perth. It is no good waiting until we have everything available before we start building, even if we have to do what was done with the Royal Perth Hospital, and that is suspend operations for six years. A hospital south of the river would be of inestimable value. I was speaking to a doctor last week and he told me that in order to get a patient into a hospital for a minor operation he had to ring 15 times before he was successful. As well as that he had to ring back to several hospitals but he was eventually able to place his patient.

Hon. A. H. Panton: I had to wait a month myself.

Mr. YATES: Doctors are finding considerable difficulty in getting accommodation for their patients, and it makes the work heavier for the doctors. We are not over-staffed with medical men in this State, either, and I feel that now the brick position is easing somewhat and the Government states that its house building programme is improving to such an extent that it can allocate £10,000 per quarter for the building of infant health centres, I think the time is not far distant when sufficient materials can be allocated for the erection of a hospital south of the river.

Hon. A. H. Panton: There are a lot of hospitals in the country which require attention first. Pinjarra is one.

Mr. YATES: I know that country hospitals are in a bad way, but we must remember that a lot of people in the country who require medical attention come to the metropolitan area for expert advice, because there are no facilities.

Mr. Leslie: It is mainly because of the lack of facilities.

Mr. YATES: Yes, but before the war when those facilities were available in country districts quite a lot of people still came to the metropolitan area for medical attention.

Hon. A. H. Panton: I doubt whether there is a first-class x-ray plant outside Perth.

Mr. Styants: There is one at Kalgoorlie.

Mr. YATES: That is a Commonwealth plant. It appears to be a difficult problem

but I know that this Government will leave no stone unturned in its efforts to improve the situation, and I will be the first to offer criticism next year if nothing has been done in the meantime.

Hon. J. T. Tonkin: You will be soft-peddalling the position this time next year.

Hon. F. J. S. Wise: No materials! No labour!

The Premier: Still improving.

Hon. F. J. S. Wise: No shipping!

Mr. YATES: There is one other point closely allied to hospitals which I wish to bring to the attention of the House, and that is in connection with the St. John Ambulance Association in Western Australia. Much has been written in the Press over recent months regarding the use of sirens on St. John ambulances. I thought other speakers might have brought this subject before the House, but up to date nothing has been said on the matter, and I consider something should be done. I have travelled over all parts of the world including the Commonwealth of Australia, and as far as I can determine Western Australia is the only place where ambulances are not equipped with sirens. When I say this State I mean within the metropolitan area, because some of the ambulances from our country districts, I believe, are equipped.

Mr. Styants: I do not know whether Goldfields ambulances have sirens, but there is a new ambulance which may be equipped.

Mr. YATES: In the metropolitan area ambulances are denied the right to use them. A couple of weeks ago there was an item in the Press that an ambulance driver had to blow his horn all the way through the traffic in order to force a passage for his vehicle which was carrying a child to the Children's Hospital. The ambulance arrived in time to save the child, but if this had not been the case and the ambulance had been late by half a minute, I point out that the loss of that child would have been worth more than all the sirens that could be purchased. I have spoken to ambulance drivers who drive metropolitan ambulances and they say that it is a nightmare to try to get an ambulance to hospital carrying a patient. On numerous occasions it is necessary to have traffic policeman on motorcycles clearing the way for them. These policemen are forced to use their sirens to clear the traffic, and I cannot see any reason why

the ambulance cannot be fitted with a siren and the police allowed to be engaged on other useful work.

Mr. Styants: Who is stopping the use of sirens on ambulances?

Mr. YATES: The Police Department. Sirens are used on fire brigade vehicles, and in quite a number of cases there are false alarms and the fire engines are sent out and use their siren on every occasion. They cut round corners at a terrific speed, even though it may be for a false alarm. Nearly every case attended by a St. John ambulance is genuine, and in all accidents they are urgent. The cases are too numerous to mention where drivers of these ambulances have been forced to follow long lines of traffic. Especially is this the case on race days, when the traffic over the Causeway and the Great Eastern Highway is held up because there is a fairly slow car travelling in front of the line and doing probably only 15 miles an hour. Immediately the ambulance driver blows his horn the driver in front thinks it is another car trying to race ahead and will not give him right-of-way. If the ambulance were equipped with a siren all car drivers would know it was an ambulance and give it right-of-way. I request the Minister for Police to confer with the Commissioner of Police and have something done immediately so that a report can be given to this House before the close of the session to the effect that something has been done. Otherwise, I consider it will be necessary to bring down legislation to compel the Commissioner of Police to have sirens installed on ambulances.

I have very little to say about the activities of my electorate as I said all I wished to say in my speech last year. Most of the activities of which I spoke on that occasion have been put under way. One very important project which has been undertaken by the Government is the comprehensive drainage scheme which is being commenced between Victoria Park and the foothills, going as far as Midland Junction. When the drainage scheme becomes a reality I consider it will be one of the greatest undertakings outside the Goldfields water scheme, and I trust it will be one of great benefit to many thousands of people. This drainage scheme has been required for a long time. In the winter months many hundreds of people are unable to keep their properties

drained, to keep their stock dry, and those engaged in agricultural work find their produce flooded and their year's work ruined. With the introduction of the scheme I consider it will bring prosperity to that portion of the metropolitan area.

On motion by Mr. Brady, debate adjourned.

House adjourned at 9.50 p.m.

Legislative Council.

Wednesday, 4th August, 1948.

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

QUESTION.

CHAMBERLAIN INDUSTRIES LTD.

As to Government Guarantee for Building Tractors.

Hon. Sir CHARLES LATHAM asked the Chief Secretary:

- (1) Has the Government made any advances to Chamberlain Industries Ltd.?
- (2) If so, what is the total amount advanced?
- (3) When was the first advance made?
- (4) Were the advances, if any, made to them to build tractors?
- (5) If so, what progress has been made, and what is the total output of tractors to date?
- (6) If no tractors have been made, when is it anticipated that the first one will be available?

The CHIEF SECRETARY replied:

- (1) No.
- (2) Capital is being provided by the company's own bankers, but, in addition, the fol-