

West. Time does not permit me to go into this question fully, and I merely mention the subject in order to direct the attention of the present Government to the report and to ask whether they will use their influence in an endeavour to prevail upon the Perth City Council to at least carry out one suggestion made by the Commission. A most important proposal related to the establishment of a sewage farm in the metropolitan area so that store cattle from the Kimberley district could be placed there to fatten before being killed for consumption.

Hon. J. T. Franklin: That matter is in the hands of the Government; the City Council have nothing to do with it.

Hon. E. H. H. HALL: I am merely dealing with the report as I find it. I am pleased to hear from Mr. Franklin, who is Lord Mayor of the City, that the matter is in the hands of the Government. The establishment of such a farm has been carried out elsewhere, and it would be a wonderful thing for the people if a similar farm were established here.

The Minister for Country Water Supplies: Can you suggest where we can get the money to do it?

Hon. J. Nicholson: That is the point.

Hon. E. H. H. HALL: The project should be tried out. We need not endeavour to do so on a big scale straight away. Let us experiment. Let us see if our people cannot enjoy similar benefits to those available to people elsewhere. I have read the evidence tendered to the Royal Commission and I noticed that, although it was rather apart from his usual line, our Engineer-in-Chief favoured the proposal, which also appealed to our Principal Medical Officer. I hope the Government will not lose sight of this proposal, and although we may not have the money available now, we do not know when the gods will favour us and another Golden Mile will be opened up. Should that happen, all our worries and troubles would disappear. I shall not indulge in repetition. Mr. Kempton dealt with an important matter when he referred to the provision of railway facilities for settlers in the Central Province. I realise that we have no money for the work at present, but the people there are living in the face of great disabilities, and I am sure that Mr. Drew will also refer to the question when he speaks. I shall say

nothing further on that subject, and thank hon. members for having listened to me so patiently.

On motion by Hon. G. Fraser, debate adjourned.

House adjourned at 8 p.m.

Legislative Assembly,

Wednesday, 27th August, 1930.

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

QUESTION—NEWMARKET HOTEL.

Mr. MARSHALL asked the Minister for Railways: 1, Is it a fact that the Newmarket Hotel is situated upon land which is the property of the Railway Department? 2, Is the hotel leased, or is it managed on behalf of a Government department? 3, If leased, was this done by tender or by private treaty? 4, What were the terms and arrangements of the lease generally?

The MINISTER FOR RAILWAYS replied: 1, No. 2, 3, and 4, Answered by No. 1.

QUESTION—LICENSES REDUCTION BOARD.

Mr. MARSHALL asked the Attorney General: 1, Is it a fact that the Licenses Reduction Board has been re-appointed for a further period of three years? 2, What is the total cost of wages and salaries connected with the working of this board? 3, What is the total amount of allowances, including fares, etc.? 4, To what accounts will these costs be charged?

The ATTORNEY GENERAL replied: 1, No. The Licenses Reduction Board is not

appointed. The Licensing Magistrates are appointed, and under Section 83 of the Act they ex officio also constitute the Licenses Reduction Board. The Licensing Magistrates have been appointed pursuant to the Act, but subject as to terms of office and salary to any amendment to the Act. 2 and 3, The total cost of salaries and allowances of the Licensing Court incurred in the exercise of both its functions last year was (a) salaries, etc., £3,216; (b) allowances, etc., £510. Of these sums two-thirds was charged against the Compensation Fund and one-third against the cost of Magistrates. For the current year it is expected that the amounts will be substantially reduced. 4, The allocation of the expenditure for the current year is under consideration.

QUESTION—ELECTRICITY, STATE LOANS.

Mr. SAMPSON asked the Premier: What amount of money has been loaned by the Government to municipal councils, other authorities and private companies, if any, for electric power, equipment, and installation expenses within a radius of 120 miles of the Government generating station at East Perth?

The PREMIER replied: The amounts made available by the Government by way of loans for electric light purposes to local authorities, within a radius of 120 miles from Perth, are as follows:—Municipalities: Busselton £2,500, Guildford £3,000, Midland Junction £3,000, Wagin, £2,500; total £11,000. Road Boards: Dumbleyung £2,500, Dowerin £2,000, Mt. Marshall £1,000, Moora £3,000, South Perth £5,800; total £14,300. Grand total £25,300.

ADDRESS-IN-REPLY.

Third Day.

Debate resumed from the previous day.

