

**BILL—PUBLIC SERVICE APPEAL BOARD  
ACT AMENDMENT (No. 2).**

*Second Reading.*

**THE CHIEF SECRETARY (Hon. H. S. W.**

Parker—Metropolitan-Suburban) (8.15) in moving the second reading said: This is the second Bill to which I referred as being complementary to the Rural and Industries Bank Act Amendment Bill by which statutory power is given for the transfer of the Rural Bank staff from Public Service to trading bank conditions. One of the privileges which the staff forfeit is the right of appeal to the Public Service Appeal Board against classifications of positions by the Public Service Commissioner. Trading bank officials have a certain right of appeal to an Arbitration Court board of reference and Rural Bank officers will have access to this board. The Bill will amend the principal Act by removing from the Rural Bank staff the right of appeal to the Public Service Appeal Board. This was one of the conditions agreed to by an overwhelming majority of the bank officers when they acceded to the Arbitration Court's proposal that they transfer to full private bank conditions. I move—

That the Bill be now read a second time.

On motion by Hon. H. A. C. Daffen, debate adjourned.

*House adjourned at 8.17 p.m.*

**Legislative Assembly.**

Tuesday, 2nd August, 1949.

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

**PETITION—FREMANTLE MATERNITY HOSPITAL.**

Hon. J. B. Sleeman presented a petition from residents of Fremantle praying for the construction of a maternity hospital for Fremantle districts.

Petition received and read, and ordered to be taken into consideration at the next sitting of the House.

**QUESTIONS.****RAILWAYS.***(a) As to Main Line Accidents and Damage.*

Mr. STYANTS asked the Minister for Railways:

(1) How many main line accidents occurred in the W.A.G.R. during the two years ended the 30th June, 1949?

(2) What were the costs involved—

(a) in compensation paid to consignees;

(b) in damage done to railway property, engines, rollingstock, etc.?

The MINISTER replied:

(1) 180.

(2) (a) £1,496.

(b) £30,909.

*(b) As to Diesel Service, Mullewa-Perth.*

Mr. BRAND asked the Minister for Railways:

(1) When is it proposed to establish a diesel rail service between Mullewa and Perth?

(2) What will be the approximate time for the journey?

The MINISTER replied:

(1) The second of the new diesel electric trains which is reserved for the Perth-Mullewa service is expected to be ready for testing at the end of October next. It is hoped to inaugurate the service almost immediately after the tests have been completed.

(2) Thirteen hours.

*(c) As to Accumulated Freight.*

Mr. KELLY asked the Minister for Railways:

Of the accumulated tonnage of goods for railway transport, what total is represented by the following:—

- (a) Timber;
- (b) Superphosphate;
- (c) Machinery;
- (d) Wheat;
- (e) Pyrites;
- (f) Coal;
- (g) Beer;
- (h) Flour;
- (i) Hay and chaff;

- (j) Stock;
- (k) Oils and fuels;
- (l) Potatoes;
- (m) Building materials, other than timber;
- (n) All other goods?

The MINISTER replied:

	Tons (approx.)
(a) Timber including firewood and railway sleepers ..	10,000
(b) Super .. .. .	Nil
(c) Machinery .. .. .	Nil
(d) Wheat .. .. .	288,000
(e) Pyrites .. .. .	500
(f) Coal .. .. .	Nil
(g) Beer .. .. .	Nil
(h) Flour .. .. .	Nil
(i) Hay and chaff .. .. .	Nil
(j) Stock .. .. .	Nil
(k) Oils and fuels .. .. .	Nil
(l) Potatoes .. .. .	Nil
(m) Building materials—other than timber ..	Nil
(n) All other goods, principally salt, manganese, gypsum and potash ..	1,500
Total ..	300,000

*(d) As to Cheetah Bus Costs.*

Mr. MURRAY asked the Minister for Railways:

In view of the Chief Secretary's answers to questions on Wednesday, the 10th November, 1948, which revealed that conversion of Cheetah busses had cost approximately £4,000 each, would he now state—

(1) To what account is this item charged—capital costs, maintenance, or running costs?

(2) Has any large amount been set aside for unusual maintenance and charged to running costs?

The MINISTER replied:

- (1) Working Expenses.
- (2) No.

**TIMBER.***(b) As to Trucks for Haulage.*

Mr. GRAHAM asked the Minister for Transport:

(1) How many railway trucks ordered since the 1st June last for the haulage of timber have not yet been supplied?

