

2; House, 4; and Printing, 2. I now ask the House to make those appointments.

Hon. A. L. LOTON: I call for ballots to fill the various vacancies.

Ballots taken.

Result of Ballots.

The ballots resulted as follows:—

Standing Orders.—The President, the Chairman of Committees, the Chief Secretary (Hon. H. S. W. Parker), Hon. C. F. Baxter, and Hon. G. Fraser.

Library.—The President, Hon. J. G. Hislop, and Hon. A. Thomson.

House.—The President, Hon. J. A. Dimmitt, Hon. W. R. Hall, Hon. Sjr Charles Latham, and Hon. C. H. Simpson.

Printing.—The President, Hon. W. J. Mann, and Hon. E. H. Gray.

House adjourned at 6.2 p.m.

Legislative Assembly.

Tuesday, 27th July, 1948.

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

MOTION—CONDOLENCE.

Late Hon. W. D. Johnson, M.L.A.

THE PREMIER (Hon. D. R. McLarty—Murray-Wellington) [4.32]: I move—

That this House desires to place on its records its profound sense of the loss sustained in the passing of the late Hon. William Dartnell Johnson, a member of this House, and that an expression of the sincerest sympathy of members be conveyed to his widow and family by Mr. Speaker.

I regret the necessity for moving the motion. The late Mr. Johnson passed away during the Parliamentary recess. He was a New Zealander by birth and came to this State in the 90's. He was first elected as member for Kalgoorlie in 1901, when he entered the Fourth Parliament. At the time of his death, he represented Guildford-Midland in the Nineteenth Parliament, an indication of an active political life over a period of 47 years, during which he was a member of this Assembly. I understand that at the time of his passing he was the only remaining member who had served in Parliament when it was located somewhere in the Terrace prior to its transfer to Harvest-terrace.

The late Mr. Johnson held responsible positions as a Minister of the Crown in the English Government and in the Scaddan Government. He also served as Speaker and for a time was Leader of the Opposition. In short, he had a distinguished Parliamentary and public career. He was a keen student of politics and a hard worker in the interests of the State and of his constituents. He was anxious at all times to maintain the highest traditions of our Parliamentary and democratic institutions. We all know that he was a keen family man and a great lover of his home. I am sure all members extend their sympathy to his family in their great loss.

HON. F. J. S. WISE (Gascoyne) [4.34]: In seconding and supporting the motion I would like to point out that in the passing of the late William Dartnell Johnson the Party I represent has lost the services of one who had been associated with it for a lifetime. The late Mr. Johnson always played a very active part on this side of the House in association with members of this Party. For many years he was Chairman of our Parliamentary Labour Party. In debate, we always knew that the alert

mind of the late honourable member gave him equipment with which to counter many criticisms in opposition to the views he held—and he held his views strongly. He expressed his thoughts forcefully, and I am certain that in the records of the proceedings of this Parliament will be found many valuable contributions to the welfare of this community in the speeches he made.

The Premier has spoken of his attributes as a citizen. His private life was one of which he was very proud, and in that regard he played a very important part in leadership in things as they should be in domestic life. I am sure that all of us share the viewpoint of the Premier that this House sustained a great loss in the passing of our colleague.

Question put and passed; members standing.

CHAIRMEN (TEMPORARY) OF COMMITTEES.

Mr. SPEAKER: I desire to announce that I have appointed Mr. Hill, Mr. Brand and Mr. Triat to be temporary Chairmen of Committees for the session.

AUDITOR GENERAL'S REPORT.

Section "B," 1947.

Mr. SPEAKER: I have received from the Auditor General a copy of Section "B" of his report on the Treasurer's statement of Public Accounts for the financial year ended the 30th June, 1947. This will be laid on the Table of the House.

QUESTIONS.

RAILWAYS.

(a) *As to Costing System for Refreshment Rooms.*

Mr. REYNOLDS asked the Minister for Railways:

(1) Has the Railway Department a costing system for each railway refreshment room in the South-West?

(2) If so, will he table a statement of income and expenditure for each place?

(3) Has the Railway Department a costing system for the canteen at Welshpool?

(4) If so, will he table a statement of income and expenditure for that canteen?

The MINISTER replied:

(1) Detail costs for each refreshment room are not kept. Refreshment services, including the canteen at Welshpool, are costed as a whole, and results for 1947-48 will be tabled when available.

(2), (3) and (4) Answered by No. 1.

(b) *As to Standard Gauge, Fremantle-Kalgoorlie.*

Mr. GRAHAM asked the Minister for Railways:

Will he make a statement to the House regarding the position generally of negotiations in connection with the standard railway gauge proposals between Fremantle and Kalgoorlie?

The MINISTER replied:

As a result of the findings of the recent Royal Commission on Railways, the matter of securing satisfactory conditions for the conversion of our 3 ft. 6 in. gauge, or as much of it as is desirable, to the standard 4 ft. 8½ in. gauge has been taken up with the Commonwealth Government, and negotiations are still going on. The Fremantle-Kalgoorlie section is included in these proposals.

(c) *Bus Services, As to South-West Costing System.*

Mr. REYNOLDS (without notice) asked the Minister for Railways:

(1) Has the Railway Department a costing system for each new bus service established in the South-West?

(2) If so, will he have tabled a statement indicating income and expenditure for each service?

The MINISTER replied: The answers to the questions asked by the hon. member on Thursday are as follows:—

(1) Yes, but I am not entirely satisfied with its efficiency and it is the intention of the Government, with a view to ensuring that in future accounts are satisfactorily kept, to introduce legislation bringing Railway Department finances under the control of the Auditor General.

This aspect constituted one of the reasons why certain matters were referred to the recent Royal Commission.

(2) Yes; and the following figures have been supplied to me by the Railway Department:—

Railway Road Bus Services—South Western District—Earnings and Working Expenses—July 1st 1947, to 31st May, 1948.

Perth-Kojonup-Cranbrook.

	£
Earnings	9,879
Working Expenses ..	8,123
Perth-Bunbury.	
Earnings	8,061
Working Expenses ..	5,428
Bunbury-Collie.	
Earnings	3,931
Working Expenses ..	4,405
Bunbury-Busselton-Caves House-Flinders Bay-Nannup.	
Earnings	7,193
Workings Expenses ..	6,449

TIMBER.

As to Exports and Imports.

Mr. REYNOLDS asked the Minister for Forests:

(1) How many loads of timber were exported to each State for the year ended the 30th June, 1948?

(2) How many loads of timber were exported to countries outside Australia, and how many loads to each?

(3) How much building timber was imported into Western Australia for the year ended the 30th June, 1948?

(4) What quantity of timber did we export to other States in the way of case materials, i.e., cheese cases, butter boxes, etc.?

The MINISTER replied:

(1) Loads of timber exported to each State for the year ended 30th June, 1948, were:—Victoria—9,760 loads, including 306 loads sleepers; South Australia—30,915 loads, including 9,240 loads sleepers; New South Wales—69 loads; Northern Territory, 15 loads.

(2) Information concerning the export of timber to countries outside Australia for the twelve months ended 30th June, 1948, or for individual overseas countries is not available, but for the 11 months to 31st May, 1948, exports amounted to 27,750 loads.

(3) The imports of timber into Western Australia for the year ended 30th June, 1948, were:—From Eastern States, 1,769 loads; from overseas (for 11 months ended 31st May, 1948), 1,250 loads.

Timber imported into Western Australia was used mainly for the manufacture of furniture, joinery and for special purposes, but small quantities may have been utilised for building.

(4) Export of Case Materials.—According to the Statistical Department, timber cut to size for making boxes amounting to 95 loads was exported to the other States for the year ended 30th June, 1948.

The purpose for which the timber exported was to be used, whether for cheese cases, butter boxes, etc., is not known.

COAL.

As to Black Diamond Leases, Collie.

Hon. F. J. S. WISE asked the Premier:

Will he lay on the Table of the House the files dealing with the coal leases at Collie known as the Black Diamond leases, which have reference to the taking over by the Electricity Commission during the time of the Labour Government, and the subsequent handing back of these leases to Amalgamated Collieries by the Liberal-Country Party Government?

The PREMIER replied:

I suggest the Leader of the Opposition adopt the usual procedure and move that the files in question be laid on the Table of the House.

BUILDING SUPPLIES AND SHIPPING.

(a) *As to Report by Inspector Hopkinson.*

Hon. F. J. S. WISE asked the Premier:

Will he table the reports made in September and October, 1946, by Inspector Hopkinson, following his inquiries in all the Eastern States except Tasmania, into the availability of building supplies, and of shipping, and the varying systems of control in the different States?

The PREMIER replied:

As this report was marked confidential to the hon. gentleman when he was Premier, I suggest he peruse it at the Premier's Office.

(b) *As to Officers Stationed in Eastern States.*

Hon. F. J. S. WISE asked the Premier:

(1) During the war period, the Labour Government appointed a part-time officer in Melbourne, and later appointed full-time officers in Melbourne and Sydney, to arrange for supply of materials, and for their despatch from the Eastern States. Will he advise the House whether these appointments were justified in the light of results obtained?

(2) If monthly reports are made, will he arrange to make them available to the House?

The PREMIER replied:

(1) These officers under the conditions then obtaining were not able to obtain more than limited results. The Department of Supply and Shipping set up in last year has provided an organisation through which the State's representatives have been able to influence considerably expanded supplies to this State of a wide range of necessary commodities.

(2) A monthly report would entail considerable work and is not justified as advice of sponsored goods to be transported by sea or rail is received daily from the Liaison Officers, Shipping Companies and Eastern States manufacturers, and information of same can be given to any Member of Parliament at the Department of Supply and Shipping.

FRUIT CASES.

As to Local Production and Importations.

Mr. REYNOLDS asked the Minister for Forests:

(1) What was the estimated production programme of fruit cases for the year ended the 30th June, 1948?

(2) What was the actual number delivered?

(3) How many fruit cases are we importing from overseas this year?

(4) How many did we import for the 1947 season and for 1946?

(5) What was the landed cost per case for each of these years, and what does he expect the cost to be for 1948?

The MINISTER replied:

(1) The programme of production of all fruit cases applying to the main sawmillers

was fixed at 800 loads per month for the year ended 30th June, 1948. To this must be added approximately 400 loads a month from small mills over which no control has been exercised.

(2) The total number of all types of cases produced and delivered during the year is not known. The main sawmillers estimated being able to produce 950,000 apple dump cases for the 1948 pack, whereas actual deliveries from these sawmillers were 607,000. There is, however, a considerable carry-over for next season. The total number of apple dump cases delivered through the Case Distributors' Association was 824,850, while it is estimated that an additional quantity of from 50,000 to 60,000 was purchased by growers direct from small mills.

(3) For next season, i.e., the 1949 apple pack, an order for 200,000 white wood cases has already been placed overseas, and consideration is now being given to importing an additional similar quantity.

(4) Imports for 1947-48 were: 385,000 apple cases and 6,000 grape cases. Imports for 1946-47 were: 201,500 apple cases.

(5) The landed cost of apple dump cases imported during 1947-48 was approximately 3s. per case. 6,000 grape cases were landed in Western Australia at about 4s. 2d. per case (including 4d. to be refunded on the export of the case).

The price of the cases imported during 1946-47 is not known but, according to the Forests Department annual report, imports of timber from overseas cut to size for making boxes were as follow:—

Canada: 15,367 cubic feet valued at £6,693.

Malaya (British): 197 cubic feet valued at £104.

Sweden: 86,522 cubic feet valued at £36,138.

The cost of cases to be imported for use in the 1948-49 apple pack will be slightly higher than for the 1947-48 imports.

COURT CASES.

As to Proceedings and Counsel Engaged.

Hon. J. T. TONKIN asked the Attorney General:

(1) Since the present Government has been in office, in what number of cases has

Court proceedings been undertaken by the Crown?

(2) In how many such cases was outside counsel engaged?

The ATTORNEY GENERAL replied:

(1) 1,715.

(2) 71.

ELECTORAL DISTRICTS.

As to Report on Redistribution of Seats.

Mr. GRAHAM asked the Attorney General:

(1) What stage has been reached regarding the redistribution of seats for the State Parliament?

(2) When is it anticipated that the determinations of the Commission will be made known?

The ATTORNEY GENERAL replied:

(1) and (2) The Electoral Commissioners' report is in the hands of the Government Printer and it is expected to be ready for publication at the end of next week.

SITTING DAYS AND HOURS.

THE PREMIER (Hon. D. R. McLarty—Murray-Wellington) [4.59]: I move—

That the House, unless otherwise ordered, shall meet for the despatch of business on Tuesdays, Wednesdays and Thursdays at 4.30 pm. and shall sit until 6.15 pm. if necessary, and, if requisite, from 7.30 pm. onwards.

HON. F. J. S. WISE (Gascoyne) [5.0]: This motion is slightly different from the one that was moved at this stage last session. It was forecast at that time that the Government would very quickly revert to the hours which were previously observed and which are those mentioned in this motion. In all these matters members on this side of the House are anxious to assist the Government. If I desired to be irrelevant, I could say that, when some members now on the Government Bench sat on this side of the House, they were anxious for longer hours and more sessions, but I know that you, Mr. Speaker, would not like me to continue any comment along those lines; therefore I support the motion.

Question put and passed.

GOVERNMENT BUSINESS, PRECEDENCE.

On motion by the Premier, ordered: That on Tuesdays and Thursday, Government business shall take precedence of all motions and Orders of the Day.

COMMITTEES FOR THE SESSION.

On motion by the Premier, Sessional Committees were appointed as follows:—

Library.—Mr. Speaker, Mr. Nimmo and Hon. J. T. Tonkin.

Standing Orders.—Mr. Speaker, the Chairman of Committees, Hon. E. H. H. Hall, Hon. J. B. Sleeman and Mr. Rodoreda.

House.—Mr. Speaker, Mr. Cornell, Mr. Graham and Mr. Styants.

Printing.—Mr. Speaker, Mr. Grayden and Mr. Triat.

BILL—SUPPLY (No. 1), £3,800,000.

Standing Orders Suspension.

On motion by the Premier, resolved:

That so much of the Standing Orders be suspended as is necessary to enable resolutions from the Committees of Supply and of Ways and Means to be reported and adopted on the same day on which they shall have passed those Committees and also the passing of a Supply Bill through all its stages in one day, and to enable the business aforesaid to be entered upon and dealt with before the Address-in-reply is adopted.

Message.

Message from the Lieut.-Governor received and read recommending appropriation for the purposes of the Bill.

In Committee of Supply.

The House resolved into Committee of Supply, Mr. Perkins in the Chair.

THE PREMIER AND TREASURER (Hon. D. R. McLarty—Murray-Wellington) [5.4]: I move—

That there be granted to His Majesty on account of the services of the year ending the 30th June, 1949, a sum not exceeding £3,800,000.

Supply is required to carry on the services of the State until the Estimates are passed by Parliament. This is the usual Supply Bill that is brought down at this stage of

the session. The amount to be authorised by the Bill is £3,800,000 and is made up as follows:—

	£
Consolidated Revenue Fund ..	3,000,000
General Loan Fund	500,000
Treasurer's Advance	300,000
Total	3,800,000

By the corresponding Supply Act of last year, Parliament granted the following sums:—

	£
Consolidated Revenue Fund ..	2,400,000
General Loan Fund	400,000
Treasurer's Advance	300,000
Total	3,100,000

While Supply is sought for the same period this year, namely, a period of two to three months, the amount is greater because of rising costs which have had to be met, those costs including wages. A conference of Premiers is to be held about the middle of August at which the subject of Commonwealth-State financial relationships will be discussed. After that meeting, I hope to be in a position to finalise and present the Budget and the Loan Estimates. This Bill will merely provide the funds necessary to enable the Government to proceed with its normal activities in the meantime. As usual, complete information on the State's finances will be given when the Budget is placed before Parliament, and members will then be afforded the customary opportunity for a full discussion on the financial position.

HON. F. J. S. WISE (Gaseoyne) [5.7]: The Supply Bill (No. 1) last year was introduced on the 5th August, which was the second day of that session, and the Estimates were introduced on the 9th October. This Supply Bill, as the Premier has pointed out, is to cover the period from the 1st July to about September. If the Estimates have not then been passed, a second Supply Bill will doubtless be introduced. If that is so, that will be our first opportunity to discuss relevantly financial matters generally and the financial position of the State.

As I have said, last year the Budget was introduced on the 9th October, and the

Appropriation Bill was passed on the 18th December. The practice for some years, though by no means the invariable practice, has been to treat Supply Bills formally and for a general discussion of the financial position to take place on the Estimates. I do not intend to follow the practice of the past of treating Supply Bills formally, particularly in view of the deterioration in the State's finances. Had the Treasurer desired to give the House any information or to express any views upon the deterioration in the State's finances since introducing his Budget last year, this was his opportunity to do so. However, he gave us no such information, but simply told us in a very formal way whence the sums will come to make good the Supply provided for in the Bill.

The amount provided for in the Bill is a record figure of £3,800,000. If this opportunity were allowed to pass without comment on the situation, a year will have elapsed before the Premier gives us any review of his first year's financial operations. This, admittedly, is not an unusual course to adopt where Treasurers have occupied the position year after year, but I submit that when there has been such a drift, it is important that some explanation be given and some opinions be expressed. The Supply Bills themselves show the trend of the State's finances. In 1945, the No. 1 Supply Bill submitted to Parliament was for a sum of £2,500,000; in 1947, provision was made for £2,700,000; last year the amount was £3,100,000, and this year the Premier is seeking a sum of £3,800,000. The only reason offered by the Premier for the tremendous increase is that of rising costs. Before I resume my seat, I shall show conclusively that there are many other reasons.

This tremendous increase in expenditure, taking a line through the years I have quoted when Supply Bills sought approval for much smaller amounts, shows very clearly that the Premier is anticipating a Budget for the year 1948-49 with a volume of at least £20,000,000. That is a very obvious conclusion to be drawn from the increased amount he is seeking under this Bill. An increase in the Budget volume would not be a matter for great concern if the amounts of expenditure and revenue were approximately the same, or if there were any suggestion as to where additional revenues were to come

from, particularly if there were any unexplored or untapped sources of revenue. While I admit that it is not customary on a Supply Bill to give the fullest information in that regard, I say that because of the deterioration in the finances of the State, it is incumbent upon the Premier to give the Chamber and the public some explanation as to where all this drift is going to end.

The drift is so serious that the public must very soon begin to take notice. The trend is a very dangerous one. Last year the Premier enjoyed the biggest income ever derived from revenue in the history of the State, namely, £17,710,310, and he expended an all-time record sum of £18,062,392. If members will take the trouble to study the revenue and expenditure tables of the past, they will find that these amounts were approximately double the sums of revenue and expenditure in 1933 when the Hon. Philip Collier became Treasurer. Last year the Premier anticipated, according to the Budget tables, approximately £15,750,000 net revenue, and he received, as I have said, £17,710,000. He enjoyed 50 per cent. more money than was handled by the Government of 1941-42. He spent £7,000,000 more than was spent in 1938-39 and £3,000,000 more than was spent by his predecessor in 1946-47.

I suggest those figures of themselves warrant the attention of all persons interested in any way in the future finances of the State, certainly of all persons who regard them as vital to the State's future, more particularly if one examines the Budget tables to ascertain the sources of the revenue which the Premier enjoyed. "The West Australian," in commenting upon the close of the Premier's financial year, had a very interesting article headed "Deterioration in State Finances." "The West Australian" is very rarely ungenerous to the present Government even in its headlines, yet that is the heading, in very large type. It is time, therefore, that the Government had more reminders, such as the one in "The West Australian," of the need for some very drastic action.

I think there is no doubt that the volume of this Supply Bill, judging from the final figures of Treasurers in past years, suggests a Budget of at least £20,000,000. Had it not been for the supplementary grant of

£1,000,000 from the Commonwealth, the deficit last year would have been £1,352,082. Before the Minister for Housing gets in his interjection, I say that the dependence nowadays solely on a beneficent Grants Commission is a very great risk, as it will encourage the drift and apply no correctives.

The Minister for Housing: I do not want to disappoint the Leader of the Opposition. I was just thinking about 1945-46, when the deficit was £928,000.

Hon. F. J. S. WISE: Yes. That was incurred willingly and deliberately. It is a deficit for which I made no apology, a deficit which I deliberately incurred at the end of the war. I took over a week before the war ended and I left with this distinction—I say it in all humility—that I was the only Treasurer ever to finish with a balanced budget. I knew of the weakness in Section 6 of the Taxation Re-imbursement Act, which gave me that opportunity. I had first discussed with the Grants Commission whether valid expenditure, because of the cessation of the war, would be considered by it for re-imbursement.

Mr. Leslie: I have not heard the Treasurer apologise for this deficit, either.

Hon. F. J. S. WISE: Whether he apologises or not, I am afraid the hon. member interjecting will hear a great deal of this drift which, if uncontrolled, will be the quickest step to unification that I can think of. The State's trust funds must be in a very unhealthy condition. It is obvious, if one examines the balance sheet of the State, in Table 1 of the Budget Tables, that the trust funds must have been seriously exploited to enable the State to finance pending the arrival of that timely £1,000,000. There is every sign in the public figures of the State to indicate that we are rapidly approaching the circumstances in which we lost the Savings Bank of Western Australia. That is where we are getting to. I will tell the member for Mount Marshall before I resume my seat that his statements and arguments will not bear much examination. It is strange, yet a fact, that Liberal Treasurers have been responsible for £9,000,000 of our total deficit since 1900.

The Minister for Housing: Does that include the cost of the Coolgardie water scheme?

Hon. F. J. S. WISE: No. I shall be very generous, because I wish to be fair in all things. From the year 1916 to the year 1924 the Liberal Governments incurred deficits amounting to £4,779,000. In the following years the Labour Governments incurred a deficit of under £1,000,000, namely, £978,000. In the following three years the Liberal-Country Party Government incurred a deficit of £3,842,000. In short, during the 20 years that Labour Governments were in office from 1916, they incurred a deficit of £2,500,000; but during the 11 years that the Liberal Government was in power, it incurred a deficit of £8,621,000—never a surplus.

There was also a very big increase in the Loan indebtedness of the State. In 1916, the Loan indebtedness per head was £109 19s. 9d.; before that Government relinquished office it was £146 13s. The increases show that, as surely as there is a Liberal Government in office in this State, the per capita debt substantially increases. Members can check the figures in Return No. 5, submitted in the Budget Tables of last year. They are most expressive of what we can expect and what we are now experiencing. There is the prospect again this year of a deficit which will have to be met on a sinking fund and interest basis as an annual charge on revenue. Unless we can show something in the nature of an asset—as I will analyse at a later stage—that is commensurate or comparable with the expenditure, the drift will become all the more serious. I repeat that it is not possible to make the excuse that all the years in which deficits have been incurred have been bad years. Some of them have been the most prosperous in the history of the State.

In the first six years of the Liberal Government to which I referred, wool was at its highest price before the last remarkable price. Yet in those years high deficits were recorded. I repeat that the Treasurer is slipping into a state of complete dependence on the Commonwealth. I should like to quote a comment, with which the Premier agrees, by the Liberal Party President, Mr. Downing. It appears in "The Daily News" of the 12th July. Mr. Downing said, "The Commonwealth and State Governments should revert to the pre-war

system of taxation." With that point of view the Premier is in agreement.

The Premier: So you say. I never said that.

Hon. F. J. S. WISE: Yes. I will quote from the Premier's Policy speech.

The Premier: All right.

Hon. F. J. S. WISE: The Premier said in regard to taxation that the policy of the Liberal Party was that the States should as soon as possible resume control of their own finances. That is in the second paragraph of page 3 of the Premier's Policy speech.