THE PREMIER (Hon. Sir James Mitchell—Northam) [4.37]: Whilst the Leader of the Opposition was speaking last night a very important event occurred, much more important than the speech, important as that was. Rain fell all over the State. In fact, there was a considerable fall of rain throughout the wheat belt. At this stage I do not propose to say much of what I shall say when introducing the Budget. I

desire to thank the Leader of the Opposition for the words of encouragement and congratulation he bestowed on the Government. I am sure the hon. gentleman was perfectly sincere in congratulating the Government on having assumed office. I appreciate also his references to my old colleague Mr. W. J. George, who for some time has been laid aside by ill-health. We regret the retirement of the old members. As the Leader of the Opposition said, friendships are made in this Chamber. On the 3rd October next Mr. Collier and I shall have been together here for 25 years. The member for Kanowna (Hon. T. Walker) came to this Chamber at the same time.

Hon. P. Collier: That was a notable year. The PREMIER: A wonderful year for the country.

Mr. Panton: You are optimistic.

The PREMIER: Perhaps my friend is pessimistic. Undoubtedly the pessimist is the greatest of optimists, since he has so unflinching a belief in his own judgment. He always thinks he is right. I am also sorry that three members of the Opposition are no longer with us—Mr. Chesson, Mr. Rowe and Mr. Lambert. We shall miss them. I desire to welcome the many new members who find a place in this Assembly. The Leader of the Opposition said he regarded the 1927 general election as ideal, there being only one change and the strength of the parties remaining as it had been before the general election. I am inclined to believe that from now onwards such a situation would be ideal. For my part I am perfectly willing that the present position should continue indefinitely. The Leader of the Opposition also said that the Minister for Mines knew when to come back. Undoubtedly the Leader of the Opposition knew when to go out. I observe that the member for South Fremantle (Mr. McCullum) has received promotion. Presumably the Leader of the Opposition is so satisfied with the manner in which that hon. member conducted the last general election that he has promoted him to the deputy leadership. At any rate, the hon. member deserved this promotion because of the general election, in which he certainly worked most strenuously and left undone nothing that could be done. I shall be glad now of the opportunity of replying to many of his statements. I cannot say I admire the cari-

captures which he placed on hoardings all over the State, but I acknowledge that no one could have done better than the member for South Fremantle during the election campaign. In my opinion the people are fairly sick and tired of rigid party politics. We must realise, too, that Labour is now merely a party name. Now I wish to reply to an attack made by the Leader of the Opposition on the Premier of Queensland. It is notable that he had to go right out of this State to find someone who had said anything against the Prime Minister.

Mr. Panton: Now, if you had travelled to Queensland—

The PREMIER: I have never visited Queensland.

Mr. Panton: Queensland and Menzies are the only two places you ever mention.

The PREMIER: The hon. member interjecting was severed from Menzies, and so it was safe to mention that place. He has travelled from a centre having one set of interests to another centre with a totally different set of interests.

Mr. Panton: It shows my versatility.

The PREMIER: The Premier of Queensland, Mr. Moore, is a very charming man and not at all disposed to strife. It is not always the man who uses most words that does most at a conference. At every conference of Premiers which I have attended the man who had most to say did the least. At the last conference of Premiers I thought and said that the Prime Minister of Australia should go to the Empire Conference. I believe his presence there to be imperative. In my opinion, his attendance in London will tend to strengthen the bonds of Empire and also do our financial interests at Home considerable good. I hope we know how to treat decently the Prime Minister whilst he is in this State. We always do, and at the gatherings we attend, the Leader of the Opposition will agree, we are careful not to touch on party politics. We make no distinction between parties when the Prime Minister comes to Western Australia. That is as it should be. The hon. gentleman also said something about secession, declaring that it was being made a party question. However, I was able to remind him that many years ago I voted for the motion moved by the then member for York, the late Mr. Fred Monger. So I have not changed my views

very much in the meantime. We can all have our opinions on this question and discuss it well away from party politics. The hon. gentleman and Mr. Bruce stood together in support of the amendment of the Constitution that led up to the Financial Agreement, whereas I stood by Mr. Scullin, and we opposed that amendment of the Constitution and the Financial Agreement. So sometimes we do agree, even though we sit on opposite sides of the House, they over in Canberra and we here. I heard the other day from the great white chief of the Trades Hall, Mr. Mooney, that there is to be a double dissolution. I did not see much evidence of it whilst I was over in Melbourne, and I do not know anything about it.

Mr. Panton: He is the power behind the throne, and so he should know.

The PREMIER: Well it cannot happen while the Prime Minister is away. Of course any Prime Minister who leaves Australia takes some considerable risk, and Mr. Scullin has taken a risk in going Home just now. I think the Leader of the Opposition is wrong when he says we cannot differ on this question of secession without making it a party question.

