

sitening on the part of local storekeepers. I feel sure that the Government will do something in the direction of helping those people who go out into the back blocks to develop the State. The previous Labour administration did more than any other Government for the North-West. They established freezing works and inaugurated a steamship service. I feel confident now that the present Government will give sympathetic treatment to those who reside in the North-West so that that part of the State may advance in the way we expect, an advancement so long waited for. I have much pleasure in seconding the motion for the adoption for the Address-in-reply.

On motion by Hon. Sir James Mitchell debate adjourned.

House adjourned at 4.5 p.m.

Legislative Council,

Tuesday, 29th July, 1924.

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

SWEARING IN.

Hon. Hector Stewart, who was not present when members were sworn in after the biennial elections, took and subscribed the oath and signed the roll.

PAPER—CONSTITUTIONAL OPINION BY SIR HOWARD D'EGVILLE.

Hon. A. LOVEKIN (Metropolitan) [4.43]: I beg to lay on the Table of the House a paper containing correspondence with, and the opinion of Sir Howard D'Egville on certain constitutional points, and I move—

That the paper be printed.

Certain constitutional matters arose in this House at the end of the session before last. The paper, the subject of this motion, is very important from several points of view.

We are about to have another Closer Settlement Bill brought before us. This opinion relates on the one hand to the Closer Settlement Bill that we had in this House before. The second part of the opinion relates to the question as to how far this House can go in amending what has been known hitherto as a Money Bill.

The PRESIDENT: I do not know whether the hon. member can make a speech in moving this particular motion.

Hon. A. LOVEKIN: I am entitled to give reasons why the paper should be printed. Many of the most important speeches in history have been made on a formal motion to print a paper. Our Standing Orders provide for this. Standing Order 61 states—

Papers, returns, and reports of select committees may be presented by members in their places at any time when other business is not before the Council.

Standing Order 33, amongst other things, states—

Provided that when a paper has been laid on the Table a motion may be made at any time, without notice, that the paper be printed.

I think I am in order.

The PRESIDENT: That is all right. I understand you are moving that the paper be printed.

Hon. A. LOVEKIN: Yes. I think I should give reasons for asking that the paper be printed.

Hon. J. Cornell: The paper will be valueless if you do not explain your reasons.

Hon. A. LOVEKIN: During the session before last we had a discussion on a clause in the Closer Settlement Bill placed before us by the then Government. Together with Mr. Kirwan, Mr. Holmes, Mr. Hamersley and other members I took part in the debate. We contended that any member who offered his land to the Government and whose offer was accepted, vacated his seat under the provisions of the Constitution Act. That view was combated very strongly by the then Leader of the House and he was supported in his views by yourself, Mr. President. I moved that your ruling be dissented from and the House did dissent from it. In order to make absolutely certain that we were right or to be convinced that we were wrong, I sent Home the facts of the case and the Bills and asked Lord Burnham, who is President of the Empire Press Council, whether he would get the best constitutional lawyer available to give us an opinion. As a result he sent out to me an opinion given by Sir Howard D'Egville, who, I understand, was the counsel to the Speaker of the House of Commons, and also counsel to His Majesty's Treasury. Sir Howard, too, has written many constitutional works. He has given his opinion in favour of those of us who contended that a member who offered his land to the Government and whose offer was accepted, would vacate his seat as we suggested. The opinion from that point of view is interesting. The second point

raised was in Committee on the Licensing Act Amendment Bill when Mr. Burvill proposed to move to increase the fee for occasional licenses from £1 to £4. The then Chairman, Mr. Ewing, ruled that under the Constitution Act Amendment Act of 1921 the amendment could not be put. I argued at the moment that an amendment merely affecting the question of fees could be put and the Chairman of Committees suggested that I should press the point and test it. I was not prepared to press it at the time because I was not satisfied in my own mind that I was correct. There was no doubt that it was intended by those who framed the Constitution Act Amendment Act that this House should have the power to amend Bills which provided for fees only, but there was the clear and unmistakable language of the statute that the Council could not amend any Bill imposing a burden on the people. Therefore, I did not press it, but as will be seen from the paper, I put it to the authorities whether the section in the Constitution Act Amendment Act 1921 did preclude us making such an amendment as was suggested by Mr. Burvill. The opinion given is that the Chairman of Committees, Mr. Ewing, was correct in ruling as he did. At the same time, Sir Howard D'Egville said there was no doubt that the legislature did intend we should be able to amend clauses relating to fees, but there was against that point of view the clear language of the statute. The opinion is not very long and will not cost much to print. In view of what is ahead of us, it will be interesting to hon. members if we have this paper before us. It is also interesting because our Constitution Act Amendment Act 1921 is on all fours with the Federal Standing Orders. In fact it was taken from those Standing Orders and this particular point has been raised several times in the Federal House and decisions on it have always been evaded. Now we have an opinion from this eminent counsel and I suggest that it should be before hon. members.

Question put and passed.

ADDRESS-IN-REPLY.

Second Day.

Debate resumed from 24th July, 1924.

Hon. J. J. HOLMES (North) [4.51]: Before I proceed to deal with His Excellency's Speech I should like to congratulate the Leader of the House, Mr. Drew, on his return to politics and to the leadership of this Chamber. I have had previous experience in this House under Mr. Drew's leadership and whilst on several occasions he has attacked me, I believe, the most docile member in this Chamber, we finished up when Mr. Drew went out of office, better friends than when first we met. I have been long enough in this Chamber to recognise Mr. Drew's ability, his high

ideals and his integrity of purpose. I have been here long enough to know his capacity and desire to do what is right. He also possesses another qualification. He is gifted with political foresight because he seems to have gauged the position in such a way that he slipped out of politics some years ago when the Labour Party was on the wane and now he slips in just when that party is on the flood tide. If he displays the same astuteness in managing the affairs of this State and possesses the same keen vision respecting the public affairs of this country as he appears to command where his own interests are concerned, then I have no doubt we will have valuable service from the hon. gentleman. Perhaps the mistake he may make is that he may not continue to gauge public affairs as he has done in the past. He may unconsciously be biased by the party behind him and may be compelled to undertake certain things that will shake our good opinion of him. He went out on the ebb and came in on the flow of politics. It will depend on Mr. Drew's sound judgment as to how long he remains in the position he now occupies. I predict that he and his party, if they adopt a policy of moderation and justice to all, and if from the start they set out to represent all sections of the community instead of one section, will have a long life and do well for the country. Upon the moderation of the Labour Party, which Mr. Drew represents in this Chamber, its life will depend. As one who cares not what party conducts the business of this country so long as we get good government, I am prepared, provided that the government bring forward sane legislation, to assure them that they will not have much to complain about so far as I am concerned.

Hon. J. Cornell: It will depend upon the degree of sanity.