The Premier: From the day I came here, and before, I have consistently advocated that there should be a convention between the Commonwealth and the States to draw up a new Financial Agreement.

Hon. F. J. S. WISE: I do not mind what excuses the Premier makes now. That is what he said in his Policy speech, of which I have a copy. I have also a copy of the Policy speech of the Deputy Premier; he did not give it to me, but I have it. The Premier gave me his.

The Minister for Housing: Is that not your policy?

Hon. F. J. S. WISE: The Minister for Housing cannot get me into that position. He is suggesting that some aspects of the Liberal-Country Party policy were copied from ours, but the hon. gentleman cannot get me to subscribe to this one, that the States shall as soon as possible resume control of their own finances.

The Minister for Housing: Do you disagree with it?

Hon. F. J. S. WISE: I will analyse it and show how necessary it is to disagree with it. From his interjection, I take it that the Minister for Housing agrees with it. The Premier does not say so now. Apparently he does not wish that sentence to be taken as his view today. I take it that he does not now wish, notwithstanding Mr. Downing's desire, that the State Governments and the Commonwealth Government should revert to the pre-war system of separate taxation.

The Premier: The sentence is quite all right.

Hon. F. J. S. WISE: The Premier does not agree with it now.

The Premier: Not unless an agreement is reached defining the whole field of taxation.

Hon. F. J. S. WISE: The view of the President of the Liberal Party did coincide with the view of the Premier until very recently. I take it that the Premier now does not want his taxation rights restored. I say to him that if on the one hand he desires to have his taxing rights restored and a separate system of taxation to obtain for each of the States and the Commonwealth, and on the other hand he desires to raise more money from taxation in Western Australia than is now being collected from the Western Australian taxpayers, he does not quite know where he is. I say so for this reason, that the drift in his finances suggests that if our taxing rights were restored to us, taxation in Western Australia would substantially and sharply increase. That is something about which the people of the State need to be reminded as frequently as possible. With the present handling of the finances of the State there is no alternative if we get our taxing rights restored except an immediate and substantial increase in taxation.

The Minister for Housing: I do not agree with that.

Hon. F. J. S. WISE: The Minister will have the opportunity of disagreeing, and I will have the opportunity of replying. We have to remember that we will need to raise £5,000,000 to meet the existing collections from the uniform tax and from our own minor tax collections. That is in addition to any special grants collected under Section 96 of the Constitution. We had £3,000,000 from special grants last year. It is all very well to be casual about this and suggest that it will not mean an increase in taxation, but I say definitely that if taxing rights are restored to Western Australia, taxation will have to increase in a direct as well as an indirect manner. So, I would like the Premier, through Mr. Downing, or by himself, to suggest to us how he is going to raise the money if separate taxing rights are restored to us. The total collection by the Commonwealth from Western Australia is something in which every citizen is interested. If we care to search the 27th Report of the Commonwealth Commissioner of Taxation, we will find that for the 1946-47 financial year the total Commonwealth tax collections from uniform tax amounted to

£8,412,188. It is necessary that the community of Western Australia be told that it is now necessary to raise at least £5,000,000 from State taxes after the Commonwealth has raised its needs in this State. That is the vital point.

Mr. Leslie: The Commonwealth has trespassed into our field.

Hon. F. J. S. WISE: By how much?

Mr. Leslie: Considerably.

Hon. F. J. S. WISE: In what spheres has it trespassed?

Mr. Leslie: Into income tax.

Hon. F. J. S. WISE: I will be quoting shortly from the Commonwealth Constitution showing that the Commonwealth has certain rights in regard to taxation, and let there be no question that that was decided by the challenge of the States in the High Court of Australia to uniform taxation.

Mr. Leslie: Yes, but the framers of the Constitution never anticipated that the Commonwealth would exercise its rights to the exclusion of the States.

Hon. A. H. Panton: They did not anticipate two wars, either.

Hon. F. J. S. WISE: Whatever was anticipated at the time the Constitution was framed, the position in fact is that the Commonwealth has a right, prior to the State, to impose taxation in all the States. I repeat what I said before that Western Australia, as at present circumstanced, would need to raise at least £5,000,000 within the State if it had these taxing rights restored, and that sum would have to be found after the Commonwealth had taken its requirements by way of income tax in Western Australia. It is all a pretence to say that all will be well if our taxing rights are restored to us.

The Attorney General: You do not want them restored.

Hon. F. J. S. WISE: Does the Attorney General want them restored?

The Attorney General: I am asking you

Hon. F. J. S. WISE: I will answer the Attorney General completely, but I am certain he will not commit himself. The Premier, in his Policy speech, suggested that he wanted them restored, but now he says, "No. I inherited a healthy Treasury which, under my direction, has drifted. It will be of no avail to me to have them restored." That

is the position. The Premier would be in a dreadful position if he had them restored.

Hon. A. R. G. Hawke: What is the Attorney General's view?

The Attorney General: What is the view of the Leader of the Opposition?

Hon. F. J. S. WISE: I am wondering what the Premier meant when he said on releasing the figures for 1947-48, that he was perturbed at the unhealthy condition of the finances which made this State so dependent on the Commonwealth.

The Premier: Are you now satisfied with the financial set-up between the Commonwealth and the States?

Hon. F. J. S. WISE: No, and I never have been, but I make no apology for my attitude. No-one can deny me this, that no State Premier or Deputy Premier fought the Commonwealth more vigorously than I did because of what I considered to be serious injustices in connection with the financial relationships of the State and Commonwealth. I made that perfectly clear, and although a scurrilous paper in this State said that I sort of went quietly to the Commonwealth, that surely was disproved when the published statement was made of my last speech at a Premiers' Conference in Canberra, in which I showed clearly and definitely where I stood. I fought vigorously and succeeded in getting the highest per capita payment of any State.

I make no apology to anyone, including the Attorney General, for my attitude in always strenuously attempting to uphold the financial rights of Western Australia, and being successful in getting greater payments from that source than any other State Premier was able to achieve. I was not satisfied then and am not now, but these loose statements that all will be well if our taxing rights are restored do not seem to me as being in the best interests of the people of Western Australia, and those are the interests about which I am concerned. I am wondering what the Premier meant when he said he was perturbed at the unhealthy condition which made this State so dependent on the Commonwealth. There is another aspect mentioned in this article of "The West Australian" of the 3rd July, when the Premier was reported to have said—

The whole question of Commonwealth and State financial relations would be discussed at

the forthcoming Premiers' Conference and he was hopeful that an adjustment would be made under which the States would be able to function without having to appeal to the Commonwealth for necessary finance.

Members have to appreciate that it is by the good grace, not only of the Commonwealth Treasurer, but of all the State Premiers combined, that this State receives its proportion of the allocation to all States from uniform taxation. I suggested in my speech on a Supply Bill last year that the Premier should ask for at least £50,000,000 as the allocation to the States, because of this State's needs. But I also pointed out that there was a very great responsibility upon the State Treasurers to put their own houses in order before they could expect contributions from other States towards their revenue. That is what it amounts to. I will show shortly just how much total income tax, under the uniform system, is collected in all Australia. That will indicate how important is the contribution to Western Australia, per capita, from the other States. But it is also necessary to bear in mind that to improve the financial position of Western Australia there is a need to attend to much more than the return of our revenue from uniform taxation.

It is vital, I submit, that this State has attention paid, by the Premier, to himself as Treasurer, and himself only, and not to have four or five Treasurers trying to give effect to election promises and trying to expend money. That will get this State nowhere. This article headed "Deterioration in State Finances" shows that £1,000,000 was provided as a special supplementary grant from the Commonwealth. I would like the Premier, when replying, to indicate to the Committee on what grounds and for what purpose that additional £1,000,000 was granted before the financial year ended. Formerly it was necessary, after the close of the financial year, to state a case to obtain reimbursement under Section 6 of the Taxation Reimbursement Act. But on this occasion the Under Treasurer and, I think, the then Attorney General, went East and asked for more.

The Minister for Housing: The Minister for Housing.

Hon. F. J. S. WISE: I said, the then Attorney General.

The Minister for Housing: I had changed my title.

Hon. F. J. S. WISE: The Minister for Housing, accompanied by the Under Treasurer, stated a case. I would like to know on what basis the plaint was laid; on what basis the extra £1,000,000 was asked for. This Oliver Twist attitude is all very well, but I think we should know some of the details, and why more was asked for, and why only £1,000,000 of the total deficit was repaid. Knowing the Grants Commission as I do—I have reason to know it, having had to appear before it in the interests of this State on many occasions—I am aware that it is necessary not only to state a case, but, at times, to give certain assurances. I take it that certain answers to questions asked by members of the Grants Commission had to be answered and certain information given. Without knowing anything, but having to guess from what the newspaper articles tell me—this article shows clearly that the Railway Department was responsible for the principal drift in the State's finances—I suggest that the Railway Department was made the reason, if not the excuse.

But I think the Chamber is entitled to know just what assurances had to be given to the Grants Commission because that Commission would say, "If £1,000,000 is to be forthcoming to assist in balancing your Budget—and it did not—we expect of you certain things." I have no doubt that the Minister for Housing was able to give the Grants Commission ample assurance that in some way or another the State's house would be put in order. I would like to know whether he did give such an assurance, and if so, on what basis it was given. It is obvious from this article that a loss of £1,127,000 was incurred on the railways. Of course, that is only on working expenses. No interest or redemption is included in that.

The Premier: You are not blaming this Government for that, surely.

Hon. F. J. S. WISE: I will have something to say about that shortly, but I can blame the Government if the Railway Department is being used as the medium for claiming moneys from the Commonwealth in the way of extra grants.

The Premier: The railways account for our deficit.

Hon. F. J. S. WISE: Of course they account for the deficit. They have accounted

for the deficit on other occasions, but not for such a tremendous deficit, and not for such a tremendous loss. I was going to say that if the Government is using the railways as the basis for its claims for additional reimbursements from the Commonwealth, it is something which will not last very long. I am wondering, for example, if the Premier can tell us whether the new trains—the new Westlands—were built out of revenue or out of loan.

The Premier: Yes.

Hon. F. J. S. WISE: Were they built out of revenue?

The Premier: No, out of loan.

Hon. F. J. S. WISE: Is the Premier sure of that?

The Premier: Yes.

Hon. F. J. S. WISE: I think the Premier is not sure. Since the Treasury has no control over the way the money is spent in the railways, and since we attempted to get that control I am very interested in that point. I think it would be found, from an examination of the railway finances, that by deliberate intent the rehabilitation of the railways is, as much as possible, being done out of revenue, to show a tremendous deficit in that sphere for the purpose of getting those sums recouped from the Commonwealth.

The Minister for Housing: You are putting ideas into my head.

Hon. F. J. S. WISE: If the Minister wants ideas, I can give them to him, but I can see the opportunity, if the Treasurer has not thought of it before, that the Commissioner of Railways might have, because there is no check when there should be on what could be tremendous and wilful extravagance on the part of the railways because of no Treasury supervision.

I think it would be found on analysis that a lot of the work that should be charged to Loan is, in the Railway Department, being charged to Revenue. Of course that will be a sort of pipe dream that will very soon end once the Grants Commission finds, as it must find, that those practices are obtaining. It is all very well for us, on the basis of under one-halfpenny per ton per mile being charged for super and about 1.12d. per mile being charged for wheat when the over-all cost of railway haulage

is about 3d., to say, in such a period as this, that rising costs represent the only reason for this extraordinary Supply Bill, and that everything else is to remain static.

There is another aspect too. If the Railway Department is spending money from Revenue that should legitimately be in its Loan programme, it is possible that there will be some conflict between the regeneration programme and the standardisation proposals. If the standardisation of the railways is to take place in our time, if it is to take place within the next decade, I suggest that that is also a reason for a very close examination, by the Treasury and not by the Auditor General, of railway expenditure and railway finances, for unless that is done it will be the instrumentality which will be responsible year by year for the total deficit. If that instrumentality is not surveyed from the financial angle it is certainly not fair to all the taxpayers of this community. That, I say to the Treasurer, is one of the aspects in the discussion of Commonwealth-State financial relationships that has to be examined and ventilated.

Does the Chamber think we have an opportunity of reaching an agreement in the Commonwealth sphere, with all other State Premiers present, when this State is receiving the biggest per capita repayment from uniform tax? Does the Chamber think that those Premiers will agree to excessive payments to this State from their collections—because that is where they have come from, the collections of the other States—without any scrutiny of what we are doing with our own instrumentalities and services? Of course we could not possibly get away with that.

The Minister for Housing: I think that uniform gauge is viewed mainly from the defence angle.

Hon. F. J. S. WISE: Yes, but I do not want any conflict on the discussions in regard to the uniform gauge and the regeneration programme, especially about moneys being spent from revenue and the share which we must find for a uniform gauge, when it comes. That aspect should be very closely scrutinised and such expenditure, if possible, stopped.

I would like to ask the Premier—in elaboration of his statement of the 3rd July, that the whole question of the Common-

wealth and State relationships would be discussed and an adjustment sought—what sort of an adjustment does he intend to seek? I think it is very timely that the public as well as this Chamber should have an idea because the Premier knows, from my background and attitude with the Commonwealth, that we are not going to be in opposite corners when it comes to a demand for the rights of this State. I would therefore like to know from him what sort of adjustments he has in mind. There are many alternatives for consideration such as the whole Australian community taking over much more of our indebtedness than was provided for in the Premiers' Plan. There would also be the possibility and the simple way of a greater reimbursement from uniform tax collections. I feel there will be demanded of this State, a close scrutiny of the possibility of more internal collections.

The Premier: Exactly what do you mean by that?

Hon. F. J. S. WISE: From loan investments. I will analyse that in a moment. In the investments of public money in Western Australia it is a very important point of observation that the impact on the State's revenue per annum because of unproductive loan investments is approaching the total amount received under the uniform taxation. If we follow it through we will find that that is a basis for a very close scrutiny, because it is the source of most of our financial troubles in this State. That is something which when examined by members will give them cause for great concern and much consideration. Before I leave this point—which is "The West Australian" headline "Deterioration in State Finances"—the Supply Bill, if I interpret it aright, means an anticipation of a budget of £20,000,000, and the Premier will need perhaps a couple of million pounds for his deficit because I cannot see how he can raise much more than he did last year from the people of Western Australia. If figures remain as they are—and I am basing them on this article—the Minister for Lands will not get as much from territorial collections this year as he did last year, last year's collections being £601,000.

I think it will be found that because of the buoyancy—I will not say opulence—of the farmer's position, a tremendous amount

of money was paid in land rents last year, and that in the Titles Office there is almost a run on the officers to issue titles for conditional purchase areas. This means that there are certain aspects and certain avenues of the Treasurer's revenue of last year that will not be available this year, and I repeat, if I am any judge, he will have to budget for a very heavy deficit—perhaps £2,000,000—and he will receive £3,807,000 from uniform tax on the present basis. That is the figure from the adjusted basis of last year. The sum which was arranged for at the institution of uniform tax, namely, £2,546,000—jumped to £3,384,000 owing to the special case that I stated last year. If the Premier gets that sum from uniform tax, and £2,000,000 from the Grants Commission—perhaps—he will receive from Commonwealth sources next year, excluding revenue received by the Minister for Works from the Federal Aid Road Agreement and petrol tax, about £7,500,000.

The 1947-48 figures—and these are actual figures—were £1,977,000 from special grants under Section 96 of the Constitution, and £1,000,000 towards the deficit. Members will also find in Table 34 of the Budget statement that he received £473,000 on the 5 per cent. interest and sinking fund basis, and on account of old debts which were funded, including deficits of some former Liberal Premiers on which the Commonwealth pays half the interest and sinking fund, £193,000, and £3,807,000 from uniform taxation, making a total of £7,450,000 from the Commonwealth last year. Members might do well to ponder over those figures. I exclude all sums coming to us under special Acts and for specific purposes such as moneys received under the Federal Aid Road Agreement, which last year was over £1,000,000, and although the total sum last year received from Commonwealth sources was £8,500,000, the sum paid into State revenue was £7,450,000. The total budget of Philip Collier in 1934-35 was under £10,000,000, and very many things of great moment and of great importance to this State were done in those days, so that this Treasurer will need to raise £10,000,000 in Western Australia without taxation. That is the position we are in. This Premier must get £10,000,000 in Western Australia quite distinct from his taxing income.

There is a very interesting comparison to be found in the public finances section of any Commonwealth Year Book, but more particularly the most recent one. The latest I have been able to obtain is No. 36 of 1944-45. The interesting comparison I wish to make on public finances centres around the enormous collections of the Commonwealth and the sources of those collections. Members will find in this Commonwealth Year Book that of a total of £338,000,000 per year of taxation collected by the Commonwealth, £215,000,000 of that was from uniform taxation. The total amount upon which the States' contributions were based originally was well under £40,000,000, the Commonwealth for its purposes retaining all in excess of the amounts recouped to the States. It is very interesting to note that from taxation in 1938-39, the financial year at the end of which war broke out, the amount that the Commonwealth derived from income tax was £11,880,000 but for the year 1944-45 it collected from that source £215,534,000.

The Minister for Housing: And last year?

Hon. F. J. S. WISE: For the last financial year the Commonwealth Government collected even more still.

The Minister for Housing: Yes, something like £424,000,000.

Hon. F. J. S. WISE: To one who has a flair for studying these matters, I find it most interesting to notice how little has been the increase in Customs and Excise returns over that period. For instance, in 1938-39 the returns from Customs duty amounted to £31,000,000 but in 1944-45 they totalled £28,000,000. Obviously that was because of the decreased volume of imports. The gradual decrease from any other source other than income tax is very noticeable. As a matter of fact, hardly any increase is shown in connection with many sources of revenue from taxation, including estate duty, flour tax and sales tax, whereas from income tax—one that under the present system is so easy to collect—the Commonwealth returns increased in six years from £11,000,000, which was obtained for its own purposes only, to £215,000,000.

Of course the State Treasurer would like to know all of the directions in which he could make some inroads upon the Commonwealth's share of the uniform tax, and

therefore I would like to learn, for the benefit of the country, what the Premier has in mind with regard to altering the financial relationship between the Commonwealth and the State. I desire to stress this point—if only for the benefit of the Attorney General—that not only am I opposed to the return to the States of their taxing rights under the present set-up, but I am opposed whole-heartedly to high taxation, if such high taxation is unnecessary—I care not what Government may be responsible for it. I have no place for reckless finance, Commonwealth or State. That position should be made perfectly clear. If it is that the Treasurer of this State is at fault at this stage in the handling of the finances, I for one will hold him culpable, until he takes steps to curb the reckless finance and needless drift.

The Premier: You will tell me where the reckless finance comes in before you sit down.

Hon. F. J. S. WISE: I will, but not before we suspend the sitting for tea.

The Premier: From rumours I have heard, I certainly expected members to be here after the tea suspension.

Hon. F. J. S. WISE: I am afraid I must tell my story in my own way.

The Premier: That is quite all right. Do not apologise!

Hon. F. J. S. WISE: I certainly shall not apologise, but I cannot finish in a few minutes. I think it very timely to repeat advice in a kindly way to the Premier, to take no notice of the views of Mr. Downing with regard to this matter. I suggest he takes no notice of the Liberal Party.

Mr. Graham: The Premier might be led astray all right.

Hon. F. J. S. WISE: If Mr. Downing obtains his desire to revert to the pre-war system of separate taxation, Western Australia will be in one devil of a mess. The Premier must bear in mind that the restoration of taxing rights will not make possible the requisite collection of taxation desired. He must remember that in this respect the Commonwealth has a pre-eminent right to enter the field of taxation before the States' claims can be considered.

The Minister for Housing: That is the catch.

Hon. F. J. S. WISE: That is one of the catches in it, and it is certainly very vital. If the Premiers of the States accept Mr. Hollway's view and convince the Federal Treasurer that their taxing rights should be restored to the States, the position might well be very difficult for Western Australia. I cannot understand just where Mr. Hollway is with regard to the Premier of Western Australia in connection with the uniform taxation matter. There is nothing in common between the ability of that glorious little State of Victoria, with its concentrated population and industry, to find the funds with which to provide for social services and the ability of a State like Western Australia which comprises one-third of the continent and has one-sixteenth of the population of Australia.

The Minister for Housing: I think the Premier has converted Mr. Hollway.

Hon. F. J. S. WISE: I was surprised to see how the Premier was in Mr. Hollway's pocket while he was here.

The Premier: Why do you say that?

Hon. F. J. S. WISE: Everything that Mr. Hollway said or advocated was applauded by the Premier—so far as we know.

The Premier: Ah, as far as you know!

Hon. F. J. S. WISE: If there is any other point of view, it would be very reassuring to the public of this State could the Premier tell us that he has not much in common with Mr. Hollway with regard to taxation rights being restored to the States. We should feel considerably heartened to find that he had not been so much involved in these discussions with Mr. Playford and Mr. Hollway and had not involved our people in something that would suit the State of Victoria but not us.

The Premier: You need not worry about Mr. Playford's attitude.

Hon. F. J. S. WISE: I know Mr. Playford very well, as the Premier is aware. Mr. Playford knows what he wants from the Commonwealth and he usually knows how to set about getting it, but with the Treasurer of this State, Mr. Playford knows that he dare not go too far in pressing for taxing rights unless they are restored without any other consideration being entailed. That is the dangerous point. If Mr. Chifley decided to hand back taxing powers to the States, the Premier's health would suffer

immediately because, without a consideration of all the other factors involved, it could not be done. The people of Western Australia, in those circumstances, could not finance the budget of the present Treasurer.

I mentioned just now that one of the greatest difficulties associated with the financing of Western Australia's affairs lay in our unproductive loan expenditure. On the 24th November last "The West Australian," in a leading article following the introduction of the Loan Estimates, said—

Mr. McLarty gave West Australians some food for thought when he disclosed that the charges last year, £4,300,000, on our £99,000,000 of public debt exceeded by £3,500,000 the net earnings from the undertakings financed from loans.

In saying that, Mr. McLarty, as he was referred to by the newspaper, did not disclose anything new. That has been patent year after year as shown in the budget statements and budget returns. "The West Australian" article continued—

That deficiency exceeded the amount of our income tax reimbursement, and calls not only for some introspection on our own part, but for practical attention by the Commonwealth and for assistance directed towards restoring our solvency.

"Restoring our solvency" So the leader writer of "The West Australian" suggested that this drift, which was commented upon as being such a serious deterioration, was, in fact, a matter of our heading towards insolvency. The leader writer went on to say—

Western Australia is slipping further into complete dependence on the Commonwealth and surrendering more and more of the few remaining vestiges of its original sovereignty.

Those are very pungent words and they are absolutely true. Unless there is some introspection, unless the Premier makes an examination of the things he ought to do, we must head, firstly, towards insolvency, and then very rapidly, when the Commonwealth refuses to meet our losses, towards unification. This is a note of warning that I have persistently sounded. If the Premier wants something to ponder over, he should read the Eighth Report (1941) of the Commonwealth Grants Commission. This report, which I criticised in this Chamber some years ago, shows the attitude of that body to unproductive loan expenditure. On page 74 of the report, the districts repre-

sented by the Premier received special mention. The Commission stated—

Economists do not today suggest that expenditure of loan money should necessarily be productive. Expenditure on public buildings, educational and other constructional work which, has no individual economic return but which has a community value, may be made within the limits of prudence . . .

It will also be realised that, where loan charges appear in the budget, they are met, not by the consumer on a scale based on the cost of the service, but by the taxpayer on a progressive taxation system based on the principle of equality of sacrifice . . . Where a service to individuals has a cost which can be calculated, it seems desirable that the cost shall be charged to the consumers and not to the taxpayers.