Hon. P. Collier: As a matter of fact I did not discuss secession yesterday.

The PREMIER: Oh yes. Of course, if the hon. member now withdraws what he then said, I will say no more about it. Many members on this side of the House oppose secession, while other members sitting in opposition favour it in their hearts. It is only right that we should take individual views on the question. Mr. Mooney spoke frankly and honourably about that and his support of unification.

Mr. Panton: He is entitled to his opinion.

The PREMIER: Yes, I am pleased that he has an opinion on it. The hon. member often voices an opinion.

Mr. Panton: Yes, my own, not his.

The PREMIER: I am glad you have told me so. The Leader of the Opposition referred to the financial position, and agreed that the Loan Council had come to the right conclusion, and that we were doing all we could to find work. He said we must increase production. With that I entirely agree. I agreed also when he said further that if the

market price falls, we must still struggle to make up the loss of national income by increased production. That is entirely sound. I agreed, too, with his statement that we must reduce imports. I think we have always given the local producer preference, and a substantial preference, too, when we set out to buy goods. Another thing I agree with the hon. member about is the cutting down of our imports from the Eastern States. As a Government we are endeavouring to do that. I venture to say that when we do produce our own requirements we shall have gone a long way towards reducing the cost of living, for we have to pay freight and handling charges on all produce of the Eastern States that is brought over here. Then, too, by this importation we are keeping tens of thousands of people in the Eastern States doing things that we could do ourselves. Of course, our smaller population makes it almost impossible for us to establish factories on anything like a large scale. The cost of production here would be greater because of the smaller population. But with our ever-increasing area under crop we shall yet find a way. The ex-Minister for Agriculture will be pleased to know that the increased area runs into hundreds of thousands of acres. With the average increase in area there ought to be room for the establishment of a first-class manufactory of agricultural machinery here in this State. The increase in area under crop in Australia is due largely to the activities of Western Australia. Twenty-three years ago we had a thirtieth of the total area under cultivation in Australia. In the meantime Australia has doubled that total area and we have to-day one-fourth of the total area under crop in the Commonwealth. So it ought to be possible for some manufacturer in a big way to establish himself here and produce agricultural machinery. It would do much to find employment for large numbers of tradesmen.

Mr. Sleeman: It would be possible, if only we patronised the works when we got them here.

The PREMIER: We are doing it now. We patronise all the manufacturers of the Eastern States as it is. They have nothing to complain of. We certainly are selling practically all the machinery that we manufacture here to-day, but it should be possible

to do a very greatly increased trade in agricultural machinery. At present we are importing large quantities, principally from the Eastern States. I want to correct a wrong impression in the mind of the Leader of the Opposition.

Mr. Sleeman: Who ought to be the Premier.

The PREMIER: Perhaps. Certainly he would have been had not the people spoken. It reminds of a little story of a man before the court. The judge was about to make an order on the defendant's salary. The defendant protested that it ought not to be done, but of course the judge made the order, and that was the end of it. The Leader of the Opposition knows that the people have spoken, and so the change has come about. The hon. member declared last night that I had known just as much about the financial position as he did. I want to assure hon. members that I did not know it, and that they did not know it, either.

Mr. Willcock: That is very weak.

The PREMIER: Yes, exceedingly weak. Still, the hon. gentleman himself did not know it.

Mr. Willcock: Yes, I did. Anyone who did not know it did not use his intelligence.

The PREMIER: I think the hon. member used every ounce of intelligence that he had, and still he did not know it.

Mr. Willcock: Every intelligent man knew it.

The PREMIER: I swear the hon. gentleman did not know it.

Mr. Willcock: Well, you would be swearing a falsehood, and I am sure you do not want to do that.

The PREMIER: From now on we are going to have a very unpleasant time. There is a little book on cricket which I advise the hon. member to get and read. It shows the spirit of England, the spirit that all Britishers ought to possess.

Mr. Kenneally: Did the hon. member read it before he went on the hustings?

The PREMIER: Yes. If the hon. member had read it before he went to Northam a few days ago it would have saved him a great deal of trouble. Had I known the financial position to be as I found it on taking office I certainly would not have promised to provide straightway work for everybody.

Mr. McCallum: You took great credit for making the statement.

The PREMIER: I made a similar statement years ago and carried out my promise. And I could have carried it out on this occasion had the finances been as we were given to understand they were. Even the hon. member did not know the position, for he said in the Press, "Build the Fremantle harbour and the Fremantle bridge. You have the authority to go ahead." Of course by implication he said the money was there, or that the Loan Council's authorisation was available.

Mr. McCallum: I did not say the money was there. That is more of your misrepresentation. You had better read that cricket book again, for you have already forgotten what you read.