(2) How many tons of freight does this represent?

The MINISTER replied:

(1) On the 28th July, 1949, timber orders, including firewood, but excluding Departmental sleepers, were short supplied to the extent of approximately 100 trucks.

(2) Approximately 800.

## STATE TRANSPORT BOARD.

### *As to Membership.*

Mr. GRAHAM asked the Minister for Transport:

(1) When do the terms of office of members of the Transport Board expire?

(2) Is it a fact that he intends making some new temporary appointments when present members' terms have expired?

(3) If so, why?

(4) Is there any authority for such action?

The MINISTER replied:

(1) At notice.

(2) No.

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

## COAL.

### *(a) As to Black Diamond Open-cut.*

Mr. MAY asked the Minister representing the Minister for Mines:

(1) Is the Government still obtaining coal from the Black Diamond open-cut under the conditions of the agreement made between the Government and Amalgamated Collieries of W.A. Ltd. on the 30th March, 1949?

(2) If not, under what conditions is such coal now being purchased?

The MINISTER FOR HOUSING replied:

(1) The agreement of the 30th March, 1949, formally embodies the arrangements as to the Black Diamond leases made on the 13th August, 1948. These arrangements deal, amongst other things, with the price of coal delivered from these leases up to the 30th December, 1948. Negotiations are proceeding between the Railway Department and the State Electricity Commission and Amalgamated Collieries Limited for a new main agreement as to all coal supplies from the company. For the half-year ended the 30th June, 1949, the company has proposed

that the last main agreement should continue to apply and that coal from the Black Diamond leases, whether delivered before or since the 30th December, 1948, should carry the same profit as was provided for general coal supplies under the last main agreement.

(2) Answered by No. (1).

### *(b) As to Production in June.*

Mr. MAY asked the Minister representing the Minister for Mines:

Will he advise the total tonnage of coal produced from the following coal mines and open-cuts, as from week ended the 8th June, 1949, to week ended the 25th June, 1949:—

Co-operative Mine;

Proprietary Mine;

Stockton Mine;

Cardiff Mine;

Griffin Mine;

Wyvern Mine;

Phoenix Mine;

Stockton No. 2 Open-cut;

Black Diamond Open-cut?

The MINISTER FOR HOUSING replied:

There are no production figures available for the week ended the 8th June, 1949. The figures for the week ended the 11th June, 1949, to week ended the 25th June, 1949, are—

Co-operative Mine—Week ended 11/6/49, 1,569 tons; week ended 18/6/49, 1,316 tons; week ended 25/6/49, 1,773 tons; total—4,658 tons.

Proprietary Mine—Week ended 11/6/49, 2,800 tons; week ended 18/6/49, 2,300 tons; week ended 25/6/49, 3,562 tons; total—8,662 tons.

Stockton Mine—Week ended 11/6/49, 1,890 tons; week ended 18/6/49, 1,390 tons; week ended 25/6/49, 2,141 tons; total—5,421 tons.

Cardiff Mine—Week ended 11/6/49, 2,206 tons; week ended 18/6/49, 1,720 tons; week ended 25/6/49, 2,647 tons; total—6,573 tons.

Griffin Mine—Week ended 11/6/49, 1,455 tons; week ended 18/6/49, 1,262 tons; week ended 25/6/49, 1,534 tons; total—4,251 tons.

Wyvern Mine—Week ended 11/6/49, 1,139 tons; week ended 18/6/49, 1,065 tons; week ended 25/6/49, 1,529 tons; total—3,733 tons.

Phoenix Mine—Week ended 11/6/49, 107 tons; week ended 18/6/49, 69 tons; week ended 25/6/49, 157 tons; total—333 tons.

Stockton Open-cut (no separate record maintained of portion referred to as Stockton No. 2 Open-cut)—Week ended 11/6/49, 3,614 tons; week ended 18/6/49, 2,934 tons; week ended 25/6/49, 4,536 tons; total—11,084 tons.

Black Diamond Open-cut—Week ended 11/6/49, 1,354 tons; week ended 13/6/49, 1,197 tons; week ended 25/6/49, 1,057 tons; total—3,608 tons.

Totals—Week ended 11/6/49, 16,134 tons; week ended 18/6/49, 13,253 tons; week ended 25/6/49, 18,936 tons; total—48,323 tons.