I wonder whether the Premier disagrees with the point of view that, where a service to individuals has a cost that can be calculated, it is desirable that the cost should be charged to the consumers and not to the taxpayers. I should like the Premier to think over that point.

The Minister for Housing: I had a word or two to say about that when I sat on the Bench across there, but it was always pointed out from the Government side that we had to look to the development of the State.

Hon. F. J. S. WISE: Yes, but not only from the point of view of the State's development. If an increment is enjoyed by individuals as a result of tremendous State expenditure, those individuals should not be entitled to retain all the increment or all of the colossal earnings from Government expenditure while the taxpayers generally foot the bill. The Grants Commission proceeded to say—and this is particularly cogent in illustration of my argument—

Grants secured merely by political pressure are seldom sound, and at the present time many public utilities in Australia have been made the avenue of subsidies to special interests.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. F. J. S. WISE: Before tea, I was dealing with the necessity for a very close scrutiny to be made of loan investments in Western Australia and also with the necessity for some correctives in our finance to be applied so far as internal charges were concerned, charges that affected State instrumentalities. I have always held the view, Mr. Chairman, as you know, that for

very many of the necessary investments to develop Western Australia, all Australia should be responsible. I have expressed in this Chamber on many occasions the view that Australia, as a whole, must adopt the attitude that wherever Australian wealth is centred, that wealth should be taxed to develop Australia's resources wherever they occur. I hold that view very strongly. I believe that in an examination of the Loan investments in Western Australia, one of the important things for determination in any State-Commonwealth conference on finances must be the responsibility of Australia towards a State such as ours, which must be developed from the wealth of Australia.

I think, therefore, it is no use indulging in wishful thinking or loose speaking on the subject of having our taxing rights restored to us, or of entering into a Federal conference arena with only one objective, that of having our taxing rights restored. There is very much more which must be given the closest scrutiny in any such conference if this State is to have the opportunity for development which the taxing of the persons in this State cannot possibly achieve. I think that in that direction our financial, as well as our economic, future lies. With losses on Loan investments and charges on the Budget to the tune of £3,500,000—almost as much, as I mentioned earlier, as our taxation collections—this is not the time to add to our debt burden, which is the highest in the Commonwealth. That is something which I submit to the Premier for his earnest consideration. This is not the time to encourage Government spending in directions which will be not only an added impost on our annual revenues, but which will also be an added per capita burden on the whole community.

If members will carefully examine the returns which are furnished, and which show clearly the unproductive and productive Loan assets, they will have ample food for thought. The Government of this State, which pretends to be so much against anything savouring of socialisation, will get but scant comfort from the fact that the fully reproductive loan assets include the State sawmills, the State hotels and the metropolitan markets. These are the only three fully productive Loan investments in Western Australia. Members will also find, on examining the tables to which I have re-

ferred, very many interesting items of partially productive Loan assets, such as the Rural and Industries Bank, the Water Supply, Sewerage and Drainage Department, the Abattoirs, the Wyndham Meat Works and others, including the West Australian Meat Export Works, which has been able to earn a sufficient profit to place funds in reserve to meet future contingencies, and those profits were earned in my time.

I am therefore not very impressed when I hear members of the Government criticising State undertakings which private enterprise should not, and could not, invade, and saying that such things savour of socialisation. I would draw the attention of the members of the Government and the Premier to the necessity for thoroughly investigating the position of our investments, so that the deficiency of £3,500,000 may be lessened. It is all very well to reduce drainage rates in the Murray-Wellington district.

The Premier: Did they do that?

Hon. F. J. S. WISE: They did.

The Premier: Are you sure they have not put them up?

Hon. F. J. S. WISE: The Premier should ask the Minister for Works.

The Minister for Works: No, do not ask me.

Hon. F. J. S. WISE: If the Premier does not know it, the Minister for Works has made certain concessions in regard to drainage rates in the Murray-Wellington district.

Hon. J. B. Sleeman: That is spoils to the victors!

The Minister for Works: And in that one district alone?

Hon. F. J. S. WISE: I am talking of that district alone.

The Minister for Works: You are suggesting by that, that it applies to no other part.

Hon. F. J. S. WISE: No.

The Minister for Works: Make it plain.

Hon. F. J. S. WISE: Rates in the Murray-Wellington and in other districts have been reduced.

The Minister for Works: Other districts?

Hon. F. J. S. WISE: Yes, including Narrogin, if the Minister for Works likes. This reducing of rates will not improve matters

any more than the reduction in the freight on cattle from Derby will improve the position very much; nor will tinkering with the charges of the Fremantle Harbour Trust, by raising the charges for its services, improve the position very much.

Hon. J. B. Sleeman: Did they raise the freight on cattle from Derby?

Hon. F. J. S. WISE: No. I said the freight was reduced.

Hon. J. B. Sleeman: I thought so. That is better.

Hon. F. J. S. WISE: But certain charges were increased.

Mr. Styants: The metropolitan sewerage rates.

Hon. F. J. S. WISE: Yes. There has been an increase in the average water rates of about six per cent. Those things have been done by the Government in a very feeble approach to a very real problem. I realise that members opposite, particularly Country Party members, have waxed eloquent in the past about the Fremantle Harbour Trust, the Abattoirs and the Saleyards being taxing machines; but those members, and especially the members of the Government, have stern realities to face. I repeat that in their time, the Fremantle Harbour Trust charges, as far as labour is concerned, have been increased. Of course, I know, too, that the Government could sell the railways, or give them away.

The Minister for Education: That would be more likely, I think!

Hon. F. J. S. WISE: I am interested in that interjection. The Deputy Premier, as Leader of his party, might endorse the giving away of the railways.

The Minister for Education: Like smoke!

Hon. F. J. S. WISE: But that would mean a vast difference to the position of the farming community who are getting concessional rates to the extent of 2½d. a ton mile on some commodities; and that could not happen under private enterprise. When we regard these things as socialisation, we have to be a bit realistic. I was very amused to hear the Premier wax almost enthusiastic in the North about State ships. If he had his way, he would have the rivers swimming with them.

The Premier: Now, now!

Hon. F. J. S. WISE: Yet, at the very moment when he was waxing enthusiastic about State ships, we had another Minister in the South criticising an act he regarded as dreadful socialisation and taking away from a State instrumentality its own coalmines.

The Premier: Hear, hear!

Hon. F. J. S. WISE: It does not make sense. The Premier and those associated with him have to be realistic in this matter of the owning of a State coalmine by a State instrumentality. I am not going to discuss that question at the moment, because I am confining myself to financial matters, but I will discuss it on some other occasion, I hope. Here we have the State Electricity Commission showing a loss and being a burden on the taxpayers, and at the same time giving away its greatest asset, thus depriving itself of the opportunity to give to the community power at a price commensurate with its cost. The Premier cannot say that the State should relinquish authority over such instrumentalities as that, or the Fremantle Harbour Trust or the Metropolitan Abattoirs. He can no more do that than say that he takes no responsibility for the cost of education or health, or of the Police Department, or of other services that are comparatively non-earning. The State has a responsibility in these spheres—a financial one—just the same as it has in concerns which no private enterprise should be permitted to operate.

I come back to the point that the public must receive service from State instrumentalities which private enterprise could not and should not operate. If the State has to be developed from loan moneys expended on drainage, irrigation, land clearing and other projects, the taxpayer is entitled to see, particularly if the benefit can be measured, that a commensurate return is paid to the Treasury for the services given. I put this to the Premier: Can he expect other States of Australia to continue to contribute to the highest per capita repayment from income tax from uniform taxation collections unless he does something to prevent the deterioration in State finance of which I have spoken so much this evening? In his Treasury Department the Premier has men who are acclaimed as experts and are acknowledged to be authorities in public finance in all Australia. I suggest to him that

he will be very unwise unless he takes notice of them. I have expounded sufficiently this evening in connection with the railways position, and one thing is clear: That unless control is exerted—for which I am certain this Chamber would give him authority, as we on this side endeavoured to obtain it—unless he exerts sufficient strength to prevent what is happening in that one department, we will drift along into chaos that can have only one ending.

In the past I have traversed very closely the financial relationships between the Commonwealth and the States. Under the Constitution as framed on Federation, the Commonwealth was given power to legislate on certain specific matters. All the remaining powers of government were left with the States. The Commonwealth had exclusive power to impose Customs tax and excise duty and concurrent powers with the States in other fields of taxation. The Commonwealth could not discriminate between the States in the exercise of its taxation laws. If members will look at Section 87 of the Commonwealth Constitution, they will find therein a consideration in regard to Customs which operated until 1910; and, when the provisions of that section finished, members know that the States, by the methods adopted by the Commonwealth, had no opportunity to get anything from that source; nor, indeed, had they later any opportunity to enjoy surplus revenue from the Commonwealth. There were no powers under Section 87 of the Constitution after 1910.

If members will look at the many financial clauses in the Constitution—and not only Section 96, which is a very vital one today because, without it, Western Australia could not exist—if they will look, for instance, at Section 105A, they will perhaps agree with my view that that is the most important ever written into the Constitution, recent though it is. In that section, this State has the greatest opportunity to exert its rights in any Commonwealth conference. May I, with your indulgence, Mr. Chairman, just quote what Section 105A of the Constitution gives to the States, although the Commonwealth dominated the financial field, as alternatives in regard to financial assistance? The section was inserted under Section 2 of the Constitution Alteration (State Debts) Act of 1928, and it gave to the Commonwealth this right—

The Commonwealth may make agreements with the States with respect to the public debts of the States, including—

(a) the taking over of such debts by the Commonwealth;

(b) the management of such debts;

(c) the payment of interest and the provision and management of sinking funds in respect of such debts;

(d) the consolidation, renewal, conversion and redemption of such debts;

(e) the indemnification of the Commonwealth by the State in respect of debts taken over by the Commonwealth; and

(f) the borrowing of money by the States or by the Commonwealth, or by the Commonwealth for the States.

In that section is our opportunity at a Federal conference to show not merely State desires but the valid needs of a State such as ours in regard to an appreciation of its internal debt which has been incurred with the knowledge of the Commonwealth after our returns from Customs and Excise ceased, the States then having the responsibility for payment for all public works developments—the States had to bear that burden—and the responsibility for all the costs of water supplies and harbours. We have our opportunity in that section of the Constitution and others far too numerous to mention, such as Section 90, Section 92—which is famous—Section 99 and Section 109.

All those sections are of special interest in regard to the financial relationships between the Commonwealth and States. The States, having accepted the responsibility for the creation of public works and developmental works and developmental railways since the 1914-18 war, none of these things can be ignored if Commonwealth-State financial relationships are to be thoroughly investigated.

They cannot be ignored in the case of a State like Western Australia with the responsibility of maintaining services such as education in spots 2,000 miles apart and yet within the State. Such a State as this cannot be expected to have its claims lightly brushed aside if the very fundamentals of Commonwealth-State financial relationships are to be examined and improved upon. So I suggest that since the burden of servicing debts in regard to the development of this State came as a State responsibility, all Australia—not only the Commonwealth Government but maybe through it, under

the present taxation laws, all Australia—has a responsibility to the people of Western Australia in regard to the costs of this development.

Going on a bit further from those days when certain per capita arrangements were made, to the time of the Financial Agreement of 1927, I point out that the States had a colossal task to weather the storm and the difficulties of the depression. Members will know that I have never unfairly criticised the serious burdens of government during the depression years, irrespective of which Government was in office. Theirs was a colossal task wherever they served. With the charges which the depression brought to this community there was again an increase in the burden which this State's citizens had to bear, and until 1930, when the activities of the Loan Council became apparent, the States were almost floundering in their attempts to finance their original expenditures.

In December, 1930, a very interesting event occurred, especially interesting to people concerned in the nationalisation of banking. The Loan Council was informed that financial accommodation would not be available from the banks unless all governmental borrowing, including borrowing for temporary purposes, was dealt with by the Loan Council to which body the banks would look for the discharge of the obligations created by the issue of Treasury bills. Subsequently the Loan Council was informed that the provision of further financial accommodation by the banks would be contingent on the Governments taking steps to achieve closer balance between their revenues and expenditures. I quote that authoritative statement because it has a very close relationship with the trend of finances today.

Unless there is a closer relationship between revenues and expenditure insisted upon on this occasion, the private banks will be saying to the Commonwealth Government through the directors of the Commonwealth Bank, as they did in those days, that it will not be able to go on the loan market for more than this or that sum. The member for Boulder has a very clear recollection of the unfair bargaining that took place around the Loan Council table because the Commonwealth Bank directors told the Premiers that they could

not get, even if they asked for £30,000,000 to provide their people with food and work, more than £15,000,000 in all Australia. The State Premiers haggled and bargained for days to get their fair share of what the banks said the Commonwealth Government could borrow.

These are facts that cannot be denied. Therefore I say that with the trend of to-day—the development from the depression years with the Loan Council still operating and the Commonwealth Government dominating the finances of Australia—we have got to be very careful that by extravagance, and by dilatoriness, so far as our own expenditures are concerned, we do not very shortly reach the position of the Commonwealth having no more to do with the financing of deficits or the giving of grants.

I would like to refer to something which, to my mind, was a very important happening in the days of the first Collier Government. To me it was one of the most important events in the review of State and Commonwealth finances. I refer to the appointment by the Collier Government of the Advisory Committee to prepare the case for Western Australia on the finances of Western Australia as affected by Federation. Mr. Collier appointed the honourable, now Sir, Norbert Keenan, as Chairman of a committee to make those investigations. To all members of this Chamber younger in years and experience than I am, who have not given much attention to this important problem, I would recommend a perusal of the case prepared by Sir Norbert Keenan, because I think it is the most important review ever made of this State's financial relationships with the Commonwealth. Members will find it recorded in the documents of this House, and the report of the Royal Commission of 1925 on the finances of Western Australia is also in this House. The work of Sir Norbert Keenan was, in my view, one of the greatest contributions ever prepared in the scrutiny of this State's finances.

Hon. J. B. Sleeman: And he did not get a place in the Government!

Hon. F. J. S. WISE: I will admit that that case was the basis of the case for secession, but that is quite by the way. He provided, in those records, very cogent reasons why the Commonwealth should take notice of this State's position and make special grants annually. I would like to

read one or two brief extracts from Sir Norbert Keenan's report. In one paragraph he says—

What the State Government wishes by the present opportunity to make clear is that its resources are overtaxed and it is unable to bear the burden of carrying out the policy which is acceptable to the partners in the Australian nation as a whole with her handicapped resources and depleted purse.

He went on to say—

At the beginning of these observations I ventured to say that Western Australia rushed into Federation for patriotic motives, without any proper vision of the business aspects of such action. The inevitable has happened. The policy which suits the dominant partners is the only policy considered and adopted. This policy as I have said, may be taken for granted to be advantageous to those partners. But it is ruinous to Western Australia. What then is to be done? We do not ask these powerful and populous States whom we have joined in partnership to accept our dictatorship of the policy the partnership is to follow. We recognise that this policy must be approved by the majority of the citizens of Australia, and we admit that this means that what these populous States approve must be accepted by us.

If members will take the trouble to study that report, with which I do not wish to weary the Committee on this occasion, they will find in it much food for thought. Also, in the report of the Royal Commission they will find many reasons why all citizens must pause to consider the trend in State finances and their deterioration as is evident at present. It is interesting to note that, based on the report of that committee, the Commission recommended that the State of Western Australia, during a period of 25 years and thereafter until Parliament otherwise provided—this was in the year 1925—should have the absolute right to impose its own customs tariff as in pre-Federation days, provided it did not impose higher duties than the other States, and also that the amount to be contributed by the State of Western Australia to the Commonwealth Government should be determined by negotiation between the Commonwealth Government and the Government of Western Australia, or, in disagreement, by an arbitrator.

Members will see that authorities, appointed by the Commonwealth in 1925, recommended to the Commonwealth that we should have our customs and excise returned to us and, further, that this State should have returned to it the sum of £300,000

per year, but because of a minority report put in by a member of that Commission, recommending otherwise, the real recommendations of the Commission, which would have meant much to restoring this State to its proper financial position, have always been avoided. I will not weary the Committee by traversing the changes that have taken place in the financial responsibilities of the Commonwealth and the States. Earlier in the evening a member said, by way of interjection, that the framers of the Constitution did not anticipate the situation that exists today. Neither did they anticipate two wars, one of which is costing the Commonwealth Government £48,000,000 per year at present.

Of course, the whole financial structure of the Commonwealth has altered substantially, and members will find, in Bird's monthly review of Australian finance, all the tables and figures for every particular item of war expenditure and subsequent expenditure. I refer members to the memorandum on Australian finance for 1947, put up by Bird and Company of Bridge-street, Sydney. It gives completely—even where they are not disclosed as such by the Commonwealth Treasurer—the amounts expended under all the main headings of war expenditure. It is interesting to note that during the eight years from 1939 to 1947 war expenditure was £2,722,000,000, which had to be found by the people of the Commonwealth of Australia.

In the elaboration of those figures, in any consideration of requests or demands from State to Commonwealth or between State and State, there must be recognition of the obligations that the Commonwealth accepted in the interests of the nation during war-time. There is no reason why an examination of the financial relationships and varying responsibilities should not result in a plan being formed that would avoid all of the present unpleasantness that exists when State Treasurers think they cannot get along on their internal income, and the Commonwealth Treasurer thinks he must expand social services and the like. The whole matter could and should have a common beginning on the basis of the just needs and requirements of immediate finance, and the internal obligations that the States must accept if they are to develop

their heritage as we would wish it to be developed.

Members are aware of the collections, State by State, enjoyed under uniform taxation. Out of a total of £40,000,000 this State is now getting £3,807,000. I suggest it is not quite reasonable, in spite of the formula that has been designed, to expect it to keep pace with State needs. New South Wales has gone up, in its return from uniform taxation, from £15,000,000 to £17,500,000, but we know full well that no Treasurer of New South Wales would agree that that State is yet fully developed. We know that the taxation resources left to him do not give him the elasticity of finance previously enjoyed. There is no reason on earth why the demands and requirements of the Commonwealth and States should be opposed, and no reason why any differences should not be reconciled.

I think it fair to acknowledge to our Treasurer—who, as I said earlier, is causing a serious deterioration in our State finances—that he will need more finance than was formerly enjoyed, but that imposes upon him an obligation to see that he is not, by wastefulness and excessive expenditure, prejudicing his own case and the future of this State.

The Premier: I wish you would clarify for me your remark about unnecessary expenditure.

Hon. F. J. S. WISE: If the Premier wishes me to tell him, either privately or publicly—

The Premier: Publicly.

Hon. F. J. S. WISE: —how he should manage the affairs of this State, I say he should not be where he is. Any Premier who does not attempt to justify an increase in expenditure to the record figure of £18,000,000, but who just says, "It does not matter. There it is. I have not done and cannot do anything about it."—

The Premier: Your Government's expenditure increased greatly. What extra charges did you make or what extra revenue did you get?

Hon. F. J. S. WISE: I did not incur a deficit that would jeopardise the future of this State and I did not ignore the signs, obvious to a blind person, that the trend is dangerous—

The Premier: You under-estimated your deficit by £800,000.

Hon. F. J. S. WISE: The Premier is not doing anything about it, but if he is at all sensitive to the interests of the people of this State his deficit will shortly keep him awake at nights. I am prepared to let the Premier know, privately, what I would do in similar circumstances. I think it is time he took stock of the situation.

The Premier: I wish you had taken stock of the situation of the railways.

Hon. F. J. S. WISE: We did.

The Premier: And some of your predecessors also. Then we would not have been in the mess in which we find ourselves today.

Hon. F. J. S. WISE: The inheritance left by the Liberal Government to the Labour Government in 1933—I have never been unfair about it—

The Premier: You were only a boy then, and you have done nothing about it since.

The CHAIRMAN: Order!

Hon. F. J. S. WISE: As acknowledged by the Royal Commission, we rejuvenated the Midland Junction Workshops under extreme difficulties. We reconditioned £1,000,000 worth of rollingstock that was left lying idle at the end of the previous Government's term, and as soon as possible after the war new engines were obtained from England. Buoyant times and times of prosperity, as far as the community is concerned, are not favourable times for Government spending to increase and increase. The time to stimulate Government spending is when public finance is at a low ebb and when private finance cannot do the work it should. The alternatives have to a degree been examined, if not by the Treasurer, then by the Treasury officers, and that is very important. Just as collaboration is necessary in time of war so it is very necessary between National and State governments in time of peace.

The Premier: There is a greater demand on the Government today to spend than ever previously.

Hon. F. J. S. WISE: Yes, and if Governments are willing to be led along that lane they will be spending all the time, but if we wish to have a condition of healthy finance and happy relationships, then we should

attempt to curb any wilful extravagance which can be avoided. I hope that this State's Treasurer will show by his own example and his own endeavours that he is not going to be led into a financial morass which would—as "The West Australian" points out—lead us towards insolvency. I also hope that by much care and imagination he will be able to adjust his finances to such a state as will warrant the confidence of even those who are opposed to him in many other respects. It is only in this way that we can expect to keep our State intact and prosperous. We on this side of the House do not wish to indulge in petty criticisms but only soundly to examine the position and express our views so that the people can decide for themselves just how dangerous is this trend.

HON. J. T. TONKIN (North-East Fremantle) [8.12]: It has long been recognised that the occasion for the granting of Supply to His Majesty is one affording an opportunity for the airing of various grievances before such supply is granted. I think that is a custom which has been completely justified. There are certain matters to which attention has to be drawn very early, lest the drift continue until we reach a stage where it is impossible to provide a sufficient corrective. I am taking advantage of this opportunity to tell the Premier and the Government of a few of the grievances which exist. The Premier mentioned that he was seeking a larger amount this time than formerly because of increased costs. I thought prices only rose with Wise. That is what we were told at the last election.

The Premier: Do you realise that we have got such increased costs as a 40-hour week, which probably means an extra £500,000? Do you blame the Treasurer for that?

Hon. J. T. TONKIN: But the Premier did not realise that before the election.

The Premier: There was no 40-hour week before the election.

Hon. J. T. TONKIN: I realise that. Of course, prices only rose with Wise, we were told, but prices also rise with McLarty.

Mr. Marshall: They rise sky-high.

Hon. J. T. TONKIN: The Premier has for some considerable time been stating publicly that he wants the State's taxing

rights restored. He seemed to indicate tonight that he has changed his mind about that, but we can find ample proof in the newspapers that he has been making these statements for months.

The Minister for Housing: I do not think so.

The Premier: No. I will tell you about it. You carry on.

Hon. J. T. TONKIN: I am asking the Premier what rate of taxation he would have to impose in Western Australia if the taxing rights were restored. That would not occasion very much work in his office, because I feel certain that he must have had the figures taken out before he made the statement that he wanted the State's taxing rights restored. I cannot imagine that any Premier would advocate the restoration of his own taxing rights before having calculated what rate of tax he would have to impose in order to obtain the necessary revenue to carry on the functions of the State. I hope the Premier will let the Chamber have the figures so that the people of Western Australia will know what tax would be imposed if the State had its taxing rights returned.

Hon. J. B. Sleeman: He does not want the rights back.

Mr. Styants: He would not be game to impose a rate to cover the revenue if he had the power.