Hon. J. J. HOLMES: I believe that the Government will have reasonable support from members of this Chamber. Mr. Hickey has been promoted to be the chief lieutenant of Mr. Drew. I congratulate him upon his assumption of office as Honorary Minister in this Chamber. I also desire to congratulate the old members who were successful in returning to the Council to assist in the legislation for Western Australia, and to extend a welcome to the new members. If the new members live up to the standard set by those who have been defeated, they will deserve well of this country and will be of assistance in this Chamber. Before they have been here very long, I predict that they will realise that this House is one of the best legislative assemblies in Australasia. They will realise that this is a House of equity and that every Bill that comes before us is analysed from each and every standpoint. I have no

hesitation in saying that the Bills that leave this Chamber leave it in a much more equitable condition than when they reach us. The political trend of events has produced a new Government, and I do not think they make any secret of the fact that they represent Labour. My point is that the Government should represent every section of the community, and at this early stage of the Government's existence, I urge upon them to realise it is their duty to see that each and every section of the people and every part of the State gets fair justice and a fair percentage of the loaves and fishes in the shape of the expenditure of public funds to which each part of the State is entitled. Of the many problems with which the State is faced I do not hesitate to say that that relating to finance is almost appalling. The development of our natural resources constitutes our only hope of salvation. We must have an increase in population because our present population cannot carry the national debt with which we are loaded. Any form of sane Government, therefore will have my whole hearted support. We have a territory representing one-third of the Continent. The Commonwealth comprises nearly 4,000,000 square miles and in Western Australia we have, roughly, 1-1/3rd million square miles.

Hon. A. Lovekin: Just under a million square miles.

Hon. J. J. HOLMES: I am using round figures. We have 350,000 people spread over that area. We have the largest per capita indebtedness of any country in the world, and I have no hesitation in saying that the more often the fact is repeated that we are financially embarrassed at every turn, the sooner will the public be made to understand that it is imperative for the Government to set out on a policy of reform. Fortunately we have behind us a country capable of primary production equal to any in any part of the world. The trouble is that we have only 350,000 people spread over our great area, and that all these people want cheap means of communication, cheap means of getting to the city and cheap means of getting their products to market. By market I mean the port of export, because it is on what we export that we have to live. This presents a difficult problem for 350,000 people to handle. We know that the country has been only scratched on the surface. The possibilities of the State are unlimited. Travelling as I have done during the recess, I have observed great areas of unoccupied country that are capable of production, and hundreds of miles of territory not occupied by a single white person. Tens of thousands of people are required to develop the State, as well as millions of money, but the trouble that we are faced with is that we have already borrowed many millions and squandered the money on works that are not reproductive. The money lenders must be appalled at our national debt and interest

bill, and possibly they will think twice before they provide further money for development in Western Australia, unless of course we mend our ways. We have only to read the Governor's Speech to find out what the position really is. This is what it states:—

The revenue for the year ended 30th June, 1924, was £7,865,595, showing an increase over that of the previous year of £658,102, whilst the expenditure amounted to £8,094,753, being £481,897 more than that of the previous year. The shortage on the year's transactions was £229,158 making the accumulated deficiency at 30th June, 1924, £6,140,087. The deficit for the year shows a decrease, compared with the previous year's operations, of £176,193.

To reduce the deficit by the amount stated we collected in revenue £658,102 more than was collected in the previous year. Turning to the interest and sinking fund, we find that the position is even more appalling. The Governor's Speech says:—

The interest and sinking fund payments under Loan Acts are a very heavy drain on revenue. The disbursements made last year were £50,924 more than the estimate, and £258,908 greater than for the previous financial year.

I have been preaching for many years that if we keep on in the way that we are going the whole of our revenue will in time be required for the payment of interest. I have said this for years past, and here we have it now in cold print that the interest bill last year was £258,908 greater than that for the previous year. The interest on the deficit, to say nothing about the national debt, amounts to £1,000 a day, and that is to go on for ever unless we find some means of liquidating the liability. It is loan money that has been borrowed at a high rate of interest, and it has been used for revenue purposes. So long as that state of affairs remains so we shall have to continue to find £1,000 a day to provide the interest on the deficit.

Hon. A. Lovekin: We cannot carry out the works for which the money was borrowed.

Hon. J. J. HOLMES: We have arrived at a stage when somebody must speak. I do not care whom I offend or whom I please. These are facts that the public of the country should know, and I shall not hesitate to speak these facts. The ex-Premier did not put up figures for the information of the people as he should have done, and if the present Premier submits figures that do not convey the information that the public should have, other members will be compelled to do so. But I shall refer to this later. It is for this Chamber to speak. After all said and done this House represents the people that have to pay the piper, and therefore it is this House that should call the tune. The very fact that the country has stood up to the maladministration of the past and that 350,000 people have been able to find eight millions sterling last year by way of revenue speaks for itself. There

is no necessity to dwell further on that. So far as I have been able to peruse the records and official documents, we have not had any semblance of sane government since the late Hon. Frank Wilson handed over in 1917. You can search the records of the departments and you will find there has not been any semblance whatever of sane government whatever since 1917. I have already indicated that we need sound government; I have already indicated that the Collier Government, provided they proceed on sound lines, will receive support from this Chamber. So far as the different parties are concerned, the Labour policy is State enterprise and day labour, while that of all other sections of the community is private enterprise and work to be carried out by contract.

Hon. F. E. S. Willmott: How about the last three years?

Hon. J. J. HOLMES: I have had quite enough to say about what has been going on during the last three years. As the parties went to the country, their policies were: that of Labour, State enterprise and day labour, and all the others development by private enterprise and work by contract. Outside of these policies I am satisfied that every member of this Chamber, and of the other place as well, desires to do what is right. I do not wish the present Government to arrive at the conclusion that they have a mandate from the people to continue and extend State enterprises. I propose to tell the House exactly what has happened. The electors realised the absurdity of the position as it existed during the past five or six years under a Government that went to the country and declared against State enterprises. What did the Government do? It extended and continued the State trading concerns. Such a condition of affairs never before existed in any part of the British community, and the public—I must include myself—became so annoyed and disgusted with that condition of affairs—Ministers condemning State enterprises and unsympathetically trying to administer them—that they said, “We will brush those Ministers aside; if we are to have State enterprises, we will have them carried out by the Party that believes in them.” I do not want the present Government to think that they have instructions from the country to carry on the State trading concerns, or even to extend them, because I will prove before I sit down the utter absurdity of the whole position. If the ex-Premier did not do the job, and the present Premier will not tell the country why his predecessor did not do the job—the former Premier was carrying out the Labour policy—then we shall have to let the country know exactly what happened, and see where we are. This House at one stage attempted to force the hands of the Government that was supposed to be opposed to State enterprises. The Government had the numbers behind them, and could have carried anything in another place. Instead, they stood behind the hedge when it was proposed to move an amendment to the State Trading Concerns Act which would

have had the effect of enabling the Government to sell any of the trading concerns without the consent of Parliament. When a similar proposal was submitted by a private member in another place, that, too, was defeated.

Hon. J. Ewing: You say that it could have been carried.

Hon. J. J. HOLMES: Yes.

Hon. J. Ewing: You are quite wrong.

Hon. J. J. HOLMES: They could have carried it and declared, “This is our policy; if you will not help us to carry it we will send you to the country.” The Government, however, would not take that stand. Now we have this absurd position that has arisen. Sir James Mitchell, on the 22nd of this month, told the people that the State Implementation Works lost £200,000, and that the annual loss on the Wyndham Meat Works was £80,000, and he went on to say, “The Labour movement of forcing industry has been a financial failure.” Sir James Mitchell was in office from May, 1919, to May, 1924, and he had a Party behind him pledged to the abolition of State enterprises. Why did not he abolish them? Why did he leave it till he went out of office to tell the country what had happened? Two days later Mr. Collier replies to Sir James Mitchell, in the “West Australian” of 24th July, saying—

The net loss on the State Shipping Service operations amounts to £21,000 since the inception of the service.