(c) *As to Production in 1948.*

Mr. MAY asked the Minister presenting the Minister for Mines:

Will he advise the total tonnage of coal produced from the following coalmines and open-cuts as from the 1st July, 1948 to the 31st December, 1948:

Co-operative Mine;  
Proprietary Mine;  
Stockton Mine;  
Cardiff Mine;  
Griffin Mine;  
Wyvern Mine;  
Phoenix Mine;  
Stockton No. 2 Open-cut (only);  
Black Diamond Open-cut?

The MINISTER FOR HOUSING replied:

	Tonnage.
Co-operative Mine .. ..	43,365.57
Proprietary Mine .. ..	76,795.17
Stockton Mine .. ..	59,161.21
Cardiff Mine .. ..	53,653.07
Griffin Mine .. ..	46,350.20
Wyvern Mine .. ..	41,872.00
Phoenix Mine .. ..	969.90
*Stockton Open-cut .. ..	67,356.85
Black Diamond Open-cut ..	104.83
Total ..	389,628.80

\*No separate record maintained of portion referred to as Stockton No. 2 Open-cut.

(d) *As to Consumption by Government Departments.*

Mr. MAY asked the Minister representing the Minister for Mines:

Will he advise the percentage of Collie coal used by all Government departments, including also any other Government channels where Collie coal is consumed?

The MINISTER FOR HOUSING replied:

Approximately 85 per cent.

STATE FINANCE.

*As to Use of Government Trust Funds.*

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

To what extent has the Trust Fund Accounts known as Government Trust been drawn upon to finance Consolidated Revenue Account as at the 28th July, 1949?

The TREASURER replied:

The accumulated deficit in the Consolidated Revenue Fund as at the 28th July, 1949, was financed from moneys in the Public Account. At the 28th July last, the Public Account consisted of a balance of loan moneys of over £2,000,000, plus various Governmental suspense accounts, as well as trust fund accounts.

BUSINESS NAMES ACT.

*As to Regulations Prescribing Penalties.*

Mr. RODOREDA asked the Attorney General:

(1) As Section 23 Subsection (2) of the Business Names Act states that regulations may be made prescribing penalties for any breach of the Act, why did he state when answering a previous question of mine, that there is no practicable means of enforcing the provisions of Section 11 of that Act?

(2) If no regulations prescribing penalties have been gazetted, will he have this remedied?

(3) If not, why not?

The ATTORNEY GENERAL replied:

(1) In the opinion of the Solicitor General—

(a) Section 23 Subsection (2) of the Business Names Act, 1942-1946, does not authorise the prescribing of penalties for a breach of the Act, but only for a breach of the regulations.

(b) The Act does not provide for any penalty for a breach of Section 11 thereof, and any breach of Section 11 is punishable only as a misdemeanour under Section 177 of the Criminal Code, which would involve a trial upon indictment before a judge and jury. (The Government does not consider this to be a practicable means of enforcing Section 11).

(c) Any regulation purporting merely to prescribe a penalty to enforce a section of the Act would be, in effect, an attempt to amend the Act by regulation, and would probably be held to be inconsistent with the Act and "ultra vires" the regulation-making power.

(2) No.

(3) Any such regulation would probably be invalid.

### MEAT.

#### *As to Black Market Prices.*

Mr. HEGNEY (without notice) asked the Attorney General:

(1) Is he aware of the statement by Mr. Pethick, the President of the Meat Trade Federation, in "The West Australian" of the 1st August, 1949, in which he indicated that meat is being retailed at black market rates?

(2) Does he realise that the basic wage would be higher if the statistician took into account the black market prices for meat?

The ATTORNEY GENERAL replied:

(1) No.

(2) I am aware that meat is one of the items taken into consideration when fixing the basic wage.

### EUREKA YOUTH LEAGUE.

#### *As to Distribution of Pamphlets in Schools.*

Mr. NEEDHAM (without notice) asked the Minister for Education:

(1) Has his attention been called to a paragraph in the "Daily News" of the 1st instant, headed "White Ants in the Cradle"?

(2) If so, have such pamphlets been circulated in schools by the Eureka Youth League?

(3) If they have, will he take immediate and effective steps to prevent any further distribution?

The MINISTER replied:

(1) Only by the hon. member.

(2) Inquiries can be made.

(3) Yes.

### "HANSARD."

#### *As to Expediting Publication.*

Mr. GRAHAM (without notice) asked the Premier:

Is he yet able to make any arrangements to take up the lag in the publication of "Hansard"? This follows a question asked by me last week. The position now assumes even greater importance in view of the fact that we have no copies available to us of his speech when introducing the Budget.