Hon. J. T. TONKIN: The Premier has recently been touring the North in an endeavour to show the people that there is in power a Government which is very concerned about the condition of the people in those areas and anxious to go to the limit to help them. One gesture which has been made to the North, and which the Government has attempted to capitalise to the fullest extent, is the granting of one free return pass for children in the North who come to the metropolitan area for schooling. People generally believe that the Government is paying for it and that the Government has generously made available to these children this free pass. The true position is that the various local authorities throughout the State are making these free passes available because the money necessary to pay for the fares is being taken from the Transport Co-ordination Fund. The residue of this fund is, by Act of Par-

liament, distributed amongst the local authorities in order that they shall be able to maintain certain roads over which omnibuses and commercial goods vehicles travel. The Act reads—

At the end of the financial year any balance remaining in the Fund shall be divided into three portions in the same proportion as the license fees derived respectively from licenses issued for omnibuses, commercial goods vehicles, and aircraft bear to the total of all such license fees, and such portions shall be applied as follows:—

(a) The portion which is derived from the fees for the issue of omnibus licenses shall be applied towards the maintenance and improvement of the roads (including the erection of shelter sheds or other amenities along such route) on which the omnibuses operate, and shall be divided equitably amongst the various statutory authorities concerned in the maintenance and improvement of those roads.

Despite the fact that the obligations of local authorities have substantially increased in this regard in recent years, the amount of money now being distributed to them is getting less and less until last year it reached an all-time low, being only 52 per cent. of the amount actually collected. That is all that was distributed because this Government has embarked upon a policy which results in this money being used for other purposes, purposes for which, I submit, it was never intended. Section 8 of the State Transport Co-ordination Act Amendment Act of 1946 says—

(2) Out of the said funds there shall be paid—

(a) The cost of administration of this Act;

(b) Contributions to the Superannuation Fund payable by the Board under any agreement made between the Board and the Treasurer under the provisions of section 6 of the Superannuation and Family Benefits Act, 1938-1945; and

(c) Such sums as in the opinion of the Board are necessary or expedient in the interests of public transport to be granted in aid of any transport carried on by the holder of a license for any public vehicle.

Will the Premier tell this Committee that the granting of one free pass a year to school children is in accordance with that provision—"such sums as in the opinion of the Board are necessary or expedient in the interests of public transport."? It is an educational grant, a grant to enable certain children in the North-West who are obliged to come to the metropolitan area—and whose parents thus incur greater ex-

penditure—to return to their homes once each year without cost. It is an action to enable those persons to get some financial benefit. By no stretch of imagination is it in the interests of public transport. That money is being taken from the Transport Co-ordination Fund with the result that the amount left to be divided amongst the local authorities is so much reduced. So it is not the Government that has made these free passes available to the children of the North; it is the local authorities throughout the State.

The Premier: You also may object to the subsidy on perishables.

Hon. J. T. TONKIN: I will deal with that now. The Act was amended in 1946 to enable the people of the North to get freight concessions on perishable goods because it was recognised that during the summer months it was not possible for them to grow their own. The idea is that in all parts of the State where conditions permit, people should not only be encouraged but should be expected to provide for their wants where they are. It is uneconomic, if you can provide for your own wants, to bring the goods some thousands of miles, but it is well recognised that in the summertime it is not possible to grow vegetables in the North-West, and thus the Act was amended to permit of a subsidy for the carriage of perishables during the period it was not possible for the people to grow them. The Government has exploited this to the limit. I noticed recently where it agreed to extend the period for a further two months, and that is, I believe, being paid for out of Consolidated Revenue. The idea was solely to make itself popular with the people in the North.

The Premier: You go up there as I did and have a look; go up there!

Hon. J. T. TONKIN: If the Premier felt so strongly about this, he should not have had any hesitation in taking the money from Consolidated Revenue.

The Premier: I thought you said something about a large deficit just now.

Hon. J. T. TONKIN: Oh yes, but by spending the money the Government is making a gesture to the people in the North, with the local authorities' money.

The Premier: It is all taxpayers' money.

Hon. J. T. TONKIN: Oh no! It is not the taxpayers' money. The money in the Transport Co-ordination Fund was intended by Parliament to go towards the local authorities to enable them to maintain the routes over which omnibuses run.

Mr. Styants: That is robbery.

Hon. J. T. TONKIN: If the Premier carries on this policy he will have no money left in the Transport Co-ordination Fund to go to the local authorities. I will show the trend. The first year for which we have complete figures shows that a total of £14,478 was obtained from omnibus license fees, which went into the Transport Co-ordination Fund. The costs of administration were met, the necessary subsidies were paid but there was a residue of £8,271 or 57 per cent of the total amount collected, and that 57 per cent. was returned to the local authorities in the proper proportion and in accordance with the intention of Parliament.

In 1936 the amount collected was £16,049 of which £12,900 was returned to the local authorities, or 80 per cent. In 1937 the amount collected was £16,338 and the amount returned to local authorities £12,563 or 56 per cent. In 1938 the amount collected was £18,588 and the amount returned to local authorities £13,992 or 75 per cent. In 1939 the amount collected was £18,322 and the amount returned to local authorities £12,413 or 67 per cent. In 1940 the amount collected was £18,981 and the amount returned to local authorities £11,364 or 59 per cent. In 1941 the amount collected was £21,742 and the amount returned to local authorities £14,709 or 67 per cent. In 1942 the amount collected was £26,426 and the amount returned to local authorities £17,359 or 65 per cent. In 1943 the amount collected was £30,287 and the amount returned to local authorities £21,487 or 70 per cent. In 1944 the amount collected was £31,137 and the amount returned to local authorities £20,858 or 67 per cent.

In 1945 the amount collected was £32,695 and the amount returned to local authorities was £23,284 or 71 per cent. In 1946 the amount collected was £34,279 and the amount returned to local authorities £25,319 or 73 per cent. In 1947 the amount collected was £35,291 and the amount re-

turned to local authorities £23,734 or 67 per cent. Now we come to the year with which this Government is concerned and in which this Government's policy is in operation, and what do we find? The largest collection on record; that is, an amount of £39,189 collected and the amount distributed smaller than the amount distributed in 1944, which amount is only £20,292 or 52 per cent., showing very plainly what substantial inroads have been made into this fund in order that the Government can make a good fellow of itself with the local authorities' money. It is time this policy was very drastically reviewed and if the Government wants to pay the subsidies it should do so with its own money, not at the expense of the local authorities. I believe that the people of the North are entitled to subsidies so that they can obtain perishable goods at a cheap rate, but I consider these should be provided in accordance with the Act which was passed for the purpose and should not be extended indefinitely in order to curry favour.

The one free pass a year for school children is definitely an educational grant in the same way as we grant concession fares on railways or buses, or put on Government buses to transport children to school. There is as much justification for taking out of the Transport Co-ordination Fund the living-away-from-home allowance paid to children as there is for calling upon this fund to carry the expenditure I have mentioned because, by doing so, we are making the local authorities pay. One of my local authorities complained that it was getting less money now for the maintenance of the roads over which omnibuses travel than it was receiving 10 years ago, and this is the reason.

Mr. Marshall: And the traffic has increased.

Hon. J. T. TONKIN: I am pleased that the Deputy Premier has returned to the Chamber because I propose to deal with a matter in which he is concerned.

Mr. Marshall: As Minister for Education, he is concerned in the other matter.

Hon. J. T. TONKIN: The Mt. Barker east-west service receives a substantial subsidy from the Transport Board, and it seems as if the subsidy should have been discontinued some time ago. I propose to quote from the Transport Board's 14th an-

nual report issued in 1947, which refers to this service—

Mt. Barker East-West Service: This service has been in existence for over nine years; to the West of Mt. Barker it takes the place of a proposed railway and in all it traverses a highly productive area. Under such conditions it might well be reasoned that the success of road transport service would be assured and that, even if subsidy were necessary in the early stages, the natural progress of events should be towards a self-contained and adequate service. Such has not been the case, and towards the end of 1946, the service began to give the board considerable concern when the operator of the service gave indications of an intention to retire from it owing to the lack of support by producers on the route.

I wish members to note that. Here is a subsidised service and, despite the subsidy, it was threatened with discontinuance because the producers on the route would not patronise it sufficiently. The report continues—

An analysis of the position of the Mt. Barker East and West service was made and the position that had arisen could be attributed to several factors, the more important of which were firstly a post-war influx of private carriers into the district able to operate within the exemptions of the State Transport Co-ordination Act and, by concentration on profitable loading only, to undercut the rates of the subsidised carrier; secondly, with the greater availability of vehicles following the end of the war a tendency on the part of producers to handle on their own account the better class of their loading; and thirdly, the use by the operator of transport units more in accord with the possibilities of the route than the actual loading offering.

In November, 1946, the board convened a meeting at Mt. Barker of all parties interested in the service; a full exchange of views took place; the general consensus of opinion was that the solution of the problem lay in further subsidy and reduction of rates. At the same time it was recognised that the full support of the producers was essential; this was promised. Following upon the meeting, the board increased the subsidy and investigated the question of rates. Progress, however, was retarded by an intimation in May of this year from the operator that producers were not according the promised support and that, despite the increased subsidy, he could no longer carry on. The board was faced with the position that producers were in fact using the service only as a means of transporting their superphosphate and that it might be more in accord with sound economy to make seasonable arrangements for that transport and abandon the service.

It was felt that the abandonment of the service in a period of expanding economic activity should not be undertaken lightly. The Deputy Premier, the Hon. A. F. Watts, M.L.A., has always been a keen champion of the service

and deeply interested in its continuance. The board is appreciative of his efforts in obtaining the services of another operator with an organisation and equipment commensurate with the work offering, and gladly availed itself of the opportunity of securing his services and has agreed to continue its present subsidy for a further twelve months. In the meantime the position will be closely watched with a view to arriving at an ultimate satisfactory solution of the problem. A material contribution to that will be the continued support of the producers within the ambit of the service.

I should think so. One of the necessary requirements for the continuance of this service should be the support of the producers for whom the service was established. But they will not support it. I have no doubt that it was owing to strong representations by the member for the district, the Deputy Premier, that the service is being continued when it is uneconomic, and thus people in other parts of the State are being called upon to subsidise a service that ought to pay but will not pay because the people it was intended to serve will not use it. They are prepared to use it only for the carriage of unprofitable lines, such as superphosphate. How long is this to continue? I suppose so long as the local authorities will stand it! Let me tell the Government that the local authorities are getting somewhat restless about it. They are inquiring how it is that the money in the Transport Co-ordination Fund gets less and less and, although they have substantially increased obligations for the maintenance of roads, they are receiving less money for the purpose.

Later in the session I hope we shall be given more information and I shall be very interested to learn what is happening to that service. I have no doubt that other influential members of the Cabinet will make representations along the same lines. I say that this is unfair to the local authorities generally who have a perfect right to look to the Transport Co-ordination Fund for some of the finance with which to do the work required of them.

The Premier, when speaking on this Bill, said that the railways accounted for the deficit. True, but Government policy has been responsible for some of the railway deficit. I do not think there was any reason whatever for continuing the road transport of superphosphate so long as the Government did.

The Premier: Do you know the facts?

Hon. J. T. TONKIN: I think I do.

The Premier: So does the Government.

Hon. J. T. TONKIN: I hope the Government will state the facts because this is a very vulnerable spot. Will the Premier say that no representations were made by the Railway Department for this transport to cease months before it did?

The Premier: We knew perfectly well that the railways could not get the superphosphate out to the country. We have heard that story before.

Hon. J. T. TONKIN: Then the Railway Department did make such representations. Is that so?

The Premier: The department said it could get the super. out. We knew that it could not be done, and proved that it could not be done. We were more interested in getting the super. to the farmers.

The CHAIRMAN: Order!

Hon. J. T. TONKIN: I think the facts are against the Premier.

The Premier: They are not.

Hon. J. T. TONKIN: I think he carried it on for a considerable time longer than was necessary.

The Premier: Not a day.

Hon. J. T. TONKIN: At a later stage we might prove this.

The Minister for Railways: You will have a job.

Hon. J. T. TONKIN: Not such a big job as the Minister for Railways thinks. With regard to the transport of wheat, the same criticism might be advanced, but the result is different, inasmuch as the Government did not have to pay. Somebody else was paying, but we know that wheat was still being brought down by road while there was sufficient wheat at Fremantle for four cargoes.

The Minister for Railways: What does that prove?

Hon. J. T. TONKIN: That there was no necessity to continue bringing wheat by road.

The Minister for Railways: That is nonsense.

Hon. J. T. TONKIN: That is what it proves.

The Minister for Railways: Where would we be if we put the wheat off?

Hon. J. T. TONKIN: There was an accumulation of four cargoes. Had the Minis-

ter been footing the bill himself, I should hope he would have taken a different view from what he did.

Mr. Yates: It is nonsense to have four cargoes of wheat if the railways go on strike.

Hon. J. T. TONKIN: Was the hon. member anticipating a strike?

The Premier: He should have said, "Had the railways broken down." He should not have said a "strike."

The CHAIRMAN: Order!

Hon. J. T. TONKIN: The Premier complains that costs have risen, but I do not think he has made much of an attempt to keep them down.

The Premier: Can you tell me how I could do it?

Hon. J. T. TONKIN: On superphosphate.

The Premier: That is one point we have answered.

Hon. J. T. TONKIN: That is the way the Premier is going to answer all these points—just wave them aside, but he will find that that will not suffice. He will be obliged to provide the answers to these statements, although not necessarily now. It is all very well for him to say that costs have increased owing to the introduction of the 40-hour week, and put it all down to that.

The Premier: Not all. I will give you another list.

Hon. J. T. TONKIN: We heard a lot on the hustings about the Government's intention to provide homes for two and three-unit families. The Government was going to do a marvellous job.

The Premier: And it is on the way.

Hon. J. T. TONKIN: It is on the way all right! A couple of months ago I wrote to the Housing Commission with regard to several cases of two and three-unit families, and quoted the statements made by the Premier and the Deputy Premier in their Policy speeches. The replies which I received in writing were that because these were two and three-unit families—for that reason and no other—the applications could not be granted—and the Government has been more than 12 months in office!

The Minister for Housing: Those families are getting seven times their previous quota.

Hon. J. T. TONKIN: Are they?

The Minister for Housing: Yes.

Hon. J. T. TONKIN: Seven times their previous quota?

The Minister for Housing: The previous quota was 5 per cent.

Hon. J. T. TONKIN: Then there is this great idea of expansible houses. I have heard them called collapsible houses by some people; I hope that is not prophetic. How many of these are to be provided? One of my constituents made an application last week and was told there would be no more of such houses until after Christmas. I have not seen any yet. This plan, which was launched with a great flourish, seems to have been killed at birth.

The Minister for Housing: No. It is going strong.

Hon. J. T. TONKIN: No houses till after Christmas?

The Premier: Never was there such building activity in the history of the State.

Hon. F. J. S. Wise: I will tell you all about that later.

Hon. J. T. TONKIN: How many expansible houses have already been allocated?

The Minister for Housing: Contracts have now been invited for the first 90.

Hon. J. T. TONKIN: Is it true that there will be none until after Christmas?

The Minister for Housing: We are building them as fast as we can.

Hon. J. T. TONKIN: That means no more until after Christmas.

The Minister for Housing: I hope to have 180, or twice that figure.

Hon. F. J. S. Wise: The effective building rate is lower than it was last year.

The Minister for Housing: But we have the 40-hour week.

Several members interjected.

The CHAIRMAN: Order!

Hon. J. T. TONKIN: The people were led to believe by the Premier and the Deputy Premier that houses would be provided for two and three-unit families. They believed that statement.

The Minister for Housing: And they are being built.

Hon. J. T. TONKIN: What nonsense! Every member knows hundreds of persons who come to him from time to time saying that they have lodged their applications, which have been turned down because they have been for two and three-unit families.

The Minister for Housing: Not now.

Hon. J. T. TONKIN: Yes, every day. I have a dozen constituents whose names I can give the Minister for Housing tomorrow morning.

The Minister for Housing: Bring them in to me.

Hon. J. T. TONKIN: Would the Minister get these applications granted right away?

The Minister for Housing: You cannot get them right away.

Hon. J. T. TONKIN: We can get one now and one next Christmas. That is about the rate. It has been long recognised that the time to air grievances is on the question of supply being granted to His Majesty.

Mr. Marshall: His Majesty is not performing very well.

Hon. J. T. TONKIN: It is well that the people should know what difference there is between the Government's promises and its performances. In this respect, and it is one of the cruellest of the lot, the Government has fallen down badly, for the reason that the people who are definitely up against it are the two and three-unit families. Admittedly, we told them that the large families had the greater call upon the resources of the Government. We made no secret of that as a matter of policy. But the Government said that that was wrong; it said it should not be done.

Hon. F. J. S. Wise: The Premier said that it was quite idle to say there had been a war and a depression.

Hon. J. T. TONKIN: Houses should be made available for two and three-unit families.

The Minister for Housing: They should get a fair proportion.

Hon. J. T. TONKIN: But the applications of the two and three-unit families were turned down on the very ground that the applicants were members of two and three-unit families. It is well that the people should know exactly what the position is. It is not only these people who have a

grievance; every member of Parliament has had representations made to him by persons so circumstanced.

Mr. Yates: Have any two-unit family homes been built in your electorate in the last few months?

Hon. J. T. TONKIN: No. The people cannot get permits to build.

Mr. Yates: I will name one for you afterwards.

Hon. J. T. TONKIN: I am living in hope as a result of what the Minister for Housing has said.

The Attorney General: You should have made more inquiries.

Mr. Marshall: Are there any vacancies in the Weld Club that you know of?

The Minister for Housing: I think you would make a very popular member.

Hon. A. H. Panton: Provided he could become a member.

Hon. J. T. TONKIN: It looks as though we have got some results straightaway. It serves to show that this custom of airing grievances is to be commended.

Mr. Leslie: No; it proves the effectiveness of the Government's work.

Hon. J. T. TONKIN: I should say rather the effectiveness of the criticism—and there is more to follow.

The Premier: Is that a threat or a promise?

Hon. J. T. TONKIN: It is a promise. We can see how we get on with this first instalment and so cut our coats according to the cloth with the second instalment.

MR. REYNOLDS (Forrest) [8.51]: First things come first, and there is a possibility that after the debate on the Address-in-reply has been resumed, it will be suspended to enable price control measures to be dealt with.

Hon. J. B. Sleeman: Who suggested that?

Mr. REYNOLDS: I know it is a possibility, and commonsense tells me—

Mr. Hoar: What good will that do?

Mr. REYNOLDS: I feel there are certain matters vital to the interests of the fruitgrowers of the State that should be mentioned at this stage. I also desire to touch on several issues affecting the deplorable financial position into which the State

is rapidly drifting. We know definitely that never before in the history of the State has there been such a shortage of fruit cases. The Minister supplied the House with certain information this afternoon in that regard and unfortunately he appreciates that that is the position. It is my intention to submit what I hope will be some constructive criticism, similar to the attitude adopted by previous speakers.

During the war a system of fruit control was introduced under the aegis of the National Security Regulations, and that procedure was continued until December, 1945. At that stage the Forests Department took over in a spirit of goodwill but with no definite authority or understanding between the millers and the case distributors. With the resumption of the apple export trade, the case position has become alarmingly desperate. In 1947-48 our case requirements were—

Apples—1½ million dumps.

Dried vine fruits—150,000 D.F. type.

Tomatoes—270,000 ¾ flat, and 180,000 ½ dumps. (300,000 for Geraldton).

Stone fruit and Pears—330,000 ¾ flat, and 12,000 ½ dump.

Citrus—150,000 dump, and 50,000 ¼ flat. (This allows for use of some second-hand cases).

Grapes—50,000 ¾ flat and many second-hand cases used but not for export.

Bananas—50,000 D.F. type.

That indicates a total requirement of 2,750,000 cases. As I indicated, many second-hand cases have been used for the packing of grapes and sending them to market. That has been done over a period of years. I stress that because it has a certain bearing on legislation that I hope the Minister will see the wisdom of introducing in the interests of the fruitgrowers. To simplify the matter and to give a brief survey of the different types of cases required for the handling of fruit I would divide the requirements into two main classes. The first would include the cases necessary for fresh and dried fruits, which should be made from seasoned or semi-seasoned wood.

Prior to the war the various mills in the karri forests produced over 1,000,000 cases per annum, and today we are using about 60 per cent. karri and 40 per cent. jarrah. Those cases had great value from the point of view of the fruitgrowers because over a period of years the use of that type of case

created goodwill. English buyers of our fruit bought the products packed in the red cases because they knew the consignment had been honestly and genuinely packed and that they would be obtaining good samples of our apple production. As members know, Western Australian apples, particularly the Granny Smiths, are considered to be equal to the world's best. The second class would include the cases used as butter boxes, soap boxes, pear cases, crates for canned fruits, vegetables and a host of other sundries.

I desire to stress particularly that today, unfortunately, instead of producing karri cases which, as I have pointed out, have constituted our best trademark—in fact, the redwood boxes were the best advertisement we could devise—we are buying hundreds of thousands of whitewood cases and, in effect, we are throwing away the goodwill we have created over the years, at very considerable expense, for the fruitgrowers of this State. That is the point I want to stress to the Minister. In reply to a question this afternoon he said that 200,000 whitewood cases had already been ordered and another 200,000 were being ordered. My information is that over 500,000 cases have already been ordered.

In reply to another question the Minister mentioned that last year we imported 300,000 cases at a cost of 3s. each. When I was at Donnybrook last year—I have been there on many occasions since, but I wish to refer to the particular visit I have in mind—I found that fruit was being received into cold storage, and I was amazed when I saw that they were packed in whitewood cases. I made inquiries and found that the cost of those cases was 3s. 5d. each. Last year the authorities under the Apple and Pear Acquisition Scheme paid for those cases, and naturally the cost had to be recouped out of revenue. In other words, it was passed on to the people of Australia by way of taxation. That is the unfortunate part.

Instead of sending our fruit away in redwood cases, we are importing half a million whitewood cases. I do not know whether that shocks the Minister, but it absolutely appals me. From information I have from various sources, despite the fact that we are going to import about 500,000 white woods, we will still be 400,000 or 500,000 cases

short, assuming we are only going to harvest an average fruit crop. Today, instead of exporting our fruit in 100 per cent. karri cases, we are turning out a mixture of cases half jarrah and half karri. Our production was 100 per cent. karri and it is essential that karri be exported for many reasons. I have here the dimensions of various cases, and this is a particularly important point. There are two ends on a case. They are 14½ in. by 10 in. by 11/16th in. This equals 1.337 super feet, and when it is finished it equals 1.082 super feet. The two tops—19½ in. by 4½ in. by ½ in.—and the two bottoms, of similar dimensions, equal .568 super feet. The six sides, each 19½ in. by 4½ in. by 5/16th in., equal 1.128 super feet, making a total of 2.778 super feet.

I mention this because our karri cases are much sought after in England for veneer purposes. In England they are turned into veneers and have been sold for as high as 15s. each. These veneers from karri are used for ornamental purposes and we have established a very profitable trade through the export of these cases. The timber position is getting worse; in fact it is desperate. It was admitted by the Minister in reply to a question that four big mills in this State had given an assurance that they would produce 950,000 cases this year. But on the Minister's own information they have only produced 607,000. I think they need to be told where they stand.

The Minister for Housing: They are milling timber for houses.

Mr. REYNOLDS: I thank the Minister. The price of No. 2 fruit cases f.o.r. at mills in 1938-39 was 8s. 9d. a dozen. Today it is 19s. 9d., an increase of 120 per cent. I am surprised at the member for Geraldton, who represents a tomato-growing industry, laughing at what I am saying. If the growers realised he was doing that and making a joke of this desperate position, he would probably not be so ready to smile. These fruit cases are 19s. 9d. a dozen, having increased by 4s. 6d. a dozen since the present Government took over. I say very seriously that we should establish in the karri area a mill with a capacity of one million cases a year.