My trouble is that I want the present Government, who claim to represent the public, who at all events represent a section of them, to start out and tell the public exactly where we are. I urge the Leader of this House to do the same. Surely there is no harm in telling the truth. This is the country's business, and the country should know. Mr. Collier, however, omitted to mention that the “Kangaroo,” up to 30th June, 1921, had made a profit of £296,121. If that is disputed, the statement will be found in the report of a select committee of which I was chairman. The question arises, what has become of the profit made by the “Kangaroo”? In 1924 we find a net loss of £21,000 on the whole of the State ships, the “Kangaroo's” profit of £296,121 being lost. It becomes necessary at this stage to clear up those points; otherwise we shall have another set of absurd State trading concerns rushed on us. Mr. Collier further omitted to mention that the “Kangaroo's” profit was made by profiteering in foreign waters during the war. For the best part of her time the “Kangaroo” was carrying oil for an American oil syndicate. I believe the “Kangaroo” was the only British ship which was free from the restrictions imposed during the war. She engaged in oil carrying at a stage in the history of this State when our North-West was depleted of its ordinary shipping service, when there were thousands, and even tens of thousands, of cattle in Kimberley which could have been brought down so that the people here might have had cheap meat.

The "Kangaroo," instead of doing what she was stated to have been purchased for, namely to assist in developing our northern areas, went profiteering in foreign waters, and made money which has since been lost by the State Steamship Service generally. Mr. Collier does admit that the service as a whole has been a losing proposition since 1921. What is the "Kangaroo" doing at the present time? Carrying oil for an oil company. I presume she is carrying it at a loss, since there is a loss on her trading. It is generally admitted that prior to the "Kangaroo" going into that trade, the oil company had ships of its own, which carried its oil to Fremantle. But presumably the Western Australian Government can carry the oil cheaper than the company can, and the "Kangaroo" is therefore carrying oil for the oil combine, and we are losing on the transaction, and this without getting oil any cheaper. Such is the fallacy of State trading. But when Mr. Collier tells the country that the net loss on the State Shipping Service is £21,000, we have to return to the balance sheet. The last balance sheet available to me is dated the 30th June, 1923; the balance sheet for 1924 is not available yet. The 1923 balance sheet shows that the State Shipping Service owed the Colonial Treasurer £393,066 8s. on capital account, and £184,879 11s. 6d. on banking account, a total indebtedness to the Colonial Treasurer of £557,945 19s. 6d. And what have we in the way of assets? The "Kangaroo" and the "Eucla," and sundry debtors; but I venture to suggest that if the concern were wound up, there would be great difficulty in realising £100,000 out of those assets. I am dealing with the year 1923, and I presume there has been a loss on the service since, and I presume the amount of that loss has been paid by the Colonial Treasurer and added to the capital account. Therefore, instead of having to face a net loss of £21,000, the true position is that we have made a loss of half a million of money in this branch of State trading. I am putting this up to the House and to the public, so that the country shall know where the last Government left off, and where the present Government are beginning. It is information that the country ought to have. Mr. Collier further said:—

Had Mr. Mitchell, the then Premier, accepted the cash offer in 1919 of £270,000 for the "Kangaroo" which the management wanted him to accept, the profit on the "Kangaroo" would have been £400,000.

Member: That was the price paid for Seaddan's seat.

Hon. J. J. HOLMES: Mr. Collier then proceeded to deal with State Trading Concerns as a whole, having finished with the State Shipping Service; but for some unexplained reason he took the period from 1916 to 1923. Why 1916 I am at a loss to understand, for, according to my infor-

mation, the State Trading Concerns were established in 1912.

Hon. J. Connell: That was the date when the State Trading Concerns were brought under the control of Parliament.

Hon. J. J. HOLMES: Yes, but if we want to make a comparison and tell the country what has happened in connection with State Trading Concerns, then surely it is logic and common sense to begin at the beginning and bring the story up to date, not to start four years after the concerns had been going, because the assumption is that if there had been a profit made during that period, Mr. Collier would have gone back to 1912. If the Premier and his Ministers are going to tell the truth about the State Trading Concerns, let them give the facts, and let them begin at the beginning and end at the end. Mr. Collier said—

The State Trading Concerns from 1916 to 1923, with the exception of the Wyndham Freezing Works, show a net profit of £128,000.

Hon. H. Stewart: Over a certain period.

Hon. J. J. HOLMES: Yes, from 1916 to 1923.

Hon. F. E. S. Willmott: But they lost £100,000 in the interim.

Hon. J. J. HOLMES: If hon. members will later take up such points as I miss, I shall be grateful, because the country is entitled to this knowledge. It appears that the State Steamship Service made £300,000 profiteering, and then lost it. I wish to know the reason why Mr. Collier made his statement exclusive of the Wyndham Freezing Works. Surely the Wyndham Freezing Works are a State Trading Concern. The country is entitled to know what is the loss on the whole of the State Trading Concerns, including the Wyndham Freezing Works.

Hon. J. Ewing: Does the Premier state the loss incurred at Wyndham?

Hon. J. J. HOLMES: I will tell the House what the Auditor General says on that point. Paragraph 14 of his report dealing with the Wyndham accounts for the year ended 31st December, 1922, reads as follows:—

The loss to the 31st December, 1921, of £369,280 19s. 2d. has been added to for the year 1922 by £88,422 1s. 8d., making a total loss to 31st December, 1922, of £457,723 0s. 10d., exclusive of interest on the amount of interest due to the Treasurer, and exclusive of depreciation.

Why tell the country that trading concerns, with the exception of the Wyndham Meat Works, have made a profit? Why not tell the truth, the whole truth and nothing but the truth?

Hon. E. H. Gray: Wyndham is a special case.

Hon. J. J. HOLMES: According to the hon. member, they are all special cases. For depreciation it is necessary to provide another quarter of a million. Since the inception of the works nothing has been written off for depreciation. The works were to have

been erected by Nevanas for £159,000. They ultimately cost three-quarters of a million. Taking the figures that were presented to the select committee and speaking in round numbers, which are on the low side, the buildings cost £400,000 and the machinery £330,000. There has been a loss of £400,000 to £500,000, and that has been added to the capital cost. Anyhow the point is that nothing has been allowed for depreciation. A highly expensive officer was engaged and sent to Wyndham to decide upon a fair rate to fix for depreciation, but nothing was ever done except to pay him his large fee. We tried all means to extract from Mr. Colbatch, the then Leader of the House, a statement as to what would be a fair thing for depreciation, and he ultimately admitted that, so far as he could judge from the reports of his officers, 5 per cent. on buildings and 10 per cent. on plant and machinery would be a fair thing. The works were commenced in 1915; they were completed in 1919. If hon. members work it out, they will find that depreciation at the rate of £50,000 a year for the five years since the completion of the works represents a quarter of a million of money.

Hon. J. Ewing: The works are in good order now.

Hon. H. Stewart: So they ought to be.