The PREMIER: Did the ex-Minister for Agriculture know the position? Of course he did not; else he would not have made the statement he did. This is what the hon. member said—

It had been suggested that the Government with which he was associated had failed to control public finance successfully. The records disproved such assertions. All departments had been economically and ably administered.

Of course that may be true, but surely he should have got someone else to say it for him.

Mr. Millington: You were not too modest yourself.

Hon. P. Collier: In respect of forestry you declared that everybody said you did wonders when there before. There was no modesty about that.

The PREMIER: No but it was perfectly true. This is what the Leader of the Opposition himself said—

His Government had brought Western Australia to a higher peak of prosperity than is to be found in any other State in the Commonwealth.

And the hon. member freely advertised all over the State that his was the best Government in Australia. He went out Mr. Scullin, the Prime Minister and all his box of tricks and in costly advertisements day after day told the people that the Collier Government was the best in the Commonwealth. He also went on to say that during my five years of office the deficits totalled £2,700,000. Of course they did, because I inherited a very big deficit. The annual deficit which, according to the hon. member, was £688,000 when I took office was reduced in my last

year of office to £229,000, which the hon. member himself said was quite satisfactory. To quote the total deficits during my term of office was to tell the truth with bad intent. There is no doubt about that. It has been said that it is better to lie with good intent than to tell the truth with bad intent. It is true that each year I had a deficit.

Mr. Willcock: Is that your excuse for telling the people those tales before the election?

The PREMIER: I did not tell the people a fraction of what the hon. member told them.

Mr. Willcock: Yes, you did.

The PREMIER: Every day I am being confronted with promises given by the late Government and I have to endeavour to find the money necessary to fulfil them. Anyhow, my success in reducing the annual deficit from £688,000 to £229,000 was a pretty good result. I suppose it was good electioneering propaganda to total up the deficits during the whole of my term, forgetting the deficits incurred in the preceding years, and leave it at that.

Mr. Millington: But those figures were correct. There was no harm in publishing correct figures.

The PREMIER: But it was the manner in which they were published. The statement, as published, was absolutely incorrect. The hon. member should have said that from 1911 onwards there had been deficits every year and growing all the time. Yet he has rightly acknowledged in this House more than once that during my term of office I reduced the annual deficit by over £400,000 as I have shown.

Hon. P. Collier: Since 1910, I think.

The PREMIER: No, since 1911.

Hon. P. Collier: We had a small surplus in 1910, but we had deficits before that.

The PREMIER: Since Federation we have shown surpluses on only two occasions, one of £28,000 and one of £11,000. We are not likely to achieve any great credit balance in future, living as we must by direct taxation. I have quoted these figures to indicate to members opposite that when using figures they might explain the exact position. Members opposite say they knew all about the finances. What was the Loan Council position at the 31st December, 1929? That is important.

Mr. Willcock: Everyone knew that we were spending money and that the over-

draft must be going up accordingly, because we were not getting any loans.

The PREMIER: We were getting loans.

Mr. Willcock: We were not.

The PREMIER: Last year we got a loan. The hon. member does not know the position even now.

Mr. Willcock: I am talking of the overseas position.

The PREMIER: The position is that since the 30th June, 1927, we have operated under the Financial Agreement and money is raised for us by the Commonwealth Treasurer. I have explained that we have always used our State funds and cash reserves to meet loan expenditure that could be restored later by borrowing. In the past those funds have always been restored. By using them temporarily we have saved interest charges.

Mr. Willcock: Except when the rate went up to 6 per cent.

The PREMIER: As a matter of fact, the London overdraft rate was 3 per cent. and on the bonds we pay $5\frac{1}{2}$ to 6 per cent. and we have saved probably £30,000 a year. Under the altered conditions now prevailing we cannot restore the money. I wish the ex-Premier had taken the people into his confidence regarding the whole of the financial position. At the 31st December—these are the latest figures that were available before the election—the overdraft on London account was £359,000, and the overdraft on loan account £445,000, and we had £97,612 cash in the Treasury. On the 30th June the deficit to loan account was £2,096,518. When I took office a total of £2,500,000 had been expended but not raised, and the trouble is that we cannot get from the Commonwealth Government one penny of that sum to finance loan work. A still more unfortunate fact is that we are not going to get it for some considerable time. If it were repayable from the loan raised in Australia, it would not be paid over to us. South Australia is in the same position, except to a greater extent, and I think the same thing applies to some of the other States as well.

Hon. P. Collier: What is the overdraft now?

The PREMIER: A little over £1,000,000.