The Minister for Housing: That is under contemplation.

Mr. REYNOLDS: I am very pleased to hear that, because I have been advocating it for some time.

Hon. A. R. G. Hawke: It is only under contemplation!

Mr. REYNOLDS: Well, it is a possibility.

The Minister for Housing: It was not even under contemplation before I came on the scene.

Mr. REYNOLDS: We should endeavour to get some slicing machines here. Last year, when I went to the Eastern States, I saw some of these machines, and I think they could be used to great advantage in the production of material for fruit cases. I hope the Minister will give that consideration, though I know that the ends would have to be from sawn timber. But in Queensland and New South Wales I saw what was being done by the use of slicing machines.

History was made in Queensland by the introduction of the Fruit Marketing Organisation Act, which gave statutory powers to fruitgrowers to bring about orderly marketing of Queensland fruits through an organisation called The Committee of Direction of Fruit Marketing. It is known in Queensland as the C.O.D., and it is in no way connected with the Department of Agriculture. Though it has certain compulsory powers, the individual rights of growers are paramount. The Act, to my way of thinking—and I have studied it carefully—is a very valuable piece of legislation for the handling of perishable commodities such as fruit and vegetables, and does not give complete ownership as does pool legislation; which is a very important thing, the main idea being that the rights of the growers are always considered.

The Act can be applied to any crop constituting a problem. Mainly the powers under the Act have been used in handling the factory portion of crops. Growers in Queensland—and I met many of them when I was over there attending some of the meetings—told me that they appreciated what the Act had done for them and said they would not willingly revert to the chaotic conditions of individual barter between grower and canner which obtained in pre-C.O.D. days. In 1944 a Royal Commission was appointed to investigate the activities of the C.O.D. and also the Secondhand Fruit Cases Act. I have here the final re-

port of the Commission, which I will hand to the Minister, because I think it is something he should see and because it embodies the results of six years' experience in the handling of fruit cases. One sentence in the report reads—

This question involves the consideration of several basic principles. Many growers do not fully appreciate how large a factor in their net profit is the cost of cases and containers.

That is the point I wish to stress. We are paying up to 4s. for imported cases and local cases only cost 1s. 7½d. That is a big economic factor and involves a great loss to the growers. Shortly we will have the spectacle of a grower on one side of the road paying up to 4s. each for cases and the man on the other side paying 1s. 7½d. for the locally produced case. I want to stress that because it is unfair, apart altogether from the fact that it means a big economic loss to the fruitgrowers of this State. The report goes on—

We have shown in our preliminary report that the actual return to a group of growers at Stanthorpe for tomatoes marketed by them in 1939-40 was about 3s. per half-bushel case. At that time a new half-bushel case—not made up—cost 6d. The case-cost then represented 17 per cent of the gross return to the grower.

That was the cost of the case to the farmers—17 per cent.—and that was on only 6d. But now we are importing cases at 4s. each. It is an alarming position and a very costly one for the farmers of this State. The report continues—

With other commodities the percentage was less or more according to the selling price of the commodity, but it is apparent that case-cost is a large factor in net profit—not so large in wartime with high prices ruling, but it will be again a greater factor when prices return to normal.

That is the vitally important part. Today they can carry the high costs because they are getting high prices, but when they get down to bedrock again, which they probably will do within three or four years—I hope not sooner, but prices must recede—they will feel the position. I again quote from the report—

Before the war second-hand cases were little used in most districts, but war necessity has caused a larger use of second-hand cases, the distribution of which is controlled by the Second-hand Cases Act.

When it is realised that some millions of cases are used annually the economic loss to growers caused by using new cases becomes apparent and it is plain that the use of second-hand cases should be encouraged in peacetime.

In many districts in New South Wales returnable cases with hinged lids have been in use for many years. In Sydney there is at least one agent who for years has used a profitable system whereby he owns the cases and hires them out to his growers at so much per use.

We think that the whole question of containers calls for much wider consideration than it has received; so far as we could learn the problems have been attacked by the authorities concerned in a disjointed manner.

Not only the question of second-hand cases is involved; there arise also, the questions of the most suitable type of package for each particular sort of commodity and the standardisation of packages in conjunction with other States, particularly New South Wales.

The Act was a brilliant one, and it was introduced in November 1929. The final finding of the Royal Commissioner was that the C.O.D. was the champion of the growers, or the champion on which the growers should rely to fight their battles in the strenuous days to come. The composition of the C.O.D. is very interesting. It is made up from the various fruit growers' associations and group sectional committees, as well as eight members of the executive. In all there are ten members and one Government nominee. I have merely given this brief history and composition of the C.O.D. because it is such a power in Queensland, and it has been of great benefit to the fruit and vegetable growers. Moreover, it played a large part in the introduction of the Second-hand Fruit Cases Act which became law in November 1940. Time has proved it to be a very valuable piece of legislation for the fruitgrowers and the vegetable growers alike.

The Act has been instrumental in the handling of the cases for re-use in the fruit-growing industry. Its economy has had its national reflex in the lessened demand for new timber, nails, labour, finance etc. Members, therefore, can see that it is a big economic factor. That is the point I want the Minister to note. Prior to the war, Queensland growers looked on the use of second-hand cases with a sort of contempt and scorn. But today they realise what a boon and benefit they are. When they conceived the idea of introducing the Secondhand Fruit Cases Act, serious thought was given to creating a sort of central exchange to handle the cases. But after much consideration they realised that the cost of this exchange would be too great, and they decided to appoint dealers to handle the Act.

The object of the legislation is merely to conserve, control, and adjust supplies of secondhand fruit cases. The first work of the committee was to appoint dealers and give them a license, and also to arrange the prices at which the various sized cases should be purchased by the dealers, and later sold to growers or others. Actually that was the first work done by the committee. The price fixed for secondhand fruit cases prevented the exploitation of the growers and it was also lower than the price obtaining for secondhand fruit cases prior to the introduction of the Act. The advantageous price fixed for secondhand cases in Queensland led to a great demand from New South Wales for a supply of cases, despite the fact that the freight on them was 5d. each. Since the Act was introduced, 173,000 cases were handled in April, May and June of 1941. In 1942 there were 700,000 cases handled, and 1,007,000 cases were handled in 1943. In 1944 there were 1,300,000 cases handled, in 1945 there were 1,600,000 and in 1946 there were 1,780,000 cases handled. When I was over there I was told that they hoped to handle just on 2,000,000 cases in 1947. My suggested amendments to the Fruit Cases Act, 1919-1933, are as follows:—

Section 2: Add to definitions—

“Dealer” means a person who (and whether alone or in conjunction with any other business) exercises or carries on the business of dealing in or buying or selling secondhand cases.

“Minister” means the Minister of Agriculture or other Minister of the Crown charged for the time being with the administration of this Act.

After Section 8, insert new section taken for Queensland Act (*mutatis mutandis*) as follows:—

8A. License may be limited by (Minister) to district. (See Section 11 of Queensland Act).

8B. Dealers to be licensed. (See Section 12 of Queensland Act).

8C. Period during which license or renewal thereof remains in force. (See Section 13 of Queensland Act).

8D. Offences by licensed dealers. (See Section 14 of Queensland Act).

8E. Form of license. (See Section 15 of Queensland Act).

8F. Orders for secondhand cases to be submitted to the (Minister). (See Section 16 of Queensland Act).

8G. Secondhand cases not to be purchased or used without authority. (See Section 17 of Queensland Act).

8H. Secondhand cases to be bought and sold through licensed dealers. (See Section 18 of Queensland Act).

8I. How secondhand case which is unfit for use may be disposed of. (See Section 19 of Queensland Act).

8J. Cancellation of licenses. (See Section 20 of Queensland Act).

8K. Record of conviction and forfeiture of license. (See Section 23 (2) and (3) of Queensland Act).

Section 13: Add new paragraphs (c) and (d). (See (a) and (b) of Section 24 of Queensland Act).

Section 11: Insert the word "fees."

I have given the matter considerable thought, and when in Queensland was assured that that Act had proved a great success. I received a good deal of literature from the general manager of the C.O.D., who spoke highly of the legislation. I put three leading questions to him and in reply he said that it had not been found necessary to treat secondhand cases—that is very important—

The Minister for Housing: Is that treating them by fumigation?

Mr. REYNOLDS: It has not been found necessary. As maximum prices have been arranged under the regulations, the dealers do not pay top prices unless the cases are clean and in good condition. They are experts, and will not purchase the cases unless they know they are buying good stuff. The committee also advertises in trade journals, asking storekeepers to keep their cases clean and in good condition. I was informed that paper liners are used extensively by the growers. They cost 33s. 9d. per thousand, or two-fifths of a penny each. The number of times a case can be used varies with the type of case. The bushel dump cases can be used three or four times for apples and oranges, and then several times for paw paws, lettuce and so on. This has something to do with our unfortunate purchase of softwood cases. The lighter cases, such as those from Canada, cannot be used more than two, or, in exceptional instances, three times. I will pass all this information over to the Minister.

I listened with great interest last year to the Treasurer introducing the Budget. I hoped, in vain, that he would give some indication that he had a well-balanced and integrated scheme for the future development of our natural resources. After he had told the people of the State what he would do if his Government came into

power, I felt that the whole Budget fell rather flat. I do not think the Premier has any such scheme. If it does exist, it has not been mentioned in this House and the Premier must be either afraid or ashamed of it. He toured the country, telling the people that they must increase production because the United Kingdom needed food. It is easy to tell people to do these things—

The Premier: Mr. Chifley is also telling the people that.

Mr. REYNOLDS: The Premier also went to the North-West and told the residents that they needed more population, and that he would be pleased to help them. I do not know whether Mr. Chifley has told them the same thing. It is easy to tell people such things, but members would rather be shown a simple and easy way in which these objects could be achieved. Members would like to know how to overcome the shortage of labour, of implements, fertilisers and other essentials, as well as how to solve the vital problem of housing. I thought we were to see all these things done but, instead of those difficulties being overcome, we are getting deeper into the mire, the cobwebs and the muddle. The Premier has failed to give any display of business acumen. From what he said, I thought taxation would come down, that houses would be erected by the thousand, and that everyone would be smiling and moving towards a new world.

The Premier: Why did you think taxation would come down?

Mr. REYNOLDS: None of those things has come about. If the chairman of a company failed to tell the shareholders how he was going to equate income with expenditure, and show a little profit, he would not be chairman for long. The Premier should place before the Chamber a statement explaining how he intends to develop our natural physical resources to enable the State to get out of the morass of debt into which he is speedily driving it. The Premier is doing just the very opposite to what he would like to be doing. He talks about Communism, but within the next three or four years we will be so saddled with debt that this State will be a breeding ground for Communism.

The Premier: There was a debt before this Government came into power.

Mr. REYNOLDS: Yes, the ordinary one, but the Premier has increased it substantially. I have made a very close study of several budgets and I consider that we should have more business men in the Government. That is very obvious to me.

Hon. A. H. Panton: There are too many lawyers.

Mr. REYNOLDS: Probably, but it is an easy matter to spend and go on squandering the people's money. I can do that if I am given a few millions to spend. Last year I sat in this House and listened to almost every speaker week after week, month after month, and I saw Bill after Bill introduced, and what were they? I challenge the Premier to show me that more than eight or 10 of them were of a nature beneficial to this State.

The Minister for Housing: There was one good Bill towards the end of the year.

Mr. REYNOLDS: It depends upon the Bill to which the Minister is referring. His mind probably differs from mine.

The Minister for Education: You know quite well. It was throwing money about and you objected to that.

Mr. REYNOLDS: While sitting idly listening to various members and to Bills being introduced, I felt that it was a lot of time wasted, and to my mind the Bills were just "chicken-feed." I saw reference to that in the leading article of "The West Australian," and "The West Australian," of course, does not treat the Labour Party very favourably.

The Premier: They publish all your letters, do they not?

Mr. REYNOLDS: They realise that I must have something good. If they did not think that they would not grant me the space.

The Minister for Education: Do not spoil a good speech by being egotistical.

Mr. REYNOLDS: I am not doing that: The Minister is trying to pull my leg. Three years ago the Wise Government held an investigation to discover how many houses were required in this State, and according to the information available to me the number was then 10,000, despite the efforts of the Housing Commission and also the assurances of the Minister the other evening when he said there were only 7,000 homes required. If I am able to figure out cor-

rectly, as I know other people can figure correctly, there were 10,000 homes short and during the last three years we have built almost 6,000 homes—not quite 6,000, but I am giving the Premier the benefit of the doubt—which leaves a balance of 4,000 homes.

Mr. May: What about the people who have been married since?

Mr. REYNOLDS: Realising that our target is 3,000 houses per year, and the greatest number of homes that we have built in any one year was 2,620 last year, it can be seen that we are slipping behind by at least 400 houses per year on our target. As well as that, people are marrying at the rate of 5,400 per year and it is estimated that at least 80 per cent. of those people require homes, which means that instead of our target being 3,000 homes per year, it should be at least 6,000 homes per year. That is the unfortunate position into which we are drifting, and while I realise that the Minister is endeavouring to do the best he possibly can I want to stress the point that very shortly—we have heard this from Mr. Calwell, and I know that the Premier has mentioned it also—there is a possibility of a big immigration influx which will probably reach 10,000 immigrants per year. When we realise the arrears in our house-building programme and in schools, private and public buildings, shops, factories, new hotels and new boarding houses, I ask the Minister is it right that we should export 44 per cent. of our timber? We produced 10,000,000 cubic feet of timber last year.

The Minister for Housing: It is just over 30 per cent.

Mr. REYNOLDS: Last year we produced 10,000,000 cubic feet of timber and there are 50 cubic feet to a load. If you divide 50 cubic feet into the 10,000,000 it means you have 200,000. In that case we produced last year 200,000 loads, and we exported 78,045 loads which is over 40 per cent.

The Minister for Housing: I am afraid your figures do not work out. We will discuss that later.

Mr. REYNOLDS: If the Minister can prove otherwise, I shall withdraw my statements. Last year, when in New South Wales, I investigated the housing position, and I have had forwarded to me a journal

called "Construction." On the 22nd May of this year, I saw a very interesting article published by Mr. Ian Langlands who is in the Building Materials Research Department of the C.S.I.R. He has made a very extensive tour of America, England and Europe investigating the various materials used for construction purposes. I think his comment will be of interest to members as it vitally affects the house building programme. It is as follows:—

Mr. Ian Langlands, Officer-in-charge of Building Materials Research, C.S.I.R., recently returned from a visit to America, Great Britain, and Europe, during which he reviewed building practice and the materials utilised in the various countries.

His comments have recently been published by C.S.I.R., and we have extracts therefrom.

Building in America. It is generally considered that the manufacture of common bricks is a dying industry in the U. S. A. as they are having very great difficulty in competing with concrete blocks which are now being used very largely as a backing to face bricks and also for partitions. Many of the more progressive brickyards are setting up their own concrete block factories.

Concrete blocks increasingly used: The use of concrete block walls is increasing in all parts of the country. The most common unit is the normal 16" x 8" x 8" (actual 15½" x 7½" x 7½") cord block made from light weight aggregate such as cinders, pumice, expanded clay or foamed slag and weighing about 30 lbs. However, in Southern California a smaller nominal 12" x 8" x 4" (actual 11½" x 7¼" x 3½") cord block made from dense aggregates and weighing about 15lbs. is popular. A certain amount of trouble is being encountered because of the opposition by bricklayers to handling the concrete blocks due to their weight and this is largely the reason for the use of a smaller and lighter block in Southern California.

Modular co-ordination using a 4" module, is becoming very widely adopted throughout U.S.A. and practically all concrete blocks are produced to modular sizes. Brickmakers are rapidly changing over to this system and door and window manufacturers co-operate.

Concrete block walls are normally treated externally with cement paint or by rendering. However, to reduce costs it is not uncommon to see untreated walls in the cheaper houses. Because of the use of solid walls the same trouble from moisture penetration is experienced as with the solid clay brick walls.

I will now quote from a letter addressed to A. Crammond, Esq., Crammond Radio Manufacturing Company Prop. Ltd., 8 Queens-street, Brisbane, from the Premier's Department in Queensland. It reads—

With reference to your conversation with me, I wish to inform you that the Government is very interested in your proposal for accelerating the construction of Denaro Air Flow Building Block houses in this State.

The Denaro block has, of course, already been subjected to severe tests by the State Housing Commission and has been certified by the Commission as being suitable for use in house construction in Queensland.

The Government is also interested in the portable machine which has been produced for the manufacture of Denaro blocks. Effectively used, these machines should do much to alleviate many of the housing difficulties which are experienced in outback areas today. One of the principal difficulties has been the long distance over which the more conventional type of building materials has had to be transported from the point of production. This, of course, has a very marked effect on the final cost of construction.

With these portable machines, in many cases local sand and gravel can be used with the result that an adequate supply of blocks can be manufactured to meet the requirements of the particular area at a very reasonable cost. I should be glad if you would keep me informed of the progress you make in this direction.

That letter is signed by the Hon. E. M. Hanlon, Premier of Queensland.

I will hand this to the Minister, because it is something he should see, together with another letter I have here addressed to Mr. Crammond by W. J. Young, Commissioner of the Queensland Housing Commission. I think that these men have evidently proved that this type of brick is a great success. They say that the red brick is a dying one, and I will have pleasure in handing on their comments. There are many matters on which I would like to touch regarding the financial aspect, but as time is fairly well advanced and I have spoken at considerable length, I will sit down because I realise there may be other speakers.

HON. A. B. G. HAWKE (Northam) [9.45]: Every member, as a matter of duty, is keenly interested in the financial position of the State. No member who has given serious consideration to the financial position can be anything but worried at the drift that has occurred in this State in recent times. The deficit for the last financial year was £352,000, which in itself is a very substantial sum, but the position is made ever so much worse when it is remembered that a special grant of £1,000,000

from the Commonwealth was included in the State revenue figures before the final deficit was made. In addition to the special grant of £1,000,000, a further sum of approximately £2,000,000 by way of grant was also made available by the Commonwealth to the State.

I was not able to gather from the interjections of the Treasurer during the course of this debate whether he regarded the deterioration in the finances of the State as being of a very serious nature. I was not able to understand from what he said whether he thinks the present position is really serious. In fact, the impression he gave me was that he and his Government had no option in the matter of expenditure because, as he stated by interjection, there was never a time when demands upon the Government were greater than they are at the present time.

I do not know whether the Treasurer imagines that because demands upon a Government are great it is called upon willy-nilly to find all the money necessary to meet all the demands even to the extent of going head over heels into debt, if the money required to meet such demands is not readily available. I think from what I have seen and heard that might easily be the attitude of the Treasurer and the Government.

The Premier: To what expenditure do you object?

Hon. A. R. G. HAWKE: I hope later in my speech to provide some proof for my opinion in that direction. There is a reference in the Lieut.-Governor's Speech to what is considered to be a pre-requisite for the restoration of economic equilibrium in Western Australia.

Hon. F. J. S. Wise: That is a nice word; that is what the Premier prays for.

Hon. A. R. G. HAWKE: Economic equilibrium. Significantly enough there is nothing in the Speech as to what is a pre-requisite for the establishment of financial equilibrium. I do not know whether members of the Government feel that financial equilibrium will automatically follow the establishment of economic equilibrium.

The Minister for Housing: I think the two; one would be the same as the other.

Hon. A. R. G. HAWKE: If the Government would use more simple language and

understandable terms in the speech of the Lieut.-Governor—

The Minister for Housing: We pinched that from Mr. Chifley.

Hon. A. R. G. HAWKE: —I think members would more fully and clearly understand just what is in the minds of Ministers. What I am anxious to ascertain, if possible, is whether the Premier and his Government have any short-range policy to deal with the present deterioration in the finances and also whether they have a long-term policy to deal with the problem.

All that the Government appears to have done up to date is to make approaches to the Prime Minister whenever additional finance has been required to meet the demands granted by this Government. It is extraordinary that the members of the Government should so frequently approach the Prime Minister with requests that he should make available to them very large sums of money because, when they are not asking him to hand out large sums of money, they are condemning and abusing him on some subject or other. I think it says a great deal for the temperament of the Prime Minister that he overlooks entirely the condemnation and abuse that Ministers of this Government heap upon his head when it suits them, and yet makes available large sums of money to assist this Government to keep the State solvent and meet the various obligations it has assumed.

When the Leader of the Opposition was speaking and criticising the Treasurer in relation to some aspects of public finance, the Treasurer and the member for Mt. Marshall wanted to know what happened when the present Leader of the Opposition was Treasurer of the State. If information on that point would assist in a consideration of the present serious position of our finances, there might be some value in raising the question. However, from the point of view of our present financial difficulties, what does it matter what happened last year, five years or ten years ago?

The Premier: It does matter, because we still carry the burden today.

Hon. A. R. G. HAWKE: Yes, we still carry the burden for what might have been done or what might not have been done years ago, but of what value are the happenings of years ago when considering the problem of overcoming the very serious de-

terioration in the finances of the State—a deterioration that has become so evident during the last 12 or 18 months?

Hon. F. J. S. Wise: The Premier believes in making posterity pay because it has done nothing for us.

Hon. A. R. G. HAWKE: The Premier, in moving the motion for the House to resolve into Committee of Supply, gave no explanation at all as to why the deterioration in the finances had occurred so alarmingly and offered us not a scrap of information as to the ideas or the proposals the Government might have for overcoming the drift that is so obvious. He did suggest that in October he would tell us more about the situation and that we, as members of Parliament, would then be able to study in detail the many documents regarding the finances of the State that would be presented with the Budget then to be introduced.

The Premier: That is the usual course adopted by every Treasurer.

Hon. F. J. S. Wise: But not when in such a mess as this.

Hon. A. R. G. HAWKE: In normal times, that procedure might be quite acceptable, but in such a period as the present, it is far from being acceptable. I cannot imagine the treasurer of any private firm, whose finances were relatively as bad as those of the State now are, saying to his directors, "Will you please vote me £500,000 to enable me to continue to finance the affairs of the firm, and I shall tell you in four or five months' time why I want the money and why I want so much more at this stage than usual, and why the figures for the previous period are as bad as they are?"

The Minister for Education: If he told you, you would still be saying the same things or something like them.

Hon. A. R. G. HAWKE: I do not think so. The Premier could have cleared the air considerably had he, not at great length, explained why the deterioration in the finances had become so severe and what measures, if any, he and his Ministers have in mind to improve the position during the current financial year.

The Minister for Works: Had he done so, this debate would still have ensued. You know that.

Hon. A. R. G. HAWKE: Maybe the Minister for Works possesses supernatural powers enabling him to divine what would have happened had certain other things occurred previously. The interjection of the Minister for Works reminds me that he, all the evening, and the Deputy Premier, for a large part of the evening, have been very seriously studying what appeared to be a printed document dealing with the finances of the State, but which could have been a printed document covering the detailed figures of the last State election.

Hon. F. J. S. Wise: You have guessed it.

Hon. A. R. G. HAWKE: If the second suggestion be correct, it might be that they have some advanced information regarding the decision of the Commission on the redistribution of electoral boundaries for this Chamber.

The Premier: If they have, I am sure they are not the only ones.

Hon. A. R. G. HAWKE: If they were studying the detailed figures of the last election and not figures relating to the finances of the State, I can only conclude from the gloomy looks on their faces that the decisions of the Commission are not very favourable to the Minister for Works and the Deputy Premier.