Hon. J. J. HOLMES: We know Mr. Ewing's change of front on the question of State trading concerns. He was in good order, but possibly not in good company when he made the change. These things, however, were not mentioned by Mr. Collier. He brushes them aside and says that, with the exception of the Wyndham Meat Works the State trading concerns show a profit. That is not what we want. We want a clear statement. This is a matter of public business and the public have a right to know. If the Government will put the position fairly before the country, this Chamber will endeavour to assist them in their difficulties. Mr. Collier went on to say that the works had been of great benefit to pastoralists. Let me explain the position. The figures I am about to quote are those of Mr. Collier, verified by the balance sheet. He said that for the year ended the 31st December, 1922, the number of cattle treated was 22,646, and the amount paid to cattle owners was £97,671, approximately £4 per head. In 1923 the cattle treated numbered 30,418, and the amount paid to cattle owners was £103,891, or £3 10s. per head. Mr. Collier also said that 200 men were employed. But he omitted to mention the all-important fact that wages, salaries and travelling expenses to treat 22,646 head of cattle amounted to no less a sum than £62,738, or approximately £2 16s. per head. The squatter has to wait four years for his stock to grow and reach marketable condition, and during that time he has to pay rent and all sorts of expenses. When he had the pick of his fat bullocks available for treatment in 1922 he received £4 per head for them, and in 1923 he received

£3 10s., but the men who took them from him at one end of the works and handed them out frozen at the other end received £2 16s. per head wages and travelling expenses for converting them into frozen meat.

Hon. E. H. Gray: Who made the most, the squatter or the men?

Hon. J. J. HOLMES: I regard the hon. member as being endowed with ordinary intelligence, and if he has followed the figures he must realise who got the best of the deal. The material used for treating the cattle cost £35,439, but the item wharfage, shown in the statement, was no less than £19,213 12s. 6d. I do not know how much of that amount represented wharfage on meat, but I know that a great portion of it represented wharfage on meat exported. If the meat had been exported from the southern portion of the State it would have been regarded as a primary product, but because it was sent away from the North, it was not regarded as a primary product. This condition of affairs, which has existed so long, has caused the North to swing over to Labour. The swing-over is due to the fact that there is one law for the North and another for the South. The Parliaments of this country have treated the North in exactly the same way as the Federal Parliament treats Western Australia. It is a matter of politics and nothing else. Because we have no voting strength in the Federal Parliament we receive no consideration. Because the North has no voting strength in the State Legislature, it gets no consideration.

Hon. V. Hamersley: But you have got a Minister for the North.

Hon. J. J. HOLMES: I have been hammering away at this wharfage question for months and months. I got the late Government with their backs to the wall; they hadn't an answer to give. They slipped out of office; no, they went out. Now we have a new Government, by whom ambassadors have been sent to the North, and they have promised that all these things will be rectified. Will they see that justice is done to the North as well as to the South? The North wants a fair deal. It has never had a fair deal. During the recess I paid a visit to Wyndham and had an opportunity to see the meat works in operation. The works are very substantially built, but the visitor can see evidence of Public Works extravagance wherever he turns. The men that were sent up there did not understand freezing works, and did not know what was required, and much reckless and unnecessary expenditure was incurred. The works are substantial and, but for the extravagances, are quite up-to-date. To give an instance of the extravagance, there are hundreds of square yards of granolithic flooring having a surface as smooth as glass. I understand that special men were taken up to Wyndham to put this finish on the floor. Imagine men smothered in grease from head to foot pushing and handling carcasses of meat from one end of the works

to the other over floors on which they cannot stand. All the men are covered by the Workers' Compensation Act, and it became necessary to chip the floor and flood it with salt water, thus creating a grit, to enable the men to stand on the floor. What was wanted was a rough concrete floor on which they could maintain a footing, not a glass floor.

Hon. J. R. Brown: Are there no health inspectors up there?

Hon. J. J. HOLMES: I am speaking of the extravagance; no one was there that knew the job or what was required. The same thing applies right through the works, but the difficulties have been overcome to a large extent by the works manager, Mr. Fowle. I have no hesitation in saying that Mr. Fowle is the right man for the job, and he is well supported by the assistant manager. A man of the stamp of Mr. Fowle, with a knowledge of refrigerator engineering, should have been there to superintend the construction of the works. However, he went along when the works were finished. I repeat that Mr. Fowle is a highly capable man, who knows his job and does it well, but he is up against several difficult propositions for which he is in no way responsible. The first is the over-capitalisation of the works. The next is the policy of protection adopted by the Commonwealth that creates an increase in freights on the homeward journey. This policy of protection for Australia is responsible for thousands of tons of goods being manufactured in the Eastern States, not here, with the result that ships are coming out from the Old Country practically empty and on the return journey we have to pay a 32,000 mile freight, when we should pay only a 16,000 mile freight. This is one of the propositions Mr. Fowle is up against. This manufacturing in Australia also upsets the exchange between England and Australia. Then there is the problem of the meat market and the employment of labour at this end. I have already explained what a huge sum of money is paid to the workmen. Mr. Fowle has no say in the engagement of those men; the wages are fixed by the Arbitration Court, or someone else at this end, and the men are sent up to Wyndham. He is also faced with an increased wages bill this year. The men received a 5 per cent. increase on previous rates. What they got the increase for no one seems to know, but they got it. According to Mr. Collier there are 200 men employed, and in the 1922 season they operated for five months. Salaries and wages. I have already mentioned, amounted to £62,738. On those figures the average per man is over £300 a year, and they work only five months in the year. Then we wonder why the tropical expert, a highly qualified man, gives up his job valued at from £400 to £500 per annum.

Hon. H. Stewart: He could do better at butchering.

Hon. J. J. HOLMES: Yes, in half a year, and come down here and take another job for the balance of the year. I saw Mr.

Wise, the tropical expert who has just resigned, while I was up there, and travelled with him. I am satisfied that his resignation means a distinct loss to the State. He knows his job. He is very keen, and he has the courage of his convictions. I do not think he cares at all for members of Parliament, politicians or anybody else. If he thinks a thing is wrong, he says so. The very first thing he put up was objected to by some politicians at this end. I did not object, because I was not qualified to judge of the man's work. What Mr. Wise aims at, is success. He started out with a determination to dodge failures. The Lord only knows there are failures enough up North, including the mistake that was made with the Derby cotton growing proposition. Extravagance went on, and there was undue haste to do something without any knowledge as to whether or not cotton would grow. It has put the cotton industry back for many years. Mr. Wise showed how and where the cotton can be grown, and following on that he has resigned. I do not know why. I suggest that if another £500 per annum would keep him here, it would be wise to pay it.

Hon. J. Ewing: He has already had an increase since he came here.

Hon. J. J. HOLMES: Yes, he came over for, I think, something between £300 and £400 a year. He did not discuss salary with me; he discussed only the North-West and its possibilities. He convinced me of its possibilities in point of tropical culture. If the hon. member is prepared to argue that it is sufficient to pay a highly qualified man £400 or £500 per annum to develop tropical land, he can do so, but I will not. I do not think we can afford to lose men of the stamp of Mr. Wise. I propose now to refer to the fact that Derby has been made a depot for aboriginal lepers. They are located in the township and are free to wander about the hospital grounds. We are told that it is quite all right, that there is no danger to be feared. Medical science has done many things, and I sincerely hope that in this instance medical science is right. But let me explain what happened and how those niggers were transferred from other ports to Derby. The steamship company would not carry them, nor would the State Steamship Service, so a lugger was specially engaged to collect the lepers from different ports and put them out at Derby. Special instructions were given that on no account was the lugger to be used for any other purpose until she had been thoroughly fumigated; yet the niggers were let loose amongst the community! We are told that the disease is in a very mild form, that it would take years to develop. I was there two months ago, and if I have now a germ in my system it will not affect me very much, because if it really takes 10 years to develop I do not suppose I will be here then. But the women and children of Derby are entitled to have those unclean people removed from their midst. I do not care whether or not the disease is contagious: the people who are in Derby and who have to remain there