Hon. P. Collier: Then it has been reduced.

The PREMIER: Yes.

Hon. P. Collier: By the Commonwealth Government?

The PREMIER: There was about £8,000,000 outstanding altogether and our creditors became a little restless about it. While they were perfectly satisfied with our account, they wanted some reduction of this enormous total.

Hon. P. Collier: At the February Loan Council a reduction of overdrafts was insisted upon.

The PREMIER: Some slight reduction was made. On the 31st December the amount was £1,100,000. On the 30th June it was £1,450,000. Now it is down to about £1,000,000, but we cannot draw any further. We are simply paying in reduction of the total.

Hon. P. Collier: But you are still going on increasing the overdraft.

The PREMIER: Not for the moment. We increased the overdraft in London by paying our interest there, and it was restored to us by the Commonwealth Government from the funds we paid here. Last night I explained to the House that we have now to transmit the interest from Australia to London, and we have to pay monthly, whereas the indebtedness is spread over the whole year. Following the statement by the Leader of the Opposition that we did not borrow overseas during the past 12 months, I should like to make the position quite clear. Of course we have not raised money on the London market, but a short term loan of £36,000,000 was raised. The change-over is this: while last year we borrowed that money in London, this year we have to transmit the £36,000,000 from revenue collections to London, which makes the financial position of Australia still worse.

Hon. P. Collier: That has not been done with the £5,000,000 falling due next month.

The PREMIER: No.

Hon. P. Collier: The £5,000,000 has been issued to cover that.

The PREMIER: The £36,000,000 borrowed in the past at short term will be converted. It cannot be paid off. That secured our interest again for last year and we did not have to send the £36,000,000 from Australia.

Hon. P. Collier: But £5,000,000 worth of Treasury Bills fall due next month.

The PREMIER: Yes, on the 2nd September.

Hon. P. Collier: That has been covered by the issue of another short term loan.

The PREMIER: We do not know of that yet.

Hon. P. Collier: It is stated in this morning's paper.

The PREMIER: It might be convenient to renew it for another six months, and then float it into a long-dated loan. But the £36,000,000 covers the interest of last year. The difference between last year and this year is that Australia must now send £36,000,000 to London, which amount includes the indebtedness not only of the Governments but of public bodies also.

Hon. P. Collier: That is by the end of December.

The PREMIER: No, by the 30th June next.

Mr. Willcock: Each month we have to provide £3,000,000.

The PREMIER: Yes, covering the interest due by Governments and by public bodies. The average loan expenditure over six years has been £4,160,000. Now we shall come down this year to about £2,000,000 or probably a little less. This reduction in loan expenditure represents the equivalent in wages for 6,000 men. The present session will have to be devoted largely to finance, because we must balance the Budget and find means to carry on. When money comes to the Treasury freely, as it has done in the last few years, new avenues of expenditure open up. That is always the trouble. When times are good, we all endeavour to render wider service to the people, but when hard times overtake us, it is difficult to find the money with which to carry on. We should realise that expenditure from year to year is certain, and it is just as certain that expenditure in new avenues has a tendency to increase. The revenue receipts, on the other hand, are always uncertain.

Hon. P. Collier: The expenditure is increasing every year in all departments.

The PREMIER: Yes.

Hon. P. Collier: That fact was overlooked when the figures relating to the increased revenue received during my six years of office were published.

The PREMIER: Not at all.

Hon. P. Collier: The figures relating to revenue during my term were broadcast, but nothing was said about the increase of expenditure.

The PREMIER: The interest was spread over a wide field.

Hon. P. Collier: It looked like "£10,000,000 more in six years. What have we done with the money?"

The PREMIER: The expenditure was £18,000,000 in five years, an enormous amount. The Leader of the Opposition does not deny that £18,000,000 is an enormous sum.

Hon. P. Collier: It is not greater than the increase over the corresponding six-year period.

The PREMIER: It may not have been, but the revenue of the Leader of the Opposition was double in that case, because he had all the increase of the previous six years, plus the £18,000,000.

Hon. P. Collier: So was my expenditure doubled.

The PREMIER: Yes. I have just explained that in easy times we open up new avenues of expenditure. In six years my friends in office spent £25,000,000 on loan works. This is more than one-third of all we owe to-day, and at 5 per cent. represents an added interest bill of £1,250,000. We do not have to pay the £1,250,000 because we have to deduct the interest on the cancelled stock. We have in this State borrowed £86,000,000 and paid off £15,000,000, including £8,000,000 in stock which was cancelled when the payments on the sinking fund terminated in London, plus £2,500,000 paid for the goldfields water supply loan. Altogether over the years during which we had the sinking fund, we have paid about £15,000,000 of our indebtedness.