The Minister for Works: I will let you into a secret. I do not know a thing about it. I may be the only one in the House who does not, but I know nothing. I imagine there must be others.

Hon. A. R. G. HAWKE: Possibly, as was suggested by the Leader of the Opposition, the Treasurer and his Ministers have decided that the serious financial position that has developed and the financial burdens accruing from it, which become permanent burdens for servicing the deficits, can be passed on, without any great stirrings of conscience, to posterity. That has been the outstanding feature of anti-Labour Governments in their financing of the affairs of the State in years past. They have followed the very easy course of incurring large deficits, of borrowing money to finance the deficits and thereby making the debt so incurred permanent, with the interest and sinking fund commitments upon those debts which, unfortunately, under the system of finance existing in Australia and in most other countries of the

world, means that those debt commitments continue for generation after generation and century after century. I ask the Premier and his Ministers—if that is their easy-going idea about how this serious position might popularly be overcome—to reconsider their outlook, because over the last 30 years especially, taking the Commonwealth of Australia as a whole, we have established a terrific burden of indebtedness for posterity to bear.

We incurred a terrific burden of indebtedness in connection with World War I, another great burden in connection with the economic depression of 1930, and an even greater burden in connection with the recent war. The debt payments in connection with all those burdens are passed on to posterity. Therefore, I think that the people of this State, and particularly the Government, for its own popularity, would be doing something radically wrong by adopting an easy-going attitude. The public of this State, as well as the public of other States, has always been led to believe that Liberal Party leaders, because most of them have had business training prior to becoming leaders, are more or less heaven-sent financiers possessing great financial and business acumen and consequently are the persons who should be entrusted with the Government of a State or a country, as they are sure to handle the finances carefully, sanely and safely and bring about budgetary equilibrium, if I might use the Government's own language, and thereby benefit the taxpayers of the State or the country concerned.

This theory has never worked out in practice. It matters not whether the period has been one of difficulty or not, Liberal Governments have always made a mess of the finances of a State or a country—so far as Australia is concerned, at any rate. It is, of course, not easy to understand why these men, who manage their own private finances and the finances of any business with which they might be associated exceptionally well, are not able to handle public finances without getting them horribly mixed and without running the State, or the Commonwealth, into a considerable amount of debt. I am not able to answer the question as to why it happens that way, except that it might be that these Liberal Party leaders feel that when they are handling public finance, which is not per-

sonally their own, it does not matter so much. Consequently, the finances are handled carelessly, with the result that deterioration sets in and becomes intensified as time goes by.

The Premier: A reason without any foundation.

Hon. A. R. G. HAWKE: I think myself the main reason for the severe deterioration in the State's finances is to be found in the pre-election promises made by the Government in 1947. The Premier almost complained tonight when he interjected that the demands upon the Government were greater now than ever before. Surely he expected, following the reckless and extravagant promises which he and his colleagues made in March, 1947, that the demands upon him and his colleagues would be very numerous and exceedingly heavy after they were returned at that election. I have no doubt, Mr. Chairman, and this I think can be put to the credit of the Premier, that he has tried to resist to some extent the great and increasing demands made upon him by his own colleagues in the Ministry and by the public. I should say, however, that each Minister has at least one very valuable private personal file, and that file would be the one containing all the election promises made by the Liberal Party and the Country and Democratic League during the last election campaign.

I can imagine the Minister for Education, for instance, going along to the Treasurer and putting before him several requests for expenditure from Revenue. I have to be careful on this point, because I have placed some requests before the Minister for Education myself. The Treasurer has a look at them. He considers the total estimated cost involved and says to his Minister for Education, "This is a tremendous programme of expenditure from Revenue and we cannot possibly finance it; we have not the money available." The Minister for Education discusses the matter quietly and peacefully with the Treasurer, who stands his ground. The Minister for Education still remains calm, as he nearly always does. He reaches for his attache case.

The Premier: And threatens to resign.

Hon. A. R. G. HAWKE: He produces his personal file containing all the election promises made by the members of the present Government in March, 1947.

The Minister for Housing: A very modest programme it was.

Hon. A. R. G. HAWKE: In view of the production of such a file, the Premier has not a leg to stand on. He just writes an approval and puts his initials to the memorandum, and there is all that expenditure gone!

The Minister for Housing: You ought to be in the fiction line. You have a great imagination.

Hon. A. R. G. HAWKE: Then, of course, the memorandum has to go through to the Treasury officers for their noting, and one does not require to have much imagination to know how the Under Treasurer, and especially the Assistant Under Treasurer, would react. I can imagine the Assistant Under Treasurer having had many fits a day since the Premier assumed office—

The Minister for Housing: Quite the contrary!

Hon. A. R. G. HAWKE—because of the huge programme approved by the Treasurer and sent by him to the Treasury officers to provide the finance.

The Minister for Housing: I think you are drawing from past experience.

Hon. A. R. G. HAWKE: No, I am trying to give what I consider to be a reasonable picture of what actually happens.

The Minister for Housing: I can imagine that happening years ago.

Hon. A. R. G. HAWKE: Does the Premier suggest that the Treasury officers are completely happy about the situation, and that, with utter abandon, they accept everything that has to be financed without any questioning of what is sent in and without any discussion as to where the money is to come from?

The Minister for Housing: I suggest that the Premier is looking after the finances very carefully.

Hon. A. R. G. HAWKE: Facts and figures are completely against the suggestion that the Minister now puts forward.

The Minister for Housing: You should have thought of that before you advocated the 40-hour week.

Hon. F. J. S. Wise: Are you blaming the 40-hour week for the position?

The Minister for Housing: For a certain amount of it.

Hon. A. R. G. HAWKE: The Government is putting a heavy responsibility on the Under Treasurer and the Assistant Under Treasurer. Those officers are jealous in their desire to safeguard the finances of the State, and they look ahead, not for a day or a week but for years ahead. Are not those officers grievously concerned as to how the finances of this State will stand in the years to come? I am sure they are vitally concerned with the question as to whether Western Australia will be able to continue financing safely in the future for the purpose of keeping the State solvent and independent. It is quite easy for any Government to go along steadily surrendering to every demand made upon it by any person or any section of the community, but there will always come a day of reckoning.

For my part, I am sure the Premier is extremely worried about the situation. That recalls to my mind the fact that during a debate in this Chamber last year, I stressed the increasing dependence of people upon Governments. I tried to utter a warning as to the marked increase apparent over the previous few years in the dependence of people on Governments. If I remember aright, the Premier, by interjection, agreed very largely with the opinions I then expressed, so I think it can be taken for granted that the Treasurer in not at all happy about the situation. I imagine that he approves of many of the demands made upon him and the many requests submitted with a great deal of misgiving.

Hon. F. J. S. Wise: He should be stronger; that is all.

Hon. A. R. G. HAWKE: I know that the two political parties forming the Government today made extravagant and reckless promises during the election campaign, and when they do that there is upon them some responsibility to try, as far as possible and within reasonably safe financial limits, to live up to the promises they made. The present Government, however, if it carries on too long trying to do that, will quickly find that the programme it promised the people 18 months or so ago is quite impossible and that it would undoubtedly lead the State to insolvency. What will happen has been alarmingly apparent

in the trend during the last financial year. It will be appreciated that there always comes a time when a mortgagee becomes so afraid of what is happening to his assets and the money he has advanced, that he considers the only safe thing to do is to foreclose and take charge. That is what happens when those who should have exercised reasonably safe control have fallen down on their job. I know, too, that the present Government is in a difficult position because it has not a majority of its own supporters in this House. Any Government that has to rely upon unattached supporters in Parliament for the continuance of its life is in an unenviable position. It feels that at any time it may have to face the electors.

Hon. A. H. Panton: Why bring that up?

The Minister for Housing: I think it is rather a good idea.

Hon. A. R. G. HAWKE: As it is, the Government is continuing its electioneering practices and has done so from the time it took office.

Hon. F. J. S. Wise: That is the trouble.

Hon. A. R. G. HAWKE: Continuance of its electioneering by a Government becomes tremendously costly.

Hon. F. J. S. Wise: It is fatal to a country.

The Premier: Give us a few instances.

Hon. F. J. S. Wise: I can give many.

The Premier: I shall be glad to have them.

Hon. A. R. G. HAWKE: I think the present Government, right from the first day it was elected, decided that at all costs it would strive to offend no-one and, as far as possible, to please everyone within the State.

The Minister for Housing: I think that at one time Mr. Scaddan had a deficit of £1,000,000.

Hon. A. R. G. HAWKE: The present Government had a deficit of £1,352,000 for last year, and during the current financial year it will record a deficit of approximately £2,000,000.

The Minister for Housing: I do not think so.

Hon. A. H. Panton: At any rate, you were glad to have Scaddan in your party.

The Minister for Housing: Yes, he had learnt a lot.

Hon. A. R. G. HAWKE: Because the Government is not satisfactorily in office and is not in a position to carry out its own real policy, the present situation is created. It is well aware that if it puts into effect some of its policy, especially portions of the Liberal Party's policy, the support of the two Independents will be rapidly withdrawn and the Government forced to a general election. It is quite understandable, from a natural point of view, that the Government would not attempt to put its real policy into operation, where any particular portion of it would offend any person or section of the community. Any such portion of its policy is in cold storage. Instead of giving effect to its policy, the Government is carrying out a programme of saying "Yes" to every demand made upon it so that no-one in the State shall be offended.

Hon. F. J. S. Wise: That is the point.

Hon. A. R. G. HAWKE: Thus, if anyone is to be blamed for the great and increasing number of demands upon the Government by the people, it is the Government itself. As time goes on, Ministers will find that the demands will continue to increase, and become greater.

The Minister for Housing: The demands are made through the Arbitration Court for additional wages.

Hon. A. R. G. HAWKE: Sooner or later the Government will be compelled, in the interests of financial stability and solvency, to call a halt. When it does call a halt, so many people will receive a jolt as to make its continued existence in power utterly impossible.

The Minister for Housing: That remains to be seen.

Hon. F. J. S. Wise: That is the position.

The Minister for Housing: We have had to clean up the mess.

Hon. F. J. S. Wise: And what a job you are making of it.

Hon. A. R. G. HAWKE: I say quite frankly that this is particularly a period when people should be discouraged from depending too much upon Governments.

Hon. F. J. S. Wise: Hear, hear!

Hon. A. R. G. HAWKE: There was never a period in the history of Australia or of Western Australia when there was less need for people to depend upon Governments, because there was never a period when employment was more readily available.

The Minister for Housing: What about the Goldfields?

Hon. A. R. G. HAWKE: There was never a period when people generally were as well off as they are today.

The Minister for Housing: What about the gold mines?

Hon. A. R. G. HAWKE: Therefore, all of the demands—well, not all of them, but many of them, should not be made.

The Premier: Do you suggest that the Government should curtail its public works programme?

Hon. A. R. G. HAWKE: If the Treasurer would think seriously for a moment about that interjection, he would realise that the public works programme is financed from Loan funds and not from Consolidated Revenue.

The Premier: I know; but it is a means of employing a great number of people, and you were talking about their being dependent on the Government. We could get rid of that dependence on the Government.

Hon. A. R. G. HAWKE: When I talk about the dependence of people on Governments, I am not talking about those people who give back to the Government in service as much as they receive in money in the way of wages or salaries. I am talking about other people in the community—

The Premier: What other people?

Hon. A. R. G. HAWKE: —who make demands on the Government from time to time for all kinds of expenditure.

The Premier: What people?

The Minister for Housing: Who are they?

Hon. A. R. G. HAWKE: There are various groups from time to time.

The Minister for Housing: I cannot think of any.

Hon. A. R. G. HAWKE: The Minister cannot?

The Minister for Housing: No.

Hon. A. R. G. HAWKE: I suggest that he studies closely each item of Government expenditure and I will be amazed if he does not find several items—

The Minister for Housing: If you can mention two or three for my information I would be awfully glad.

Hon. A. R. G. HAWKE: I suggest to the Minister that he study every individual item of expenditure.

The Minister for Housing: You have studied it. You tell me two or three.

Hon. A. R. G. HAWKE: I am rather too old in politics to be caught by that sort of trickery.

The Premier: You have been badly stumped this time!

Hon. A. R. G. HAWKE: No, I have not.

The Premier: You are right out of your crease!

Hon. A. R. G. HAWKE: No, because in a moment or two I will show the Government where it has expended much money which it should not have expended.

The Premier: Ah, good!

Hon. A. R. G. HAWKE: I will show the Government that; but I am not being caught by the trick the Minister is trying to put over.

The Minister for Housing: I am not tricking you. I am asking for information. I want to know.

Hon. A. R. G. HAWKE: I know that every item of expenditure by a Government is popular with those it has benefited.

The Minister for Housing: It has not benefited me. You tell me.

Hon. A. R. G. HAWKE: I am not saying to the Minister or to anybody that such and such an individual should not have received some money made available to him. I am not going to say that certain organisations or groups should not have received Government moneys made available to them, because immediately the Minister and his supporters would use that against me politically.

The Minister for Housing: Surely if you criticise and say that money has been wrongly expended by people who make demands, you should tell us two or three of the demands.

Hon. A. R. G. HAWKE: I am going to tell the Minister very shortly of Government expenditure that has been absolutely wasted.

The Premier: Good.

Hon. A. R. G. HAWKE: Absolutely wasted! And I think that will legitimately meet the question which he put to me.

The Minister for Housing: Yes, if you tell me who demanded the expenditure.

Hon. A. R. G. HAWKE: I will go even further than that. I will prove it was not demanded at all, and therefore the Government is all the more culpable financially for having expended the money.

The Minister for Housing: Well, that is a new one now!

Hon. A. R. G. HAWKE: If the Minister for Housing had been checking the State finances as carefully as he would have had us believe a moment or two ago, he would know all about it.

The Minister for Housing: It is news to me. I am pleased to learn it, though.

Hon. A. R. G. HAWKE: It is a pity that all the financial worry and responsibility and problems are left entirely on the shoulders of the Treasurer himself without other Ministers assisting to the utmost degree of their capacity.

The Minister for Housing: I am singularly well informed.

Hon. A. R. G. HAWKE: To satisfy the growing impatience of the Minister for Housing, I propose to tell him where the Government has in one field—and that should be sufficient—wasted a considerable amount of the Consolidated Revenue of the State.

The Minister for Housing: I would like more than one. One is very weak.

Hon. A. R. G. HAWKE: Of course, the legal mind of the Minister for Housing is already setting up a defence.

The Premier: Don't let him put you off the track!

Hon. A. R. G. HAWKE: The Minister for Housing is establishing a by-path to get himself out of this difficulty, though he challenged me to refer to it.

The Minister for Housing: It is not a challenge but a request for information. I just want to know.

Hon. A. R. G. HAWKE: The Minister is going to know.

The Minister for Housing: I am going to know one, so far.

Hon. A. R. G. HAWKE: A moment ago the Minister was quite satisfied in his own mind that there was not one, but was hoping to trick me into condemning certain activities associated with the Government finances.

The Premier: No.

Hon. A. R. G. HAWKE: So that—

The Minister for Housing: Be very careful.

Hon. A. R. G. HAWKE: So that he could use my criticism of those special items against us as a Labour Party.

The Premier: That is not so. You made a statement; we ask for proof.

Hon. A. R. G. HAWKE: This Government, if famous for nothing else, is famous for the number of Royal Commissions it has appointed.

The Minister for Housing: By jove, and worth every penny, too!

Hon. F. J. S. Wise: To whom? The counsel?

Hon. A. R. G. HAWKE: I should say that they have probably been worth every penny to those who have obtained large amounts of money as a result of the Royal Commissions being appointed.

Hon. F. J. S. Wise: What did Mr. Negus get?

The Minister for Housing: They were well overdue.

Hon. A. R. G. HAWKE: Some who have profited have profited very greatly.

The Minister for Housing: If that is the only thing, it makes me smile! That is one extravagance!

Hon. A. R. G. HAWKE: I make bold to assert that not one of the Royal Commissions was necessary.

The Premier: Not even the Railways?

Hon. A. R. G. HAWKE: Not even the Railways!

The Minister for Housing: You are the only man in Western Australia with that point of view.

Hon. J. T. Tonkin: I thought the Commissioner for Railways had that point of view!

Hon. A. R. G. HAWKE: As a matter of fact, the practice of this Government in appointing Royal Commission after Royal Commission and committee of inquiry after committee of inquiry is linked up with what I was talking about a few moments ago—the fact that this Government is still electioneering. It does not want to offend anybody. If this Government had been safely established in office none of these Royal Commissions would have been appointed.

The Minister for Housing: Of course they would!

Hon. A. R. G. HAWKE: The Government, through appropriate Ministers, would have investigated each problem and arrived at certain conclusions and would have had enough courage to put every one of its conclusions into operation. Because members of this Government are still electioneering they did not want to make decisions upon these questions, because whichever decision they made upon any particular problem would have offended a considerable number of people in the State.

The Minister for Housing: But the Government will have to make decisions.

The Premier: Of course!

Hon. A. R. G. HAWKE: Of course—but when? The appointment of these Royal Commissions has postponed the making of decisions for over a year in the majority of instances, and that has given the Government a clear year in which it has been able to avoid its own proper responsibility of investigating problems and making decisions on them.

The Minister for Housing: Find the facts first and then make your decision.

Hon. A. R. G. HAWKE: What are the Ministers and the officers of the Government for if not to ascertain the facts, summarise them and make decisions on them?

The Minister for Housing: Every Government takes that attitude. Look at the Attlee Government and all the Royal Commissions it is appointing.

Hon. A. R. G. HAWKE: I should hope the Minister for Housing would for once forget that he is a lawyer, and argue the subject immediately before him, and not rush away to Great Britain, America or perhaps Soviet Russia to get something to buttress his point of view.

The Minister for Housing: Or even Canberra.

Mr. Hegney: That is the Australian capital.

Hon. A. R. G. HAWKE: We would not think so when oftentimes we hear Ministers of this Government, and members supporting it, speak. We would think Canberra was the capital of some foreign country. We could almost imagine it was the capital of Soviet Russia.

The Attorney General: It very nearly is in some cases.

Hon. A. R. G. HAWKE: Of course, the Attorney General would naturally come to that conclusion.

Mr. Hegney: He sees red even at Collie.

Hon. A. R. G. HAWKE: As we know, the Attorney General never studies a thing dispassionately or with his reason. He is always moved to his conclusions and opinions by prejudices which are traditional for goodness knows how many generations back. I am sure no member knows how many Royal Commissions and committees of inquiry have been appointed since this Government has been in office, there have been so many. The Attorney General seemed to suggest that the Royal Commission into the railways was justified.

The Attorney General: I did not suggest it.

The Minister for Housing: I was the culprit.

Hon. A. R. G. HAWKE: I am sorry. When I said Attorney General, I meant the Minister for Housing, quite forgetting that he had been supplanted as Attorney General by a junior counsel of the Government. The Minister for Housing seemed to suggest that the Royal Commission into the Railways had been warranted. But it was not warranted. The recommendations it made did not justify its appointment or the tremendous expense involved in establishing it and carrying it on. I do not know how much a week was paid to Mr. Gibson or to Mr. du Plessis, the two Royal Commissioners on that inquiry.

The Premier: There is no reason why you should not know.

Hon. F. J. S. Wise: We do not seem to get that information.

Hon. A. R. G. HAWKE: We intend to find out. I would say each of them was paid at least £120 a week in all.

The Minister for Housing: Mr. du Plessis's services were loaned by the South African Government.

Hon. A. R. G. HAWKE: Even if they were, I would think the Government would feel obliged to do something about that out of a sense of duty and decency.

The Minister for Housing: Yes, but not necessarily £120 a week.

Hon. A. R. G. HAWKE: What was Mr. Gibson paid? He was paid £120 a week for the Wundowie inquiry.

The Minister for Education: Seven times £15 is £105.

Hon. A. R. G. HAWKE: Only £105 a week was paid to Mr. Gibson in connection with the charcoal-iron industry at Wundowie. Goodness knows how much the Railway Royal Commission cost altogether; and what the Betting Royal Commission and the other Royal Commissions and committees of inquiry cost.

The Minister for Housing: They did not make up the deficit.

Hon. A. R. G. HAWKE: I hate to think what the legal costs were. Perhaps we will obtain them sometime.

Hon. F. J. S. Wise: We will have to move for them.

Hon. A. R. G. HAWKE: Since the report of the Royal Commission on Railways was published I have not spoken to one railway man—and I have spoken to many—who has not said that everything that was recommended, suggested or found out by the Royal Commission was well and widely known amongst the railway people of this State long before the commission was appointed. What did the Royal Commission find out that was new? What did it suggest that was new and worth knowing?

The Minister for Housing: It is on the Table now.

The Minister for Railways: Read the report.

Hon. A. R. G. HAWKE: I say that every penny spent in connection with that Royal Commission was wasted, and that every penny spent from Consolidated Revenue on the Betting Commission was absolutely wasted. Without any shadow of doubt the Government only appointed the Royal Commission on betting to push ahead for another year the responsibility of having

to do something about it; to delay the responsibility of having to make some decision on the subject. I am sure everyone of us remembers how the Honorary Minister for Supply and Shipping used to stand up in her place when she was in opposition and rail against the failure of the Government to enforce the laws of the State in connection with the S.P. bookmakers of Western Australia.

Hon. J. B. Sleeman: What does it matter what she said yesterday?

Hon. A. R. G. HAWKE: She has now been a member of the Government of this State for 15 months and the S.P. bookmakers have continued to operate in the same fashion as previously.

The Honorary Minister: That is your fault, not mine. You should have got rid of the betting question long ago. You were in office long enough.

Hon. A. R. G. HAWKE: If the Honorary Minister has sufficient memory to cast her mind back three or four years, she will know that Labour Governments brought legislation to this Parliament on more than one occasion to resolve the problem in the way they thought was best.

The Honorary Minister: It was not the right way.

Hon. F. J. S. Wise: Then let us have the right way.

Hon. A. R. G. HAWKE: I am sure it is the only way by which the problem will satisfactorily and permanently be solved. I am sure the ways suggested by our Government were far superior to the suggestions made by the expensive Royal Commission which the Honorary Minister's Government appointed to go into the problems in order that the present Government might delay making any decision in connection with it.

The Honorary Minister: You are very unjust.

The Minister for Education: That is what you call a supposititious case.

Hon. A. R. G. HAWKE: I think it is not supposititious in any way. As a matter of fact, the present Government even handcuffed its own Royal Commission in connection with the S.P. problem in this State.

The Minister for Housing: That was on account of its policy statement.

Hon. A. R. G. HAWKE: I am not concerned whether it was because of the policy statement or not. I say it was most unfair for the Government to decide portion of the problem itself and then to pass the unpopular remaining portion on to the shoulders of a Royal Commission, and handcuff it in regard to the first portion.

The Minister for Housing: It could not do otherwise.

Hon. A. R. G. HAWKE: It was an insult to the Royal Commission.

The Minister for Housing: It could not bring in a recommendation against its policy.

Hon. A. R. G. HAWKE: I am dismayed to some extent to think that any person was found who was willing to act upon a Royal Commission with restricted terms of that character. If the Government is genuine in its anxiety to hold fast to the policy which it gave to the electors during the course of the last election campaign and feels that it has sufficient knowledge and understanding to give a clear-cut declaration of policy on the problem to the electors, why has it not sufficient capacity and ability to make a declaration on the whole problem? The answer to that is that the Government does not want to make a decision on the problem, but is trying to find an easy way out so that it may, if possible, avoid making any decision. That is why this Royal Commission was appointed, and why its hands were tied, to some extent.

The Minister for Housing: It should have been appointed years ago.