should not have those lepers congregated in the town. The Government have promised that the lepers will be removed to some island. I mention this in the hope that the promise will be fulfilled. I believe it will. Coming farther south to Broome, we have the all-important subject of dummyming in the pearling industry. We are allowed to have in the industry Asiatic divers who come in under a permit from the Commonwealth Government. But the pearling industry is fast drifting into the hands of those men who, instead of being divers, are by a system of dummyming, becoming the owners of the boats and so are obtaining control of the industry. During my sojourn North I visited Port Darwin. Port Darwin is a menace to Australia. The whole place is run by coloured people, save for a few whites. A friend of mine, a school inspector on tour, visited the school at Port Darwin and told me that between 80 and 90 per cent. of the children there were Asiatics—this in a white Australia!—and were the brightest children in the school, except in point of languages. He said they stood head and shoulders above the white children, presumably because the climatic conditions suited them better than it did the whites. An amendment of the Pearling Act is suggested in the Speech. We certainly want some drastic amendments in that law. We should insist upon proof of ownership of pearls, just as we do in respect of gold. Until we have such a section in the Pearling Act the State will never get what it is entitled to. Surely when a man becomes possessed of a number of valuable pearls, the State is entitled to know how he came by them! This, of course, would involve power to investigate. But the matter has to be investigated, because the State is not getting from the pearling industry that to which it is entitled. Dummied Japanese owners of boats do not keep any books nor disclose to the State what pearls they get. When they secure a good supply of pearls they send one of their men out of the country to dispose of them. Nobody is at all the wiser, and so there is no income tax to pay. A white man conducting his business legitimately and paying income tax on his pearls cannot stand up against competition of that sort. The shortest way out of the difficulty would be to make the resident magistrate a Royal Commissioner invested with power to inspect premises, books, etc.: the State would then get what it is justly entitled to. Then there is the question of a water supply for Port Hedland. For 10 years have I been battling for this. I have visions of success now, because several of the ambassadors of the present Government were up there and definitely promised a water supply for Hedland.

Hon. H. Stewart: What is the population of the place?

Hon. J. J. HOLMES: Oh, look up the statistics.

Hon. H. Stewart: Thank you.

Hon. J. J. HOLMES: Hedland is situated hundreds of miles south of Broome, and the big pearling luggers come down there

to fish. From there they have to take their catch back to Broome, whereas if there were a water supply at Port Hedland they could fish farther south and we should probably have at Hedland another town like Broome. No town, of course, can hope to flourish without a proper water supply. Let me now pass to the agricultural development in the south. Two years ago I said the agricultural industry of this State was being nationalised—nationalised, not by a Labour Government, but by a Government opposed to nationalisation.

Hon. H. Stewart: A National Government opposed to nationalisation!

Hon. J. J. HOLMES: A National Government in name alone. The Mitchell Government may be said to have completed the nationalisation of the greatest primary industry in the State. A previous Government began with the Agricultural Bank. Subsequent Governments, including the Mitchell Government, enlarged that considerably. It was followed by the Industries Assistance Board, introduced by a Labour Government. That in turn was followed by soldier settlement. My latest figures show that six millions of money are invested in soldier settlement. That was followed by group settlement. With the group settlement policy is associated the policy of day labour. And this by a Government opposed to nationalisation and opposed to day labour! I know more about group settlement than do most members of the House, for Mr. Lovekin, Mr. Cornell, Mr. Gray and I were a Royal Commission appointed to inquire into group settlement on the Peel Estate. I have no hesitation in saying that it will take many pages to record the disaster that will attach itself to group settlement, and that it will make a sad and bitter record. The financial obligations attached thereto would appal anyone who had any vestige of sanity about him. The only man who visited this State capable of expressing an opinion upon such a subject, was the Earl of Harrowby. He is well versed in finance and knows what big things are. He knew what a nation could carry and what a State could carry. He stated plainly in my presence, during a speech he made at the Palace Hotel, that this was a problem beyond Western Australia and beyond its 350,000 people. It was a national problem, and the State could not stand up to the financial obligations attached to it.

Hon. C. F. Barter: Was that speech published?

Hon. J. Ewing: Yes.

Hon. J. J. HOLMES: I do not care a jot for the sightseer, who comes here and goes through the group settlements, and says that everything is all right, and that the people are happy and contented. Of course they are happy and contented. Why should they not be? Most of those people have been reared in one room in a dismal lane in the Old Country. They have been brought here, and given an up-to-date house with a verandah back and front, and £3 a week

whether they earn the money or not. Why should they not be happy? Visitors come here, have a look round and tell their story, and the public believe it. The public have to be told that it is not all right but all wrong, and that the position will have to be faced. The Earl of Harrowby drew a correct deduction from what he had seen, and he knows what is ahead of us. What do the Labour Government propose to do? They say they are going to appoint a Royal Commission. Good Heavens! Have they read the report on the Table of the House of the Royal Commission that was appointed to inquire into the Peel and Bateman Estates, which comprise a large proportion of the group settlement scheme? Have they taken the trouble to read it yet?

Hon. J. Duffell: They have not had an opportunity of seeing it yet, let alone reading it.

Hon. J. J. HOLMES: I am speaking of the Government. I did not know the hon. member was included in the Government. I am addressing the Leader of the House upon this matter. There is plenty of food for thought in the report of that Royal Commission, and there is plenty of work for the Government to go on with as the result of that report alone. I offer no apology for detaining the House at this length.

Hon. J. Duffell: Go on, it is very interesting.

Hon. J. J. HOLMES: The report in paragraph 6 says—

It will thus be apparent that before any such undertaking is embarked upon the objective must be clearly defined. There must be full co-ordination of effort on the part of all concerned. The work to be undertaken must be prescribed in full detail; surveys and classifications of areas must be carefully prepared; estimates of costs must be calculated, and at least some general conception must be predetermined as to the ultimate capital which will need to be borne by the settler—what class of production he is to embark upon, and what future prospects are ahead of him provided he is capable and industrious.

Paragraph 7 says—

Your Excellency's Commissioners regret having to report that the evidence before them discloses non-compliance with any one of these essentials prior to the placing of the settlers on the land, or before the work of development was proceeded with. Until we tackled that proposition it was generally understood that the Peel Estate came within the provisions of the Imperial Agreement. The Peel Estate does not come within the provisions of that agreement, because, as we discovered, the agreement provides that the group settlers have to be given the land. There are between 500 and 600 group settlers there to-day. The intention was to put them on Crown land, but they were brought out here and bundled on to the Peel Estate. We cannot give them the

land, consequently they cannot come within the provisions of the Imperial Agreement. This question has to be decided. These people came here on the assumption that they were to get the land free. They were not asked if they wanted Crown land to go on or to go on to repurchased estates and pay for the land, but they were pushed on to the Peel Estate. We were to establish group farms for £1,000, as a maximum expenditure upon each settler. The evidence is that it will take nearly £2,000 to establish them on each holding.

Hon. A. Lovekin: The amount is £1,800.