Hon. P. Collier: Actually we paid off nothing, because there was the deficit in the previous years. We borrowed money to pay to our sinking fund, and thus only added to our interest bill. We have all had to do that.

The PREMIER: The hon. member will admit that if we had not had the sinking fund we would have had to do this all the same. It is a fact that we covered every loan in connection with our deficits and losses of borrowed money. This cannot be said of any other State.

Hon. P. Collier: Yes.

The PREMIER: If it were not for the fact that we have paid so much of our past indebtedness, this interest on the loan of £25,000,000 would be a difficult burden to bear. The Leader of the Opposition said no money had been raised in London since

1929. I have explained what that meant. We did raise money but not in the ordinary way. If we had raised it in the ordinary way we would not be in the tight place we now occupy for loan money. The Leader of the Opposition admitted that nothing could be done now in view of the financial position. I think until we assumed office he was the only man who knew the exact financial position. Neither he nor we expected there would be a deficit of £500,000. The Leader of the Opposition said something about interest rates. He will know that in Australia the interest rate is governed to a great extent by competition. We have both State and Commonwealth Savings Banks. When the Leader of the Opposition was in office the interest rate of the Commonwealth Bank was increased. This meant an increase in the interest of the State Savings Bank rates. We are now paying up to $5\frac{1}{4}$ per cent. on fixed deposits. That is a tremendously high rate for short-term deposits. The competition between the two banks has certainly put up the rate. In the various banks throughout the Commonwealth no less an amount than £230,000,000 has been deposited. In every State there is a Commonwealth Bank. Some of the States are paying nearly 5 per cent. on daily balances.

Hon. P. Collier: It is a foolish proposition.

The PREMIER: Yes. There can be no reduction in the general interest rate while that competition lasts. We were all of us in Australia wrong in doing more than care for the small savings of the people. There was a time when there was cheap money, but that no longer exists. I would not care what was paid on small savings, but whilst there is a limit on which the maximum interest is paid there is no limit to the number of accounts. The State Savings Bank cannot reduce the interest rates while the Commonwealth Bank keeps them up. The Leader of the Opposition had something to say about the allowances paid to public servants on the goldfields. Every man in the Civil Service is subject to one or other method of having his salary or wage fixed. In the Civil Service the Public Service Commissioner fixes the salaries. The Government do not do it, and it would not be right that they should. We passed the Public Service Act to give the service and the State some protection. It would be an easy matter to increase salaries in a generous fashion in good times, but in bad times it would be perfectly im-

possible to meet the expenditure involved. We therefore adopted this means of handling the position, and no one has questioned it. We also have the Arbitration Court. During the elections the member for South Fremantle (Mr. McCallum) said he believed in arbitration and conciliation. So do I. I hope every member will agree that where salaries are fixed, and wages and conditions are fixed, the proper tribunal for the workers is the Arbitration Court, and for the Public Service the Public Service Commissioner.

Mr. Willcock: This is a new departure. For 28 years we have had the Arbitration Court, and it has never exempted the district allowances. It is an entirely new policy, started now.

The PREMIER: No. The Leader of the Opposition said an allowance was awarded to some miners.

Mr. Willcock: The Minister for Mines said that.

The PREMIER: I think it was the Leader of the Opposition. Since this case has to go before the court, I do not propose to discuss it here. I believe in arbitration, and that the court should be allowed to decide matters untrammelled by any influence that might inadvertently be brought to bear upon it by statements made outside the court. Not a word has been said by the Government on the matter, and I do not propose to say anything now. I should, however, like to say a word or two in reply to Mr. Somerville, a member of the court. I do not know what he meant when he asked to be assured by the representative of the Government, Mr. Thomas, who was the representative also of the previous Government, that the application had no relationship whatever to the change in Government. His remarks were—

There is one phase of the question which is not a very pleasant one, but still it is essential that it be mentioned. Will you assure me that these applications have no relation whatever to the change in the political character of the present Government for that of the Government which entered into all these agreements?

Mr. Kenneally: There was every reason for him to seek the information.

The PREMIER: It was a wrong thing to do. He is in the position of a judge. He will hear the evidence submitted to him by each side, by the unions, and the representatives of the Government, and upon that evidence he should decide the question. What

has the political complexion of the Government to do with the matter submitted to the Court?

Mr. Kenneally: It should not have anything to do with it, but in this case it has. The Premier departed from existing custom in that respect by instructing the Commissioner to do certain things.

Mr. Panton: Surely Mr. Thomas did not make the move himself.