The PREMIER replied:

I have just been informed that "Hansard" No. 3 has arrived at the House. Arrangements have been made with the Government Printing Office for its employees to work overtime in an endeavour to catch up with the lag. I think we are three copies in arrears and the numbers will be brought up to date with the aid of the overtime that is being worked. I hope the lag will soon be overtaken.

### BILL—GUILDFORD OLD CEMETERY (LANDS REVESTMENT).

#### *Third Reading.*

**THE MINISTER FOR LANDS** (Hon. L. Thorn—Toodyay) [4.45] in moving the third reading said: I feel that I should make some short statement regarding this Bill in view of a leading article that appeared in yesterday's Press and also a letter that I have received from the Historical Society of Western Australia. It has been suggested that the Bill should not be proceeded with. In 1935 the Anglican Church authorities approached the Government to do something about this neglected cemetery at Guildford. The Government has no desire whatsoever to hurt the feelings of anybody in this matter and—

Hon. A. R. G. Hawke: Hear, hear!

The MINISTER FOR LANDS: —it thought that in bringing forward this legislation it was making a real effort permanently to commemorate the early pioneers of this State. It causes grief to passers-by to see this neglected cemetery on the corner,

and at the rear of the Guildford Grammar School chapel. No-one is responsible for it; no-one cares for it; and there are some broken headstones and no fences. Either last year or the year before a fire spread through the cemetery and burnt down some of the trees which fell over the graves and damaged them. Since 1935 the war broke out and the matter was left in abeyance for the time being. However, a case has been built up gradually by those concerned to have the headstones laid out in the form of a crucifix so that they may be cared for in a proper manner. This will commemorate permanently the early pioneers of the State who are buried there.

Those closely associated with these early pioneers have been given the opportunity to transfer the remains and the headstones to the South Guildford cemetery. In the letter I received from the Historical Society, the removal of the Skinner-street cemetery at Fremantle, and also the old Bunbury cemetery, were mentioned. If members go to Bunbury today they will find all those headstones laid out in formation. They are not being smashed up as they probably would have been.

Hon. A. H. Panton: I thought they were holding up a road at Bunbury.

The MINISTER FOR LANDS: I well remember the Skinner-street cemetery, as does the member for Leederville. When I was a lad in Fremantle it was just a grazing paddock for dairy herds and if one went there one would probably find a mob of cows grazing and trampling upon the graves and headstones. My mother and father were laid to rest in that cemetery and I was given the opportunity, by the Fremantle Council, to remove their remains to the new cemetery at a very low cost. I took advantage of it and their headstones today are in the new Fremantle cemetery and being well cared for. The people concerned in this case had the same opportunity.

The corner, at the Guildford cemetery, is very bad, and one could expect to see a big truck go right through it at any time. The Bill also makes provision for the truncation of that corner which will make the road much safer for traffic. I have a file with me and on folio 32 there is a diagram showing the view that the church authorities have in mind. There are four tall columns of

headstones on four of the graves and it has been proposed to set out these columns and lay the other headstones in formation around them. Either gravel or bitumen will be used all round them which will make proper provision for their care. I pass that cemetery every morning and I took particular notice of it this morning. There are broken headstones to be seen in the cemetery and if this scheme is adopted, it will provide for a far better arrangement. This will do away with the neglected look of the place.

In spite of the leading article, and the communication from the Historical Society, I feel that the arrangement between the Government and the Anglican Church, to carry out this programme, is much more desirable than to leave things as they are. It has also been proposed that we should set up a board, or some responsible body, to care for all old graves. Who is going to do it? That is the point. No-one seems to be interested and no-one carries out the work. If we do not proceed with this Bill but allow things to go on as they have been, we will not improve these historical sites. This is a real and honest attempt to do something that will serve to commemorate the early settlers and be a memorial to the pioneers of yesterday. I move—

That the Bill be now read a third time.

HON. E. H. H. HALL (Geraldton) [4.51]: I would have addressed myself to the Bill on the second reading but I thought my remarks would have to be confined to the Guildford Cemetery. Having heard the Minister deal with the Government's attitude towards all such places, I trust, Mr. Speaker, you will allow me a little latitude on this occasion. It is high time that the Government faced up to the position. In many of the towns throughout the State there are these old cemeteries that are in a similar state of neglect. At Geraldton, the Church of England and Roman Catholic cemeteries are at the northern end of the town, whereas the Wesleyan, Presbyterian and other Nonconformist churches have theirs at the eastern end. The condition of the Church of England and Roman Catholic cemeteries is disgraceful; I do not think the use of that word is too strong. I know that the Anglican cemetery is very neglected; my parents were buried there. The same applies to many of the old residents.