Hon. A. R. G. HAWKE: The problem of starting price betting in Western Australia will never be solved by Royal Commissions.

The Minister for Housing: They will help to solve it.

Hon. A. R. G. HAWKE: I do not care whether this Government appoints a hundred Royal Commissions to solve the problem, which will only be solved when the Government develops sufficient courage to make clear-cut decisions and enforce them when they are made.

The Attorney General: If you except S.P. bookmaking, no decisions have to be made.

Hon. A. R. G. HAWKE: That is not the only alternative, and I am surprised that

the Attorney-General should suggest that it is. There is the alternative of suppressing it completely. The Labour Government tried to get Parliament to agree to what we considered a complete solution of the problem.

The Minister for Housing: You brought in Bills, introduced by private members.

Hon. F. J. S. Wise: That is untrue. The Labour Government did not get a private member to do anything about it. The Government did it, and acted of its own volition.

The Premier: Then it did not have much success.

The CHAIRMAN: Order!

Hon. A. R. G. HAWKE: I am sure the Minister for Housing has a sufficiently good memory in this matter to know, beyond any shadow of doubt, that Labour Governments did, as governments, introduce into Parliament legislation for the purpose of trying adequately to deal with this problem.

The Honorary Minister: You did not deal with it.

Hon. A. R. G. HAWKE: What does the Honorary Minister propose to do, now that she is in office?

The Honorary Minister: I will tell you that in good time.

Hon. A. R. G. HAWKE: It is marvelous to see how the Honorary Minister has developed the quality of procrastination since she changed from the Opposition benches to the Government benches. All of the vital principles to which she held so fiercely when in opposition seem now to have been pushed into cold storage.

The Honorary Minister: She still holds them.

Hon. A. R. G. HAWKE: Then I do not know where she holds them. They must be held somewhere out of sight, because we never hear anything about them nowadays. Of course, it might be that the Honorary Minister is trying to reform her colleagues in the Ministry, and that at every Cabinet meeting she preaches solidly to them about the principles she believed in when on the Opposition side of the House, but if she hopes ever to convert more than about two members of the Ministry to her point of view I am sure she is due to be sadly disillusioned with the passing of time.

The Minister for Housing: She would probably convert the Opposition.

The Honorary Minister: It is getting too late.

Hon. A. R. G. HAWKE: The Government has wasted a great deal of the consolidated revenue of the State on Royal Commissions and other similar bodies during the past twelve months. For the purpose of illustration, I have shown one direction in which the Government has wasted its income. I would like to know whether members of the Government are anxious to discover how they might save money.

The Premier: Yes, we are most anxious.

Hon. A. R. G. HAWKE: I have felt that the Treasurer, personally, would be anxious to know how he could save money.

The Premier: I am trying hard to save it.

Hon. A. R. G. HAWKE: I am sure the Treasurer is trying hard, but I am not so sure about some of his colleagues. If the Treasurer is trying to save money and is anxious to know of ways of doing so, I will be pleased to show him one channel in which a considerable sum of money could be saved by the Government. I do not know whether he is aware how much the Government pays out each year for coal. Possibly the Minister for Railways knows.

The Minister for Railways: We have a pretty good idea.

Hon. A. R. G. HAWKE: The Minister for Railways should have a good idea how much the Government pays each year to the coal companies—principally Amalgamated Collieries Ltd.—for coal.

The Premier: Who made that agreement with them?

Hon. A. R. G. HAWKE: The Government pays out a large sum of money to the coalmining companies each year.

The Premier: Governments have done so for years.

Hon. A. R. G. HAWKE: At the moment I am not arguing whether the Government pays out too much or too little, but am trying to establish a basis upon which I can proceed to show the Treasurer where he can, during at least each of the next five years, save a considerable sum of money to the State. Amalgamated Collieries Ltd. are now in possession of the Black Diamond coal leases. I wish to assure members, and the

Minister particularly—he is looking very worried now—that I do not propose to deal with this subject at length, as possibly it may be debated more fully at some other stage of the session. I understand that Amalgamated Collieries Ltd. will produce 120,000 tons of coal each year from the open cut now being developed on these leases.

Mr. May: They must first find the coal.

Hon. A. R. G. HAWKE: And that the coal deposits there will last four or five years—let us say five years. Amalgamated Collieries Ltd. will probably charge the Government 23s. per ton for that coal.

The Minister for Education: We will see about that later on.

Hon. A. R. G. HAWKE: They will charge for the coal on a cost-plus basis. Ministers, and probably most members, are aware that these leases were held at one stage by the State Electricity Commission, the object being that that Commission should develop an open cut for the mining of coal on the leases and produce its own coal requirements. I believe the Commission prepared an estimate of the cost per ton that it would incur in producing coal from the open cut that was to be developed by it on these leases. I believe that estimate was approximately 11s. per ton. Possibly the Minister for Works could tell me whether that is correct. He should know.

The Minister for Works: When was that figure fixed?

Hon. A. R. G. HAWKE: If my memory serves me rightly the Commission worked out an estimate of what it would cost to produce each ton of coal in the open cut, which the Commission at that time proposed to develop in the Black Diamond leases.

Mr. May: It is very near the mark too.

Hon. A. R. G. HAWKE: Evidently the Minister does not intend to tell me whether my figure is correct. It may be that he does not know.

The Minister for Works: It is your speech.

Hon. A. R. G. HAWKE: Even if the Commission were able to produce its coal at only 5s. per ton less than the Government will be charged by Amalgamated Collieries it would represent a saving to the

Government of £25,000 per year, or £125,000 over a period of five years.

The Attorney General: If it was produced at 5s. per ton more the Government would not save any money.

Hon. A. R. G. HAWKE: If the saving were 10s. per ton it would amount to £50,000 per annum or £250,000 over a period of five years. The Attorney General quite excitedly interjected that if it cost the Commission more to produce coal at a per ton rate than it would cost the Government to buy it per ton from Amalgamated Collieries Ltd. then the Government would not save any money per annum—or over a period of five years—but would pay much more. I do not know whether the Attorney General has any knowledge of the members of the State Electricity Commission and I am unaware whether he has any true appreciation of their qualities and experience.

The Attorney General: I have a good deal of knowledge of other State mines.

Hon. A. R. G. HAWKE: The Attorney General, like the Minister for Housing, is rushing to all parts of the globe including New South Wales, Russia, America and so on.

The Premier: In fact anywhere where there are State coalmines.

Hon. A. R. G. HAWKE: Would the Treasurer say that the activities of the State Electricity Commission of Victoria in its open cut coalmining operations at Yallourn have been a failure?

The Attorney General: I have heard it expressed by reputable engineers.

Hon. J. T. Tonkin: Are you aware that they are going to spend a further £19,000,000?

The Minister for Railways: The State Electricity Commission of Victoria is not a Government instrumentality.

The Attorney General: We are going to spend money too.

Hon. A. R. G. HAWKE: I think if the Treasurer would investigate the experience of the State Electricity Commission in Victoria in connection with its own coalmining operations—and I would prefer him to do it rather than the Attorney General—he would find that it has been eminently successful. I am afraid the members of the Government are so hopelessly confused and mixed about

what the State Electricity Commission of Victoria is that it is not much use trying to inform them. The Minister for Railways now states that the State Electricity Commission of Victoria is not a Government instrumentality.

The Minister for Railways: Was Sir John Monash a Government employee?

Hon. A. R. G. HAWKE: I suggest to the Minister for Railways that he has a good talk with, say, the Deputy Premier, and if he does so I think he will return to the Chamber tomorrow and probably make due apology for having tried to mislead members as to what the State Electricity Commission of Victoria really is. A great deal has been said by the Premier, particularly in excusing the deterioration in State finances and rising costs. Costs have risen and are still rising.

Hon. F. J. S. Wise: With McLarty.

Hon. A. R. G. HAWKE: They will continue to rise. Make no mistake about that.

The Minister for Railways: They will come a crash.

Hon. A. R. G. HAWKE: And in this regard every member of the Government is tremendously culpable for the attitude which he took during the last election campaign, because every member of the Government on that occasion misled the people of Western Australia into believing that there was nothing wrong with the State; there were no difficulties in the State; no problems of shortage of labour or materials; no problems about rising prices and rising costs. No problems at all except that Western Australia had an inefficient Government and that all difficulties could be resolved quickly and satisfactorily by dismissing that Government, which was a Labour Government, and putting into office a Government made up of members of the Liberal Party and Country and Democratic League. That is where members of this Government were culpable, and because they were so culpable on that occasion and in that regard, they cannot legitimately put forward, as an excuse or a reason for any failure on their behalf to finance the State properly or to deal with the State's problems, the fact that costs are rising or that labour and materials are in short supply.

Hon. F. J. S. Wise: That was ridiculed by them.

Hon. A. R. G. HAWKE: They cannot legitimately lay hold of those reasons because they surrendered any right to use them

when they misled the people as badly as they did some sixteen months ago.

The Minister for Housing: Nothing of the kind.

Hon. A. R. G. HAWKE: I imagine that the Treasurer particularly—because he has two consciences, a personal one and a political one—regrets that he allowed the Liberal Party propaganda racketeers during the last election campaign to run riot with the articles and extravagant promises and undertakings which they gave to the people. I imagine that the Treasurer regrets that he allowed his name and photograph to be used so prominently in the propaganda that was then issued in the newspapers, and in pamphlet form.

The Minister for Lands: If that is correct the people will deal with us at the next election, will they not?

Hon. A. R. G. HAWKE: It is not necessary to worry at this stage whether the people will deal with the Government at the next election. That is not an immediate subject for discussion. What I am pointing out to the Treasurer—and he is grasping it—and what I am endeavouring to point out to the Minister for Lands, is that they cannot justifiably complain about rising costs or about shortages of labour or materials because the Government, during the last election campaign, led the people to believe that they had the answers to all the problems. As a matter of fact, one of the advertisements of the Liberal Party told the people that prices would come down if the Wise Labour Government were defeated.

During the recent referendum campaign, on the question as to whether permanent legislative powers should be given to the Commonwealth Parliament to control rents and prices, the Liberal Party in this State told the people that prices would be reduced if the referendum were defeated and the State Government were permitted to control prices in Western Australia. I should say the Attorney General has already had some sleepless nights about that promise and I can assure him, as he probably knows, he will have some more than sleepless nights.

The Attorney General: I certainly never made that promise.

Hon. A. R. G. HAWKE: The Attorney General cannot slip out of it in that easy fashion. The Attorney General is as re-

sponsible as anybody else associated with the Liberal Party for the knowledge that that promise was prepared and published in the name of the Liberal Party of Western Australia over the name of the general secretary, Mr. Palmer.

Hon. F. J. S. Wise: Mr. Ananias Palmer.

Hon. A. R. G. HAWKE: So the Attorney General will have to face up to that.

The Premier: A rattling good man; he will keep you on the move.

Hon. A. R. G. HAWKE: And the wrath of the housewives of this State—

Hon. F. J. S. Wise: If you keep up that attitude, you will regret it.

Hon. A. R. G. HAWKE:—will grow very quickly from almost the first day the Attorney General takes over price control in Western Australia, and I doubt whether he will ever again have a night of peaceful sleep. However, these problems the Government members have created for themselves. They sowed the wind wide and far in March, 1947, and the reaping of the whirlwind is upon them.

The Honorary Minister: Why don't you move a vote of no confidence?

Hon. A. R. G. HAWKE: I do not know that it is necessary to move a vote of no confidence.

The Honorary Minister: Then we will see where we are.

Hon. A. R. G. HAWKE: This Government will have committed political suicide before many months have gone by, and if it is going to destroy itself I do not see why we should take any action to do so.

HON. A. A. M. COVERLEY (Kimberley) [11.3]: Before the Premier replies, I would like to draw attention to one matter which is disturbing my mind, and probably the Government will be able to give some explanation in reply. In this morning's issue of "The West Australian," I notice an announcement that the Government has appointed a new Commissioner for Native Affairs and whilst there is nothing wrong in that, I was astounded to see that the appointment was not of some person within Western Australia. I am not in a position, of course, to know just how many applications were made for the position, or who the applicants were, but I have been ap-

proached by quite a number of prominent people in the city asking why the Government had to go outside Western Australia to find a person of the requisite ability to fill the position of Commissioner of Native Affairs. I am fully in accord with that inquiry.

I did think, when I read the advertisement in "The West Australian" some time ago calling for applications for this position, when the Government stipulated that all that was necessary was a person of great administrative ability, and he need not have any local knowledge of native affairs, that that was a great mistake, because I am convinced, firstly, that the person to fill this position should have natural administrative ability and, second to that important factor, he should have some local knowledge of the natives in this State. I am not ready to condemn the person appointed without a trial, but I am afraid the wrong appointment has been made.

The Minister for Housing: This is a first class appointment and we are lucky to get the man.

Hon. A. A. M. COVERLEY: I hope, for the sake of the natives of the State, that the Minister has made a good selection.

The Minister for Housing: I have acted on the best advice in Australia.

Hon. A. A. M. COVERLEY: I do not know that he did; he did not consult me, to start with. I think he made a second mistake there. I am not prepared to condemn this appointment without giving the man a fair trial, but I am satisfied that he is undertaking a very big job, without having knowledge of our local affairs and natives. During my administration I laid down a policy for the guidance of the officers of the department. This is still on the departmental files, and amongst other things I said—

On the point of administration, extremism of hysteria in anthropologists or Christianity is unnecessary.

Doubtless the services of anthropologists have been of value to an understanding of the native races in the Pacific who are not of the same origin as our native people. The Pacific people are numerous and their outlook is continuous. But this is not so with our native people who appear destined to absorption, and in view of this we must take a common sense attitude and train detribalised natives to the economics of white standards.

That was my opinion then, and still is, and whilst I believe anthropologists have rendered service to the Pacific natives they have not given any service to the natives of Australia. In my opinion they are 50 years too late. The anthropologists may have set out a policy and been of great assistance some 50 years ago if we desired to reserve a separate race of full-blooded natives in Australia, but their work of today is of no value because the native has become detribalised.

In my opinion, with the decrease in numbers that has taken place, he will become absorbed in industry and within our community. For that reason I cannot see any virtue in anthropologists, and in saying that of course, I do not know that the new Commissioner is an anthropologist, but I would suggest that his years of employment in the study of Pacific natives has given him a different outlook altogether as to what will take place when he arrives in Western Australia. The natives he has been used to in the Pacific are village people with more understanding than those he will have to deal with in Western Australia. There is a vast difference in village people and the nomads of Western Australia of whom he will now become the administrator.

I feel that it is certainly a slur on the civil service and the general population of Western Australia, that we have got to go outside the State to pick a man with enough ability and intelligence to administer this department, particularly as the applications were called under Section 29 of the Public Service Act which gives the right to any outside person to apply for this position. I am not saying for one moment that it ought to have been confined to the department itself. I think that the policy adopted by the Government in leaving it open was quite correct so as to get the best possible man for the job, but I am disgusted to think that we have got to go outside this State to fill the positions of heads of our departments. I would like the Premier to give some explanation when replying to this debate.

MR. HEGNEY (Pilbara) [11.9]: Before the Premier replies, I propose to make a few brief comments in connection with the matter before the House and to deal as closely as possible with the matters relevant to the Bill. Although the hour is

late, I think this is an appropriate time to voice my views in connection with what may happen to the Supply Bill—this particular one being most untimely. I think this is an appropriate time to speak to the people of this country and point out that, although they have democracy under the Australian Constitution, there is no such thing as democracy in essence under the Constitutions of most of the States of the Commonwealth. I refer to the fact that, although the people of Australia believe that they enjoy complete democracy, in at least two States recently there has been a minority dictatorship.

The Supply Bill now before us is on all fours with measures introduced into the Victorian and Tasmanian Parliaments. What happened in Victoria only recently? Although there was a majority in the Assembly in favour of the Bill and the Government was endeavouring to govern the country, the Legislative Council, which is elected on a restricted franchise, dictated to the majority by refusing to grant Supply. The Legislative Council of Victoria forced the Government to go to the country on an entirely extraneous issue, and owing to the "impropaganda" prejudice and misleading information conveyed to the people per medium of wireless broadcasts and the commercial Press, a majority of the people had their minds so warped, to my way of thinking, that they voted the Labour Party out of office.

The Premier: You do not give the people of Victoria much credit.

Mr. HEGNEY: Although there were 65 members in the Victorian Assembly elected on an adult franchise basis, they were dictated to by an anti-Labour minority in the Legislative Council elected on a property qualification. Before one may have a vote for the Legislative Council in Victoria, one must own property of a certain value, or be a mortgagor, or have an equity in freehold estate, be a graduate of any University in the British Dominions or be a barrister or solicitor. Although he may not hold freehold estate, a barrister or solicitor is entitled to a vote. Others qualified to vote for the Legislative Council of Victoria are a legally qualified medical practitioner, a duly appointed Minister of any church or religious denomination, or a person possessing a certificate of fitness to teach

issued by a competent authority appointed under any Act. According to my interpretation, a member of the Legislative Assembly of Victoria might not be entitled to a vote for the Legislative Council. Yet, recently, a minority dictated to the majority on a Bill of the very nature of that with which we are now dealing.

In Tasmania there are 30 members in the Legislative Assembly and 18 in the Legislative Council. Now the Tasmanian Government is being forced to go to the country. What the result will be, I cannot say, but whether it be favourable or unfavourable to the Labour Party, the point I make is that there is no such thing as democracy under State Constitutions while such a thing can happen. In Western Australia the position, so far as I can interpret the Constitution, is on all fours with that of Tasmania. If this Supply Bill were passed by this Chamber tonight and the Legislative Council refused in due course to pass it, what would happen?

Hon. A. H. Panton: We would not get any pay.

Mr. HEGNEY: The existing position is all too serious to be permitted to continue for ever. I firmly believe that the time is over-ripe for a drastic alteration of the Constitution to prevent a similar occurrence here. If the Labour Party were in office, the Legislative Council could refuse to pass a Supply Bill. I do not propose to quote in detail the relevant sections of the Constitutions of Victoria, Tasmania and Western Australia, but there is no doubt that the Legislative Council of this State, elected as it is on a property qualification and representing only a minority of the people, could dictate on this Bill, although it is a money Bill, and decide whether or not it should be passed. If another place refused to pass this Bill—

Hon. A. H. Panton: It will not.

Mr. HEGNEY: Then the Government would be compelled to appeal to the people. Let me point out that, in such an event, there would not be a double dissolution. The Legislative Council's action would have the effect of simply sending Assembly members to the country. Would anybody, even a member on the Government Bench, seriously contend that this is a true interpretation of democracy? So far as I under-

stand the term, democracy means government by the majority.

The Attorney-General: Of the people.

Mr HEGNEY: Then I ask the Attorney General whether he believes that the Legislative Council of this State reflects the opinion of the majority of the people of this country. He knows that he would be on thin ice if he made an assertion of that sort. At every possible opportunity, I have referred to what I believe is a blot on our Constitution, and, on every possible occasion so long as I remain a member, I shall endeavour to impress upon the people that under existing conditions democracy in essence is non-existent. Under the State Constitution, one must be 30 years of age before one may nominate for a seat in the Legislative Council. Under the Commonwealth Constitution, provision is made for meeting deadlocks between the two Houses, and if no agreement can be reached between the Senate and the House of Representatives on certain issues, there is provision for a double dissolution. For both the Senate and the House of Representatives, the adult franchise obtains. That is democracy in itself. There is no restricted franchise; we find that in Victoria and Tasmania—the two States to which I have referred—a certain privileged type or category of people are entitled to the vote.

Some time previously I made reference in this Chamber to my regret at some of the members on the Government bench and some public men referring to Canberra as if it were some foreign country. I made an interjection tonight when a member of the Ministry mentioned the name Canberra in what I thought were disparaging terms. I said it was the Australian capital. I speak as an Australian, and I say it is a sorry day for this country when members of this Chamber, as well as public men and young men and young women refer to Canberra as some foreign institute. Do we find Britain referring to London as a foreign country? Do the American people refer to their capital as if it were some foreign country? We find that the Commonwealth Constitution made provision for the establishment of a national capital, which was to be situated at least 200 miles from Sydney. In due course that national capital was established. Yet we find political capital being made out of the fact that this State is being governed

from Canberra. It is done for political purposes.

I know that the Government at Canberra, whether it be National, Liberal or Labour, makes mistakes. It may be extravagant in its expenditure. It may not always interpret the wishes or views of people in the outlying parts of Australia; but whichever way one looks at it, Canberra is the Australian capital and those people who criticise it in disparaging terms are certainly not encouraging a good Australian sentiment. I like consistency, and wish to refer to a statement made recently by the Premier. My reference to outlying portions of Australia has prompted me to make this remark. When the Australian Parliament decided to introduce a Bill for the purpose of enlarging the Commonwealth Parliament, the Premier, in the course of an interview reported in "The Daily News" of the 18th February, 1948, made certain statements. The report reads:—

Premier Ross McLarty today expressed opposition to the proposal to increase the size of the Federal Parliament. It was further proof of the Federal Government's determination to create a greater monopoly at Canberra, he said. He thought there were already sufficient members of Parliament throughout Australia to attend to the needs of the people.

The Premier: Hear, hear!

Mr. HEGNEY: The Premier will not say "Hear, hear!" in a minute. The report continues—

Mr. McLarty said that under the plan considerably more representation would be given to the large cities of Australia at a time when it was generally admitted that the large accumulation of population in our great cities was not in the best interests of Australia. He did not think it was just in a country of such wide areas as Australia that the distribution of seats should be on a population basis only.

So said the Premier of Western Australia! Mr. Chairman, do you think, in your serious moments, that the Premier is consistent in view of the Bill that was introduced in the first session of this Parliament? I refer to the Redistribution of Seats Bill, which was introduced by the Government. The Minister for the North-West, who was also the Premier, sat in his seat and said nothing about the Bill, notwithstanding that he was a member of the Government which introduced it. That Bill had for its purpose the reduction of seats in isolated country areas of the State and the increase of seats in the metropolitan area.

It is quite all right to make reference to some other part of Australia, but when the Premier makes a statement which is entirely inconsistent, it will be seen that he, as Leader of the Government, is trying to mislead the people into believing that the Commonwealth Government is doing something to the detriment of the outlying States. Yet his Government has done something detrimental to the outlying portions of this State. For the information of those who may not know, Canberra is thousands of miles away from Perth, yet it is physically possible to get from Perth to Canberra in six or seven hours. It is also physically possible to get from Perth to Wyndham on the same day. The point is that Wyndham, which is in Western Australia, is just as far from the seat of this Government as Perth is from Canberra.

The Premier's statement in regard to the Commonwealth Parliament is entirely illogical and, to my way of thinking, unfounded. Some few years ago I said in this House that if our State Constitution and the Constitution of the other States I have mentioned are to be modelled on the same conservative lines, the people will eventually realise that they are not governed by a democratic institution. This Parliament—and I include both Houses—is supposed to be an entirely democratic institution. This section of the Parliament is; but the Legislative Council is ultra-conservative. We have no redress if the Council decides to reject any legislation initiated by this Chamber. Yet, in the Mother of Parliaments, if the House of Commons passes a Bill a certain number of times within a certain period, notwithstanding that the House of Lords defeats it, the Bill automatically becomes law. No such provision is as yet embodied in our Constitution, and we are supposed to be democratic!

I reiterate what I said about the position which has arisen in Victoria, although I notice that some of the members of the Government are laughing. They may laugh because a Labour Government was defeated. The Labour Government in Tasmania may be defeated, but that is merely a passing phase. Governments come and go, whether Labour or Liberal. My final point is that while such a position can arise as arose in Tasmania and Victoria, and to a certain extent in South Australia, I shall take

every opportunity to point out to the people of this State that democratic Government, as we understand it, is non-existent, and I shall do everything I possibly can to hasten the time when there will be adult franchise for both Houses, such as there is in our national Parliament today.