Mr. Kenneally: Nor did the Commissioner. The Government's instructions are being carried out in the court. You know that.

The PREMIER: The hon. member knows more than I do about it. He usually does. Knowing nothing he knows everything.

Mr. Panton: Now you are getting emphatic.

The PREMIER: I hope no member will agree that Mr. Somerville's statement was justified.

Mr. McCallum: He did right. Who is to apply on behalf of those outside the railways?

The PREMIER: What has that to do with politics?

Mr. McCallum: Why deny what the Government are doing?

The PREMIER: I do not.

Mr. McCallum: You did just now deny it.

The PREMIER: I did not. The Commissioner of Railways has charge of his men. The hon. member makes an assertion but he knows it is not true.

Mr. McCallum: Do you deny that the Government have issued these instructions?

The PREMIER: One does not issue instructions to Mr. Somerville or to anyone else.

Mr. McCallum: Oh no!

The PREMIER: We have the case prepared and submitted to the court like any other decent people. Would it not be a splendid thing if we waited until just before the next election and gave everyone an extra 10s. a day?

Mr. McCallum: Just as sound as waiting until after the elections, and then cutting everyone down.

The PREMIER: We have not cut them down at all. The Arbitration Court was appointed by members sitting opposite, and it has been asked to decide the question. Arbitration is the law of the land, and it should be enough for anyone. If it is good enough

for men employed by the Government, it should be good enough for men working on the mines.

Mr. Kenneally: You said you were prepared to protect the standard of living of the workers when you came into power.

The SPEAKER: Order!

The PREMIER: So we do. It is extraordinary that the people, the Federal Parliament, who impose taxation upon the worker, are always applauded, whereas the Government, which gets mighty little in direct taxation from more than 10 per cent. of the people of the State, are always being cried out against. Of course we want to raise the standard of the workers. I assure the hon. member that the party to which he belongs consists of trade union officials plus members of Parliament, and not the unionists outside. Why cannot we abide by the law of the land just as well as the people outside have to abide by it? Why must we have all this propaganda? The member for East Perth (Mr. Kenneally) was in Northam the other night.

Hon. M. F. Troy: Why have you not fulfilled your electioneering promises?

The PREMIER: I shall fulfil them in good time.

The SPEAKER: Hon. members must keep order!

The PREMIER: The hon. member was not in his place, and did not hear my remark. Many promises were made that no one heard of at the time, but I am hearing of them every day.

Hon. M. F. Troy: Do the things you said you would do.

The PREMIER: We will do those things.

Hon. M. F. Troy: Do the things you promised to do. It is a low-down take-down.

The PREMIER: That was a low-down remark. Let members opposite carry out one-twentieth part of the promises they made, and let them justify their lack of fulfilment to the electors.

Mr. McCallum: Work for all!

Hon. M. F. Troy: Within a fortnight!

Mr. McCallum: Work for all!

The PREMIER: At any rate, the present Government have not squandered money while men have starved.

Mr. McCallum: Work for all!

Opposition members: Yes, work for all!

The SPEAKER: Order! I must ask hon. members to keep order.

Hon. M. F. Troy: You should talk about squandering! What about the group settlements?

The PREMIER: The hon. member did not help them.

Hon. M. F. Troy: Look at the Peel Estate proposition!

The SPEAKER: Order! I must ask hon. members to keep order. They will have an opportunity to reply to the Premier later on.

The PREMIER: The hon. member, who was Speaker of this House for a number of years, should know how to behave himself.

Hon. M. F. Troy: I got a lot of gratitude from you!

The PREMIER: What for?

Hon. M. F. Troy: I had to clear up your muddle, and while I was doing the work you were in the country doing your best to misrepresent me.

The PREMIER: Mr. Speaker, I never bother about people who do not count!

Hon. M. F. Troy: I had to clear up your wretched muddle, on which you had spent £1,000,000.

The PREMIER: There is another of those statements! The truth is I spent £1,000,000.

Hon. M. F. Troy: And that led to the expenditure of £4,000,000, and we had to clear up the muddle.

The PREMIER: If hon. members read the statements I made in the "West Australian," they will know that what I say is correct. I spent £1,000,000 and the hon. member was responsible for the larger amount.

Hon. M. F. Troy: You know that is not the position.

The PREMIER: The most miserable thing in public life in these times is represented by these mis-statements. Correct them as we may, they are repeated time and again, despite those corrections. Prove these mis-statements ever so wrong, so untrue and false, yet they go on!

Hon. M. F. Troy: You are wonderful! You never put your own money into propositions in the South-West!