Hon. J. J. HOLMES: If they could be brought under the provisions of the Imperial Agreement we would be able to get a rebate of £20 per annum during the first five years from the Imperial Government, and £20 per annum for the first five years from the Federal Government, a rebate amounting to £200 upon each settler. As things are we can get no rebate at all, and we have to carry the financial obligation of the whole lot now on the Peel Estate. Let us assume that each farm will cost about £2,000. These poor, unsophisticated members of the community will be asked to pay out interest amounting to £3 a week.

Hon. H. Stewart: Under the agreement, are the settlers not limited to £1,000 loan?

Hon. J. J. HOLMES: No, we have to establish them on a farm costing not more than £1,000. But the Peel Estate does not come under that. We have to carry them. The only way in which they can live is by dairying and pig raising. Even then it is questionable whether or not they will be able to pay interest on capital. Then there is this alarming position: for the Peel Estate, according to expert evidence, we require 6,000 cows, cows of the right kind. For the entire group settlement the minimum required is 10 cows per settler, but we are told that the right number should be 20. The minimum number of cows required for the settlers on the Peel Estate is, therefore, between 5,000 and 6,000.

Hon. J. Ewing: Are they needed immediately?

Hon. J. J. HOLMES: Whether they are or not, these settlers have to get £3 a week until the stock is made available. This has to be added to the capital account. If the settlers do not pay it, the State has to do so.

Hon. A. Lovekin: They are to get 10 cows or £3 a week.

Hon. J. J. HOLMES: That is the case. How are we to find 5,000 or 6,000 cows in this State to-day? The expert evidence is that if we wanted 500 suitable cows the only way we could get them would be by robbing existing dairies that are already short. I endorse that as the correct position. It is no use talking about getting tens of thousands of cows from the Kimberley districts and giving them to the group settlers. In Kimberley we have been breeding so long that the cows do not give enough milk for

their calves. We now have to go to Nestle's, who have introduced a milking strain of shorthorns, and put new blood into our herds in order that the cows may have enough milk upon which to rear their calves. It is absurd to talk about bringing cows from the Kimberleys. We must give these southern settlers cows of the right type.

Hon. C. F. Baxter: Has that actually been suggested?

Hon. J. J. HOLMES: I have been told by one man who is interested in the stock trade that he can find thousands of cows in Western Australia. I warn the Government that there is only one class of cow suitable for the purpose, and that type of cow is a scarce commodity. The Government told us they had planted 16,000 acres of pasture in the South-West, beginning at Fremantle and finishing at Albany. They are out to buy 20 tons of subterranean clover at a price ranging from 5s. to 7s. 6d. a pound. They scattered the seed broadcast from Fremantle to Albany. It is growing and will grow well when the warm weather comes, but we have not the cows to give to the settlers or to eat the fodder, and I do not know where they are to be obtained. Now the Government talk of appointing another Royal Commission. I do not know what that will cost; ours was an honorary Commission. We had to be very careful in framing our report. We could not set down in cold print the exact position of affairs. In view of the fact that the Government are seized with the seriousness of the position and have called a halt, it is just as well that one should speak his mind now so that we may know where we are. The Royal Commission could have given names of persons and places on the Peel Estate, but did not want to alarm people. If we individualised different places the settlers would become frightened, and declare that the place was no good to them because the Commission had stated that to be the case. We said on the other hand that, in a country like this, containing millions of acres of good land, it was absurd to put people on to land on which they would starve, when we had land on which they could prosper. We had to be very careful not to damage the reputation of the country, but no one seems to have taken any notice of what we said. I could take members to one portion of the Peel Estate, comprising 7,000 acres, the bulk of which is white sand. It is growing palms, banksia, and prickly pear. It has been cut into areas of 110 acres and 60 houses have been built upon it. The houses are there, and the people are there each settled on 110 acres of practically worthless land. If they knew anything about the job they would not stay. The expert evidence shows that they could not live on 500 or 1,000 acres of that type of country. I understand a dairy farm could not be made out of any portion of it.

Hon. J. Duffell: No wonder we could not get the report.

Hon. J. J. HOLMES: They talk about growing cabbages, cauliflowers, and beetroot and producing these things for the market,

when the market for cauliflowers, for instance, has gone. What we have to do is to produce butter, bacon, etc., that can be exported and placed on the markets of the world. Until we place the settlers into that position we have to pay them £3 a week, and the Treasurer will have to foot the bill. Every Friday afternoon the Treasury or the Lands Department send out 2,500 cheques of £3 each; a total of £7,500 a week going out in sustenance to group settlers. What do we get back out of it? I will take members back to July, 1922, and remind them of what we were told then would happen on the group settlement, and will explain the position as it was then and as it is now.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. J. J. HOLMES: Prior to the tea adjournment I was dealing with a paragraph appearing in His Excellency's Speech that was prepared by the late Government and placed before us on 27th July, 1922. It stated—

Group settlement is proceeding satisfactorily; 26 groups have been established and are in various stages of development. On the earlier groups on the Manjimup and Pemberton areas permanent houses are erected and every location is more or less ready for production.

Early in 1924, as Chairman of the Peel Estate Royal Commission, I and other members of the Commission extracted the information that none of the groups had been dissolved in April 1924, so that hon. members will see—so far as I know now none of them have been dissolved—that at that time not one of the groups had been dissolved, and until they are dissolved the group settlers will receive £3 a week of State money. From July 1922 to April 1924, these migrants would each have received £312 as sustenance, and that amount would be added to the capital account and ultimately become part of the indebtedness to be paid by the individual or the State. We come now to the Governor's Speech of July, 1923, a year later, and we find this statement—

Group settlement is proceeding steadily, and the bulk of the suitable Crown lands adjacent to existing railways are now being utilised.

There is nothing there about production or about the earlier groups having reached the productive stage! Then we come to the Governor's Speech delivered to us last week, which states—

The group system, of which there are 124 units, with a population of approximately 8,776, will be continued; and a Royal Commission to investigate many phases of group settlement will be appointed at an early date.

That is the history of group settlement as shown in the records of Parliament from July 1922 to July 1924. Reverting to the Peel Estate, I may explain that there are three systems of settlement there. One portion of the estate is set apart for Agri-cul-

tural Bank settlers; another portion for soldier settlers, and on the other side of the road another portion is set aside for group settlers. The Agricultural Bank settlers and the soldier settlers have to earn the money paid to them first by doing developmental work before they get any advances from the Agricultural Bank or from the Soldier Settlement Scheme. Included under the latter scheme are men who have fought for our country and battled for years in this State. On the other side of the road in the part set aside for group settlers, there are hundreds of destitute people who have been brought from the other side of the world without any knowledge of farming or of the job they have to take on. We provide them with £3 a week whether they earn it or not. The State finds all the money; those settlers put nothing into it. The State provides houses and land and £3 a week and if those settlers do not like the job, they can walk out, and the State has to accept the whole of the responsibility. These are facts the country is entitled to know. According to this evening's paper a new statement has been issued by the Minister for Lands (Mr. Angwin). The statement is as follows:—

The Minister for Lands and Immigration (Mr. W. C. Angwin) this morning made available an interesting return dealing with group settlement. He said he had seen several comments to the effect that new arrivals did not stay on the groups, and he had, therefore, had a return prepared showing that those who came to the groups from overseas and remained on the groups represented a much higher percentage than our own people who went on the land and remained.