THE PREMIER (Hon. D. R. McLarty—Murray-Wellington—in reply) [11.28]: I shall reply to a few of the points that have been made by the Leader of the Opposition and his Deputy relating to the financial position. There has been some discussion in other directions, to which I do not intend to reply at this stage. The points raised will be replied to by the Ministers concerned in the near future. I wish to tell the member for Forrest that the Minister for Forests will give attention to the suggestion he has made in regard to the use of secondhand fruit cases and will let him know what conclusions are arrived at. I wish also to point out to the member for North-East Fremantle that the Government does not direct the State Transport Board as to the way in which its funds shall be used; but the Treasurer did provide portion of the cost, or subsidy, for perishables that have been sent to the northern parts of this State. The rising costs that are facing the Government today are a matter of very great concern to Ministers. After discussing the question of finance with other State Premiers, I feel that rising costs are giving concern to every Administration in Australia.

Hon. A. H. Panton: And to housewives as well.

The PREMIER: If the Leader of the Opposition just had a look at some of the tremendous increased costs apparent in the Federal sphere, he would certainly have reason for pessimism, because in just about every department rising costs have run into millions and those costs are still rising with, from what I can see, very little effort being made to curb them. In any case I am alarmed at the rising charges with which the Government is faced and I think it is a problem that has to be tackled soon. The task will have to be undertaken on a Commonwealth-State basis.

Certainly it will be necessary for the Commonwealth and the States to get together in this matter and evolve some scheme whereby

a halt can be called to present-day rising costs. If this is not done, I can see difficulties ahead. We all know what has happened in other countries as a result of the inflationary spiral, which brings misery to those concerned. Knowing that, I do not need to be told of the dangers we are facing and the need to curtail the increase in prices. I am prepared, and the Government is prepared, to do everything possible to meet the situation and to halt the trend, if possible. But the Leader of the Opposition knows, and so does every member of the House, that the State Government cannot do very much by way of controlling the inflationary tendency.

Hon. A. H. Panton: Be careful!

The PREMIER: I am always careful. If we look at the State finances, it will be noted that we have adopted the 40-hour week.

Hon. J. B. Sleeman: You adopted the 40-hour week! I like that!

The PREMIER: The Federal Arbitration Court gave consideration to the question of shortening the working week and has agreed that 40-hours are sufficient. That reduction in hours will cost this State probably between £500,000 and £600,000.

Hon. F. J. S. Wise: But you allowed £300,000 in your Estimates last year for that.

The PREMIER: That is so.

Hon. J. B. Sleeman: The first thing you did when you took office was to try to beat the 40-hour week.

The PREMIER: We told the Arbitration Court what effect it would have on the general economy of this State, and that was our duty. We knew that if the Federal Court then decided to award a 40-hour week, we, as a Government, had nothing to do but abide by that decision.

Hon. F. J. S. Wise: And you put a large sum on the Estimates to cover that position.

The PREMIER: But the Prime Minister, when commenting on the 40-hour week—I do not think he was particularly keen about it himself, especially when the Premier of New South Wales introduced that system first—estimated what the cost would be. Talking to me when he was on a visit to Western Australia, he said that it would mean an increase of from 12 to 15 per cent. on all-round costs. As a matter of fact,

the Prime Minister's estimate was very wide of the mark. It cannot be contended that we, as a State, have any control over that situation. There has been a continuous increase in the basic wage to meet rising costs. We must appreciate that a large quantity of materials required here has to be imported from the Eastern States, and there again rising costs have to be met, in connection with which we have no say whatever.

Hon. J. B. Sleeman: I thought the Honorary Minister was going to fix that up.

The PREMIER: She has done very good work indeed in that direction.

Hon. J. B. Sleeman: You are telling me!

Mr. Marshall: All she did was get a lot of publicity.

Hon. J. B. Sleeman: The Honorary Minister has done nothing at all!

The PREMIER: While I know the Leader of the Opposition probably felt that as he would be leaving the State within a few weeks, he wanted to say something about the financial position generally, I think his speech would have been more appropriate on the Budget than on the question of Supply; but nevertheless I make no complaint in that regard. The hon. member has taken this opportunity to express his views with regard to the financial position. I confess I was somewhat disappointed at the speech.

Hon. A. H. Panton: It was too short.

The PREMIER: I looked forward to hearing the hon. member with considerable interest because I wanted to learn from him, seeing that he had accused the Government of extravagance—

Hon. F. J. S. Wise: Very definitely.

The PREMIER: — in just what direction those extravagances were taking place.

Hon. F. J. S. Wise: I will tell you.

The PREMIER: I asked the Leader of the Opposition about it and his reply was that it was not his duty to point out these matters but that it was the duty of the Treasurer. I can assure him that the Treasurer is taking action and before very long—

Hon. F. J. S. Wise: Tell us about it.

The PREMIER: There is a proper time for that.

Hon. F. J. S. Wise: No. Now is the time.

The PREMIER: The proper time to do so is when I deliver the Budget Speech. I am aware that the hon. member will be away at the time, but I do not suggest he should cancel his trip to London. His colleagues will tell him all about it.

Hon. F. J. S. Wise: You do not want to be too patronising about that, anyway.

The PREMIER: The problem is receiving my most careful consideration and I am fully alive to the situation.

Hon. F. J. S. Wise: Well, do not be so patronising.

The PREMIER: I am not patronising at all! The hon. member should not worry about that.

Hon. F. J. S. Wise: I am prepared to be here.

The PREMIER: The hon. member should not worry his head about that. I did not mean to give offence to him. He should not be so touchy!

Hon. F. J. S. Wise: I suggest that you keep your temper.

The PREMIER: I am not losing my temper.

Hon. F. J. S. Wise: We will see about that presently.

The PREMIER: To give an indication of what is happening, I would draw the attention of the Committee to a report that was laid on the Table of the House tonight. I refer to the report of the State Government Railways, Tramways and Ferries Department for the quarter ended the 31st March, 1948, and I ask the Leader of the Opposition to listen to this extract—

Earnings show increases of £94,100 for the quarter and £491,200 for the nine months as compared with last year, but the improvement is overshadowed by the effects of the 40-hour week, basic wage rises and increased payments under industrial awards, which are reflected in the heavy rise in working expenses.

If any member can tell me where the Government's responsibility rests with regard to these increased charges I shall be very glad to have the information. The Deputy Leader of the Opposition talked about Government extravagance and said something about the appointment of Royal Commissions. In criticising expenditure that he estimated would amount to £20,000,000, he talked about the money the Government

could have saved on Royal Commissions. I think those Royal Commissions will prove to have been justified. But even had we effected a saving by not having any Royal Commissions, it would have made extremely little difference to the finances of this country. I want to say a word or two about these Royal Commissions. The Housing Commission was appointed at the direction of this House. So there cannot be any criticism of that. When we come to the Railway Commission, I find that in 1946 the Leader of the Opposition, who was then Premier, said, in speaking to a motion moved by my colleague, the present Minister for Railways,—and his remarks are to be found at page 2959 of "Hansard" of the 13th December, 1946—

I have indicated to the House during the course of debate—and members have had the information under the authority of the Minister for Railways, too—that it is the intention of the Government to appoint a Royal Commissioner, who will be a highly placed and responsible person, yet unknown, but one with all the qualifications necessary.

So the hon. gentleman would have had a Royal Commission in regard to railways. There was another Royal Commission appointed to inquire into local government boundaries and that was asked for by municipal councils. I believe that if the hon. gentleman had been over here he would have agreed to that Royal Commission. A Royal Commission on betting was promised in our Policy speech and that promise was honoured.

Hon. J. B. Sleeman: You did not give them an inquiry on betting.

The PREMIER: Yes. We gave what we suggested.

Hon. J. B. Sleeman: The main thing was outside the terms of reference.

The PREMIER: We gave them what we said we would give them.

Hon. J. B. Sleeman: I hope you get what you expect!

The PREMIER: The Workers' Compensation Royal Commission was recommended by a Select Committee years ago—a committee of which the Deputy Leader of the Opposition was chairman. Then, of course, there was a Royal Commission on milk, and I think that was justified. So that is the story of the Royal Commissions. Whilst I claim that they were

fully justified, the amount of saving that could have been effected in a Budget of from £18,000,000 to £20,000,000 by their not being appointed would have been infinitesimal. But that is one of the savings that have been suggested—as a matter of fact the only one. The Leader of the Opposition said I had made a statement that I was willing to assume control of our own finances and get away from the Commonwealth. I have never said that. Yes, the Leader of the Opposition can quote the Policy speech or anything else if he likes; but I know what I said, and I will stick to it.

Hon. F. J. S. Wise: I repeated the words of the Policy speech.

The PREMIER: I have said this: That I would not agree to having our taxation powers returned to us unless the field of taxation were clearly defined between the Commonwealth and the State; and furthermore, like the hon. gentleman himself, I have advocated that a convention should be held in regard to the Commonwealth-State financial set-up. But when the Premiers of Victoria and South Australia were over here at the time I invited all Premiers to attend a conference in this State—

Mr. Hoar: They were Liberal Party Premiers.

The PREMIER: I cannot help that. The others were invited. I could not do any more than that. At that Premiers' Conference a formula was laid down by which we were to get the same amount per head of income tax as Queensland raised in the last pre-war year, adjusted and increased to conform to the higher national income to be distributed according to the existing formula between the States and to operate until a properly constituted convention has been held to determine future Commonwealth-State financial relationships. That was agreed to by Mr. Playford and Mr. Hollway. I want to tell the Leader of the Opposition also that the Grants Commission did not exact any assurances from us when they gave us the million pounds. But we realised that we had to do something in regard to increased charges and, as I have said, that is receiving the attention of the Government at present. We were not asked to give any assurance. That is so, I think. I have not heard of any assurance that we were asked to give. We were given the amount by the Commission, who expected

that we would govern as well as we could and handle the finances as well as we could.

The Leader of the Opposition also referred to the use of trust funds and this he seemed to be very perturbed about. But for many years this has been regarded as part of Government finance and I am sure the honourable gentleman must know that all Governments, or nearly all Governments—I want to be safe—have used these trust funds. I know one Labour Government that used them all, because I remember that when I first came to this House the then Premier complained bitterly of the way in which the trust funds had been disposed of by the outgoing Government.

Hon. A. H. Panton: He found them that way, too.

The PREMIER: But they would be reimbursed. They are reimbursed from Loan fund and Revenue generally. Another matter to which the Leader of the Opposition referred was this: He said that we on this side of the House, or this party to which I belong, created great deficits and seemed to lack any knowledge of finance.

Hon. F. J. S. Wise: I did not say that.

The PREMIER: The Deputy Leader of the Opposition said so. The Leader of the Opposition referred to the deficits that were created by this party. It should not be necessary to remind the Leader of the Opposition that Governments of the same party as myself in the past carried out great developmental works in this country.

Hon. F. J. S. Wise: So did ours.

The PREMIER: Which we knew at the time were undertaken under a far-seeing policy that we were aware could not produce immediate results. The leader of the Opposition knows that. The party was in power at a period of great expansion and today the State is reaping the benefit of that policy.

Hon. A. H. Panton: They had a ton of money—cheap money at that.

The PREMIER: That is so; and they used it. I wish we could get some of it today. The Leader of the Opposition went on to say that had he been at the last Premiers' Conference he would have suggested that the £40,000,000 which the States obtained through the Income Tax Reimbursement Act should be increased to £50,000,000. I can assure him that we made

every possible effort. In fact, the Premiers did not ask that it be increased by £10,000,000, but that it be increased by £20,000,000 to £25,000,000. I said to Mr. McGirr, "You do not expect we will succeed, do you?" He replied, "Why not?" We did not succeed, but we did get it raised from £40,000,000 to £45,000,000.

The Leader of the Opposition referred to unproductive public works. Well, this is a problem which has, of course, confronted every Government, and it is one to which this Government has given very close attention. I have discussed it repeatedly with the Treasury officials. In a young country like this, it is extremely difficult to get on with a public works programme without taking some risks. I do not care what Government occupies this bench in the future, it will find it extremely hard to get a public works programme that is wholly reproductive. It will also find it extremely hard to get away from losses. We are compelled to expand and develop in this young country.

It is unfortunate that we have to carry out such a policy when we have these greatly increased costs. But the long view has to be taken and we have to continue with that development. By way of interjection, I told the Leader of the Opposition, prior to the tea suspension that the Westland coaches were built from Loan moneys. He was correct; they were built from Revenue. Rather, four of the coaches were built from revenue and two were debited to an insurance fund, which the Railway Department has. I understand that as a result of the loss of some trucks or other rollingstock belonging to the department it got the insurance, which I believe it carries itself, and was able to provide the two coaches with it.

The Minister for Lands: Who authorised the building of the Westland, anyway?

The PREMIER: It was authorised by the Government, of which the Leader of the Opposition was Premier. I could go on talking about costs and keep members here for quite a long time, but I will give that information on the Budget. I have already given some. The reclassification of the teachers will cost us £200,000. Increases to the police will cost a considerable amount. The basic wage will be £100,000 more for the coming financial year compared with

1947-48. Hospitals will need an increase of £50,000, and State ships will need £100,000 more than the previous year. So I could go on, but which hon. gentleman in this Chamber is going to suggest to me that that expenditure should not have been incurred? Or could any member possibly suggest that it should not have been incurred? Members might mention increased charges. They will get their opportunity later in regard to increased charges, and it will be most interesting to find just what their attitude will be when these proposals come before them.

Hon. A. H. Panton: We knew what it was when a railway officer inadvertently said something about it to the Grants Commission. The member for Nedlands nearly knocked the House down.

The PREMIER: I did not just know what would happen on the Supply Bill, and the Treasurer wants to come fully armed, as he does when presenting the Budget, when he knows the whole matter is going to be debated, so, during the tea interval, I did have a look at some of the figures related to the matters raised by the Leader of the Opposition. In 1945, dealing with railways, the surplus earnings over working expenses were £511,960. In 1946 the surplus was £80,012, a drop of £431,000. In 1947, the deficiency was £377,866, a further drop of £457,000. These figures do not take into account interest.

I have indicated to members from the extract I read from the report which is on the Table and available to them, just how the railways are proceeding at present. But I suggest this to the Leader of the Opposition: that he did not do very much about it. He was making these tremendous losses on the railways, and he was content to go on. Well, I am not content to go on. A most searching inquiry is being made into railway workings and railway losses. We shall see if we cannot get greater efficiency in regard to workings, and, members might just as well know this, we have got to get extra revenue. I have here the general position of the railways, which I will go into later. It is many years since there has been any increase. You, Mr. Chairman, were a very young boy when there was any substantial increase made in railway freights.

Since that time we have had two World wars, numerous increases in the basic wage, superannuation funds, long-service leave, the 40-hour week, increased cost of materials, and goodness knows what else, and we have just gone on. That difficult position is left for this Government to face. I can only say that we hope to face it. I do not think there is any need for me to say anything further tonight, but once again to assure the Leader of the Opposition that Government expenditure is being closely scrutinised. I think it was the Deputy Leader of the Opposition who said that we should consult our Treasury advisers. That is being done. I can assure him that I am looking for the most expert advice it is possible to obtain. I hoped that the Leader of the Opposition would tonight have been more definite in his criticism, because I was looking forward to a constructive speech from the angle of suggestions in regard to decreased expenditure and the avenues where he considers Loan moneys and Revenue generally could be profitably spent. I would be glad indeed if an opportunity arose during the next few weeks—

Mr. Hoar: You want him to do your job.

The PREMIER: Nothing of the sort. I hope the member for Nelson is not going to develop into one of those members of Parliament who thinks there is no responsibility resting on an Opposition member simply because he is in Opposition. There is a responsibility resting on every member of this Chamber in regard to every matter of public concern, whether it be finance or anything else, and it is much better to have constructive suggestions than mere carping criticism.

Hon. A. H. Panton: You gave a bit of it when you were over here.

The Minister for Education: We used to do our best.

The PREMIER: That is all I have to say on the Bill.

HON. F. J. S. WISE (Gascoyne): I am conscious that there will still be many opportunities of speaking on this Bill. I am not sure whether the Premier intended to suggest, in his last remarks, that he had had carping criticism from me.

The Premier: I did not.

Hon. F. J. S. WISE: If that is so, I wish to analyse the flimsy statement of the Premier in attempting to assert that there was nothing in my suggestions that might be of assistance to him. I analysed the position from the information available to me, a brief Press statement—a brief Press release by the Premier regarding his finances at the end of the financial year. I had no other information available on which to base my comments. I did not intend to traverse any ground previously covered, but did suggest to the Premier, for example, that he was not watching railway finances, and that trains were being built out of revenue, which he denied.

The Premier: And then corrected.

Hon. F. J. S. WISE: He afterwards corrected it. I suggest that he should not be testy and contend that he expects from me specific items based on the flimsy information that he has given to the Chamber this evening, and that which has been published in the Press. If he will make available to me the details of all the departments side by side with his estimated figures, and afford the opportunity, we will give him an idea of where the drift may be. Surely he will concede that in my attempt fairly and reasonably to analyse the drift and deterioration in finance—those are not my words, but those of "The West Australian,"—I was not concerned with increasing expenditure, if revenue kept pace with it. In the early stages of my speech I said I am not concerned if he can show that he is carefully scrutinising the opportunities and resources at his command in an attempt to keep them measurably together.

I cannot let him thrust aside my comments on Loan expenditure. I did not cavil at Loan expenditure for productive or reproductive purposes, and he well knows it. The point is that there is an obligation, wherever there is such expenditure to the benefit of the whole community, that the community and not the taxpayer should pay for it. Those are the avenues that I suggest the Premier should examine. He turned my suggestion aside by asking what I did about it. The only years in which I had the responsibility of the Treasury were one year when I was acting for the Hon. J. C. Willcock, and when I had a symmetrical if not substantial surplus of £11,000,

and one other year when the Budget was balanced. That is the answer. There was not the drift that is obvious today, or the need to do the things which the Premier should do in good grace in straightening out the finances of Western Australia. I said I would be prepared at all times to collaborate and co-operate, and fairly give credit where it is due. I expect the Premier not to set aside, in cavalier manner, substantial suggestions by simply asking where are the ways in which we can help him. If he lets us have the figures we will tell him all of the story.

Question put and passed.

Resolution reported and the report adopted.

In Committee of Ways and Means.

The House resolved into Committee of Ways and Means, Mr. Perkins in the Chair.

The PREMIER: I move—

That towards making good the Supply granted to His Majesty for the services of the year ending the 30th June, 1949, a sum not exceeding £3,000,000 be granted from the Consolidated Revenue Fund, £500,000 from the General Loan Fund and £300,000 from the Public Accounts.

Question put and passed.

Resolutions reported and the report adopted.

Bill Introduced.

In accordance with the foregoing resolutions, Bill introduced and read a first time.

Second Reading.

THE PREMIER (Hon. D. R. McLarty—Murray-Wellington) [12.8]: I move—

That the Bill be now read a second time.

Question put and passed.

In Committee.

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

Clause 1—Issue and application of £3,800,000:

Hon. F. J. S. WISE: Will the Treasurer give to this Committee any indication of how long he expects this Supply to last, and at what stage prior to the introduction of the Appropriation Bill will he introduce his Supply Bill (No. 2)? Also, has the Treas-

urer had an opportunity of determining the size of his Budget?

The PREMIER: As I will be leaving for the Premiers' Conference sometime in the middle of August I will not be able to give full consideration to the Budget position until I return. This present Supply should last for about three months, but I am hoping to introduce the Budget at about the same stage as I introduced it last year.

Hon. F. J. S. Wise: That was in October.

The PREMIER: Yes, about that time.

Hon. F. J. S. Wise: That is very late.

The PREMIER: Yes, but I will try to introduce it earlier, but I would not like to give the Leader of the Opposition an assurance and then not be able to carry it out. At this stage it is very difficult even to quote an approximate figure but last year the expenditure amounted to £18,000,000 whereas the estimated expenditure was £16,400,000. The hon. member is right when he says it will probably be more this year and I think it will not be any less although we will have increased revenue. Just what added costs will have to be met I do not know. I therefore cannot give the Leader of the Opposition any more information at this stage.

Clause put and passed.

Clause 2—agreed to.

Preamble:

Hon. J. B. SLEEMAN: I am not too pleased with the preamble and I do not know whether it should be passed in this form. In the fourth line there occurs the word "cheerfully." My reason for not agreeing to Supply very cheerfully is that I am not prepared to grant anything cheerfully to a Government that has broken nearly every promise it made to the electors when elected. If it was to grant supply to His Majesty himself and His Majesty was going to administer it, it would be all right, but not to His Majesty's chief officers who are going to handle this money and are supposed to have the business acumen to run a country. When the Government was elected it promised that there would be plenty of materials and plenty of houses, but there are no more houses now than there were before the election.

The Minister for Lands: We say that there are.

Hon. J. B. SLEEMAN: If the Minister for Lands wants to say there are more I will tell him all about it next week. I have the figures and I say definitely there are no more houses now than there were then.

The Minister for Lands: But we say that there are.

Hon. J. B. SLEEMAN: And that is one of the reasons why I am not too cheerful about granting this Supply, because the Government has broken every promise it has made. At election time the Government said that there were no hospitals but with the exception of the Royal Perth Hospital—most of the planning of which was carried out by the previous Governments—the hospital position is worse now than it was when the Government was elected. Even the member for Wagin on the opening day complained of the state of affairs in the hospitals in his district. The Government also complained about the costs under a Labour Government, but we now have the spectacle of the Premier this evening complaining about the cost of living and a few moments ago he turned to his colleagues and said that more money must be obtained from the railways. I would like to know what the Country and Democratic League think about that and what they are going to say when extra charges are made on the railways. I have been a member of this Parliament for approximately 24 years and I think the most hypocritical thing I have ever known a Government to do was the promised amendment of the Legislative Council franchise. To save its face it brought down a Bill—not a bad little Bill either—but it objected to this side bringing down a Bill because it said that was the function of the Government.

The CHAIRMAN: I think the hon. member is getting rather far from the preamble of the Bill.

Hon. J. B. SLEEMAN: I am giving my reasons for not granting Supply cheerfully. The Government said it was going to amend the franchise of the Legislative Council and when the Deputy Leader of the Labour Party introduced a Bill to amend the franchise the Government turned it down. Then the Government brought down a Bill and passed the word to its mates in another place to turn the Bill down, and then it asks us to grant Supply cheerfully. I say it should not

cheerfully be given 3s. let alone £3,000,000 and I move an amendment—

That at the end of line 4 the word “cheerfully” be struck out.

Amendment put and negatived.

Preamble put and passed:

Title—agreed to.

Bill reported without amendment, and the report adopted.

Third Reading.

Read a third time and transmitted to the Council.

House adjourned at 12.21 a.m. (Wednesday).

Legislative Council.

Wednesday, 28th July, 1948.

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

QUESTIONS.

COMMUNIST ACTIVITIES.

As to Ensuring State's Security.

Hon. H. HEARN asked the Chief Secretary:

In view of the recent disclosures of the subversive activities of Communists in Britain, Canada, U.S.A., South Africa, South America, Malaya, Indonesia, Italy, France, Germany and other countries, and in view of the continuous industrial unrest caused by the disruptive tactics of Communists in Australia, is the Government satisfied that the measures taken to ensure the security of this State are adequate and