The PREMIER: For the information of the hon. member, I would remind him that the pessimist is the greatest optimist because he has such an infallible belief in his

own judgment. The hon. member is the greatest optimist.

Hon. M. F. Troy: You never had any faith in the South-West! You sold land there and would not put a bob into it!

The PREMIER: As a matter of fact, I put a few pounds into it. I note that this sort of procedure is applauded by the hon. member and by men of the type who sit behind him.

Hon. M. F. Troy: You must have been a bit of an optimist, for you would not put your own money into the work there.

The PREMIER: Mr. Speaker, am I to proceed or not?

Mr. SPEAKER: I must ask you, Mr. Troy, to kindly cease from interjecting.

The PREMIER: I have largely said what I wish to say. I shall have an opportunity shortly when I introduce the Budget to deal with many other matters. In the course of his speech, the Leader of the Opposition said that the State was all right, and the country was sound. It was not always so, but now we all believe that the land is capable of producing what we require and a great deal more. The hon. member also referred to the fall in the export value of wheat. Last year we received about £550,000 less for wheat than we were paid in the previous year, when about 12,000,000 bushels remained in the State. Then again, the price of wool dropped, and we received £1,100,000 less last year than in the previous year. That was a serious drop in value. The production of butter has increased rapidly, and about £100,000 worth less was imported last year than during the previous year.

Hon. P. Collier: The prices of sheep and lambs are down, too.

The PREMIER: Yes.

Hon. P. Collier: I do not know that there has been a corresponding reduction in the prices of mutton and lamb.

The Minister for Agriculture: There has not been that reduction.

The PREMIER: That may provide the Leader of the Opposition with an opportunity to start a butcher's shop.

Hon. P. Collier: And bring down some of my sheep.

Mr. Willcock: But Parliament would not agree to legislation that would have curtailed undue profiteering!

The PREMIER: I believe that Bill was passed in this Chamber.

Mr. Willecock: That is so.

The PREMIER: Then the hon. member cannot complain of the action of this House. Last year our exports were less than before, particularly with wheat and wool, but, nevertheless, we must go on with the work of development and production. We cannot do it from revenue, and so far as it is possible, the State will have to do it from the limited loan funds that will be available. The losses in connection with the railways were considerable last year. These were due, in part, I suppose, to the fact that so much of our wheat remained in the country. I hope that the carry-over will expand our exports this year, and help to restore the balance. Then again, the competition of motor facilities had an adverse effect upon the railway finances, and we propose to deal with that phase. We cannot afford to keep railways and have road competition side by side. Both represent the expenditure of large amounts necessary for upkeep, and we should not be asked to do that. I hope that the railways will show a profit in the near future. The Leader of the Opposition also referred to the cost of production and said that when people talked about it, they always thought of wages. As he pointed out, wages do not represent the only factor in making up the total cost of production. No doubt increased tariffs have led to excessive prices for commodities. While fertilisers are made locally, nearly all the machinery and so forth, which is required on a farm, is imported. Interest is high owing to the excessive Governmental borrowing in Australia, and then we have the tariff, which is ever-increasing, adding to the burden of taxation. I presume it is known to every hon. member that of the three taxing authorities in Western Australia—Federal, local and State—the takes least of all from the people. Last year the State received little more than £1,500,000 as against £1,600,000 that the local authorities collected. In the latter instance, the imposts represented almost entirely a tax against land. The Federal taxation was much higher than that of the State and local authorities combined. On top of that, there were additional charges regarding workers' compensation and so on, all of which imposed a considerable burden on the producers of this country. Thus it will be seen that when we

talk about the cost of production, wages represent merely a part, and there are other phases in connection with which we should endeavour to bring about a reduction. The tariff has placed a heavy burden on primary production and it is in that direction that we should aim at reducing costs considerably. It must be remembered that the primary producer is in competition with others in the world's markets, and that makes the position impossible for the producer in Australia. I have nothing more to say at this stage.

On motion by Mr. McCallum, debate adjourned.

House adjourned at 5.40 p.m.

Legislative Council,

Thursday, 28th August, 1930.

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

QUESTION—GOVERNMENT MOTOR CARS.

Hon. G. W. MILES asked the Minister for Country Water Supplies: 1, How many motor cars are at present owned by the Government? 2, How many Government motor cars are not at present in use? 3, Is it a fact that the Government recently purchased two new American cars for the Group Settlement Branch, Lands and Surveys Department? 4, If so, how do they reconcile this with their economy and trade within the Empire policy?

The MINISTER FOR COUNTRY WATER SUPPLIES replied: 1, 140. 2, All are in use or are worn out and in process of sale. 3, Yes. 4, New cars were essential for the class of work required,