The return, he said, would speak for itself. My explanation of that is that most of our own people who go on the land know their job, and know what they are up against, and so they get out. On the other hand, the poor unfortunate individual from the other side of the world does not know the difficulties ahead of him; he does not know what he is up against, and he will remain on the land and will do so, so long as he gets a comfortable house and £3 a week. Would you, Mr. President, as a private investor, put all your money into such a concern? Would you take all the responsibility and let the other chap go and come as he thought fit? No, as a sound business man you would say: "How much are you going to put in? When you put in your quota, I will put in mine, and that will hold you to the bargain." Under this arrangement, however, the State puts in the whole of the money and the settler gets all the benefit. In the course of his statement Mr. Angwin further said—

The return showed that of the migrants who left England on or after 25th September, 1922—
that is the date of the commencement of the Imperial agreement—

1,022 assisted passengers for Crown lands were placed on the groups, 192 left, and 11 were dismissed—

There are 200 farms available for somebody else to take on—

The fully paid passengers totalled 55, and of these 15 left the groups. The assisted passengers for repurchased estates, totalled 267, and 42 left, whilst the fully paid passengers totalled 25, and four of these left. The totals under this head showed that out of 1,369 migrants, 253 left their holdings, and 11 were dismissed. Of the local men placed on the land prior to 9th September, 1922, 212 were A.I.F. men, and 145 of these left and 13 were dismissed. The civilians totalled 399, and 181 of these left. Further figures showed that 253 ex-Imperial army men were settled, 121 left, and 20 were dismissed, and out of 36 English civilians, 17 left and three were dismissed.

Throughout the evidence adduced before the Royal Commission, expert officers admitted that success depended upon the personal equation. The principal officers argued rightly that the man who knew his job would succeed on inferior land, but the man who did not know his job would fail on the best of it. It is one class of proposition in such a scheme for wheat growing on large areas of country where all the land is of the same class. It is quite another proposition to go in for dairying and closer settlement, draining land and planting the right crops at the right time in the right way. When the officers were questioned as to how these men would succeed if they had no previous experience, the answer was, and rightly so, "We did not bring them to the country; they were brought here and handed over to us and we had to do the best we could with them." That is quite a fair and reasonable attitude to take up. The officers had had no say in the selection. The men were simply handed over to the officers here, who were instructed to make group settlers of them. The Imperial agreement provides that if we carry out certain conditions we will receive a rebate of interest, one-third by the Imperial Government, and one-third by the Commonwealth Government, for a period of five years, on £6,000,000. The operation of that agreement applies to the number of people we bring to the State. The number we had to bring in was 75,000. The agreement also provides that the State shall render an account at the end of June and of December in each year, in order that the State may obtain this concession from the Imperial Government and the Commonwealth Government. So far as the Royal Commission could find out, no account has been rendered or any claim made against the Imperial Government or the Commonwealth Government. So far as we could judge no one knew how to make out a claim against those Governments. However, to revert to the Peel Estate again: there is evidence that nobody knew where he was, and I do not think anyone knows now, except, perhaps, the members of the Royal Commission who had a fair insight into what was going on. On 23rd January, 1923, Mr. Colebatch, then Leader of the House, told

us that the Peel Estate, when completed, would cost approximately £297,000. But, he said, this would be reduced by the sale of firewood which would show a profit of £30,000. The Royal Commission discussed these matters with the expert officers, and we ascertained that the Peel Estate would cost about one and a-quarter million pounds, and instead of a profit of £30,000 being made on the sale of firewood, a loss of £1,000 had been sustained. These are some of the pitfalls we find ourselves up against. These statements are verified by the evidence. In the Commission's report there is a final paragraph reading as follows:—

Finally, Your Excellency's Commissioners recommend that the Government take immediate steps not only to have the Imperial and Commonwealth agreement applied to the Peel Estate, but to make a supreme effort to improve the terms of such agreement, so that the State may have some more reasonable measure of assistance in fulfilling its part in an admittedly Empire task, duty and obligation.

That is our proposal. We have blundered into this agreement, and 350,000 people are involved in what will entail an expenditure of a million and a-quarter of money on the Peel estate alone, and we will have to find all the money, and unless the agreement is amended, we shall have no redress. So far as the other group settlements are concerned as applying to Crown lands, unless we comply with the conditions imposed under the Imperial agreement, namely, that we give the settlers land and establish them there at the rate of £1,000 per settler, only then can we avail ourselves of the provisions of the Imperial agreement. Getting back to His Excellency's Speech in July, 1922, we find this paragraph:—

The agreement between the Imperial Government, the Commonwealth Government, and the State Government provides that in respect of these 75,000 immigrants £6,000,000 of money shall be made available to the State, in annual instalments in the proportion of £2,000,000 to each 25,000 immigrants.

That is set out in the agreement, and so far as I can learn there has never been any attempt to comply with the conditions of the agreement, and until we do, there can be no rebate of interest. We do not need a Royal Commission to find that out; a Royal Commission has already cleared that up. We find from the Governor's Speech that it is proposed to amend the Land Act and Income Tax Act, 1923, and that a Bill will be submitted to deal with closer settlement.

Hon. A. Lovekin: There is no such Act as the Land Tax and Income Tax Act; it died on the 30th June last.

Hon. J. J. HOLMES: This is what the Speech says—

In order to encourage a higher production from vacant lands adjacent to existing railways, and to permit of closer settlement, an amendment of the Land Tax

and Income Tax Act, 1923, will be sought, and to the same end a Closer Settlement Bill will be introduced.

In view of what I have said, I think there will be a sufficient number of farms to absorb without the aid of a Closer Settlement Bill, all the surplus members of the community who wish to go on the land. Regarding taxation, one is inclined to think that we should have a reduction rather than an increase. In order to successfully produce butter, bacon, etc., in competition with New Zealand, we shall require to take off taxation, because, from cabled reports, we learn that New Zealand proposes this year to reduce its taxation by no less a sum than a million. I have already referred to the two paragraphs dealing with revenue and expenditure and the interest bill. I could occupy the time of members for many hours discussing the financial position of the State but I do not propose to labour that question now. The first paragraph on page 4 of the Governor's Speech appeals to me because it seems that the Federal authorities are going to control the loan expenditure of the States. The Federal Government are going to borrow for us, control our loan expenditure, otherwise it will be difficult to tell what our indebtedness will be in the course of a few years. Regarding the proposed Royal Commission on mining, I do not intend to say anything until members who are interested in the subject have spoken about it. Another paragraph in the Speech says—

The development of dairying in Western Australia continues, and more rapid progress should follow the settlement of group members upon the land. Approximately 16,000 acres of permanent pasture for dairying were planted during the year.

There is no doubt about the productiveness of the soil and what to do with the grass produced from 16,000 acres in years to come will, of course, be a matter for the Government to consider in view of the fact that no provision has been made to supply cows. Next we come to tropical culture. If we proceed on the wise lines suggested by the tropical expert, the Government will not go far wrong. The tropical expert is also satisfied on this point, that the primary products for the North for many years to come will be the breeding of cattle and sheep, to be followed by the development of mining and other small matters such as the cultivation of 10,000 acres with cotton.

Hon. J. Ewing: Cotton is not a small matter.

Hon. J. J. HOLMES: We are also told in the Speech that a number of railways are in course of construction, and I find that the Pemberton-Denmark line has been built a distance of five miles. This takes me back to the session before last when we had a special meeting of Parliament in order that this railway might be dealt with.

Hon. J. Corneli: Pushed on.

Hon. J. J. HOLMES: It was said to be necessary to have a railway from Pemberton to Denmark traversing hundreds of miles,

and costing some hundreds of thousands of pounds. I fought that question and urged that there was a decision of Parliament, behind which we could not go, that railways had to be constructed in the order in which they were authorised. This huge railway construction from Pemberton to Denmark, traversing heavily timbered and difficult country, was to be constructed without sufficient data as to cost. Parliament questioned the necessity for the construction and pressure ultimately was brought to bear from certain directions. The Imperial Government, we were told, were cabling out to us to take more migrants and to enlarge upon our scheme of 75,000 annually. That was in December, 1922.

Hon. J. W. Kirwan: And January, 1923.

Hon. J. J. HOLMES: This House, in order to save the situation, agreed to the construction of 25 miles of line from Pemberton south and from Denmark west, and we said: "When you have carried out that much we will provide additional authority and additional funds." Now we find that in July, 1924, five miles of this railway are under construction out of a total of 28 miles authorised. That is the position at one end and nothing appears to have been done at the other. This, together with the political railways that were put before us in the last session of Parliament, compels us to ask where we are. During the closing days of the last Parliament, when we were on the eve of a general election, we passed, to the discredit of some members, certain railway Bills, knowing well that the lines in question would not be constructed for years to come. We come next to the Esperance railway. I have looked into this matter and I can never honestly bring myself to believe that the construction was justified.

Hon. J. W. Kirwan: What about the Royal Commission's report? The Commission were entirely in favour of it.

Hon. J. J. HOLMES: We have gone so far with that railway that it is no good as it is; it must be coupled up with the main service, and the sooner that is done the better it will be.

Hon. J. W. Kirwan: Hear, hear!

Hon. J. J. HOLMES: Reference is made in the Speech to State insurance. I have quoted a few figures in connection with the State trading concerns, and if State insurance is decided upon, I am afraid the Government will not get any of my money, because the balance sheet of the State steamers shows that the liabilities total about half a million while the assets are worth £100,000. If insurances run on these lines I would not be in a safe position in a case of fire. We find that it is proposed to introduce an amendment to the Industrial Arbitration Act. So far as I am concerned, there must be either arbitration or none at all. If members are prepared to approve of a condition of affairs that will allow the Arbitration Court to fix the rate of pay and conditions of work, and the Government to fix the number of hours to be worked, then instead of

amending the Arbitration Act, we should assist to wipe it out altogether. The position is bad enough now with the court fixing the hours, rates of pay and conditions of labour. That practically takes the affairs out of the hands of the people. When we set up another set of conditions, and the court fixes the rates of pay and conditions of labour, while somebody else fixes the number of hours to be worked, then it is good-bye to arbitration so far as I am concerned. This brings me to the speech made by Mr. Kitson on the Address-in-reply. I have heard that Mr. Kitson is a deep thinker. I am pleased to find, from his speech, that he is already in conflict with the party with which he has become associated. He referred to secondary industries. They are a matter of the greatest importance to this State, and he stressed the subject for some time, and rightly so. But I cannot imagine secondary industries being established in Western Australia under a 44-hour week in competition with the well-established secondary industries of the Eastern States, which work 48 hours per week. Mr. Kitson's references to the apprenticeship system also have my approval. He mentioned the fact that thousands of our young men are working as ordinary labourers when they ought to be learning trades. The reason why they are not learning trades is that the unions have acquired sufficient power to impose conditions preventing young men from learning skilled trades. If Mr. Kitson will carry into the Labour ranks the banner he has unfurled in this Chamber, he will indeed prove an acquisition to the Legislative Council. Now I come to the so-called "fair rents" proposal of the Government. During the general election I took the chair at one meeting: that is all I did. But I seized the opportunity and took the trouble to explain to the electors that, at all events in my opinion, there is as much honesty of purpose in the Labour Party as in any political party, but that the Labour Party's view-point is wrong. Under the Fair Rents Bill introduced last session—I have no idea of what this session's Bill will be—the conditions of house-ownership would have been rendered such as to compel house-owners to abandon their properties, simply because they would never be able to let them at a profit. As I mentioned at the meeting in question, there was a high tide of building in Perth, but the passage of last session's Fair Rents Bill would have meant that in Western Australia not a brickmaker would make a brick, and not a bricklayer would lay a brick, and not a carpenter would drive an adze, for the reason that the conditions sought to be imposed would have prevented the landlord from getting any return whatever from his investment. I have occupied more time than I anticipated, but the seriousness of the situation, as it presents itself to me, is my palliation for having held the House up for so long. I am quite satisfied on one point: the only way we can succeed is to face the situation, and face it now. Therefore I urge upon the Leader of this

House, and upon the Government, to tell us exactly where we are. I have said to Mr. Collier, "Tell us where we are, as at the 30th June last, and then, so far as I am concerned, you will never be asked to accept responsibility for anything prior to that date." This afternoon I have tried to analyse the position, in order to arrive at where we stood on the 30th June, 1924. My figures have been compiled from the records of this Chamber, and they can be verified by any member who cares to take the necessary trouble. I go further and say I am prepared to assist the present Government to smooth the rough road that a great many of our citizens have to travel. There is no denying the fact that Western Australia is financially involved, and at every turn is faced with difficulties that will undoubtedly require the best efforts of all of us to overcome, so that our country may be piloted into a safe harbour. I trust I have not offended anyone in the course of my remarks. All I have done is to try to make a plain statement of facts. Assuredly there will not be any attempt on my part to harass or attack the Government so long as they pursue a safe and sound policy. I have made references to the past, but only because I wished the Government, and also the people, to realise the seriousness of our position and to use their best endeavours to pull the State through. I do not think I can conclude with anything better than this quotation from Abraham Lincoln—

With malice towards none, with charity to all, let us bind up the nation's wounds.

I think I have shown to-day that there are many wounds to bind up, and if I can do anything towards bringing about a happier and a better condition of things in Western Australia, I promise the Government, here and now, that my best efforts shall be available. I support the motion before the Chair.

On motion by Hon. J. W. Kirwan debate adjourned.

House adjourned at 8.7 p.m.

Legislative Assembly,

Tuesday, 29th July, 1924.

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

QUESTIONS (4)—RAILWAYS.

Bridge, North Fremantle.

Mr. SLEEMAN asked the Minister for Railways: 1, Is it the intention of the Government to construct a new railway bridge at North Fremantle, and, if so, what is the estimated cost of construction (a) if built at North Fremantle; (b) if erected across the river at Bicton at the place already tested? 2, What amount has been expended on the present railway bridge at North Fremantle for the year ended 30th June, 1924, and what is the total amount expended on the bridge during the last five years?

The MINISTER FOR RAILWAYS replied: 1, Not for the immediate present. (a) Roughly £625,000, including steel bridge with one lifting span, deviation of main line between North Fremantle and Fremantle, and land resumption. (b) Approximately £700,000. 2, (a) £3,855. (b) £10,381.

Yorkrakine district. Lay-out of Railways.

Mr. GRIFFITHS asked the Premier: 1, Will the Government go carefully into the matter of railway facilities for settlers east and north-east of Merredin? 2, Is the Premier aware that a new wheat and stock province is in process of development in those areas? 3, Will he have a general investigation made into a systematic lay-out for future railways?

The PREMIER replied: The Government are fully aware of the latest developments in the wheat and stock areas of this State, and one of its missions is to provide essential railway facilities as speedily and as systematically as circumstances permit.