The relatives, some of whom live in the Eastern States and some in the Old Country, contributed towards the upkeep of the place to maintain it in repair. The trouble is that it is a never-ending job. The Government would earn the gratitude of the people and would be well advised if it took action. It could get in touch with the local governing authorities and between them something could be done. The Minister asked whose job it was. I remember that Warden Finerty, who was so prominent in the outback parts of the State in years gone by, was buried in the Geraldton cemetery, in addition to many of the old pioneers. I am glad the Government is at last doing something about it, and proposes to take action. I trust that, in conjunction with the local governing authorities, something will be done better to commemorate the memory of these old people who were laid to rest in some of the now disused cemeteries of the State.

**MR. FOX** (South Fremantle) [4.54]: The Minister spoke of the Skinner-street cemetery at Fremantle. In my younger days, I went through the cemetery every day when going to work. I can support the Minister's assertion that it was one of the most neglected places that could be seen. I believe that the Government is now proposing to do what, in the circumstances, is the best possible. I am not in agreement with the erection of costly monuments as a tribute of respect to the departed.

**Mr. Rodoreda:** Hear, hear!

**Mr. FOX:** The succeeding generations know nothing about them and are not interested in looking after the cemeteries where the pioneers are laid at rest. I know that the Skinner-street cemetery lapsed into a most dilapidated condition. Many of the monuments were broken down and I do not think that more than one or two remained standing.

**The Minister for Lands:** Quite right!

**Mr. FOX:** Very few people living in the district had relatives buried there. There was an even older cemetery near the hospital, and I know the remains were removed from there and the place was turned into a park. That is what was proposed to be done with the Skinner-street cemetery, and I think that is in the interests of the community generally. Some of the monuments

from the old cemetery were re-erected in the new place of interment, and may be seen on the right-hand side of the main avenue. I am convinced that too much altogether is spent on burials and headstones, and the money could be put to far better use.

**Hon. A. H. Panton:** Dying these days is a very expensive business.

**Hon J. T. Tonkin:** And so is living.

**Mr. FOX:** It costs money to keep graves in order. The Fremantle Lumpers' Union has a scheme, by which the burials of deceased members are attended to and the graves maintained annually. The cost of the work runs into a considerable sum, but that practice has been followed for years. When we take into consideration the number of old cemeteries that can be seen in outback mining places where hundreds of people were buried, members will appreciate what difficulty is associated with the work. Are we to pay attention to the cemeteries in the metropolitan area and do nothing at all for those outback? Many of the old men who played such a prominent part in the development of goldmining were buried in solitary graves alongside the road, and headstones were erected there.

No doubt the Government, or any other authority, would embark upon a tremendous job if the old, neglected cemeteries throughout Western Australia were to be taken over and put in proper order. I was in one small outback place at one time, and I know that the remains of between 70 and 80 people were buried in the cemetery there. That applies to many other outlying centres. If the Government is to look after the cemeteries in the metropolitan area, it should certainly not neglect those situated in the outback, particularly as they contain the remains of many of the pioneers who were responsible for the mining developments that led to the present prosperity of Western Australia.

**MR. BRADY** (Guildford-Midland) [4.57]: In view of the fact that the Bill refers specifically to the old cemetery situated in my electorate, I am glad that the Minister has decided not to withdraw the measure. Before I spoke in support of the Bill at the second reading stage, I viewed the burial ground and came to the conclusion that we should be very grateful to the Diocesan

Trustees of the Anglican Church for agreeing to assume responsibility for the old cemetery. We as individuals have a responsibility to those who have passed on, and that applies to the local governing authorities concerned and the churches as well. In this instance, the local authorities and the Diocesan Trustees have faced up to their responsibilities and are doing a very good job.

I know the old cemetery at Bunbury where the local municipal council effected repairs years ago, and I have seen the plans for the proposed improvements at Guildford. I am certainly of opinion that the scheme proposed for the old Guildford cemetery is much better than that which applies at Bunbury. Even the old pioneers, if they were alive today, could not wish for anything better. At present, the cemetery is in a very dilapidated condition. I cannot help thinking that even if the Bill were withdrawn and further consideration given to the whole matter, there would be no better authorities to do the job than those proposed under the Bill. I certainly hope the Minister will persist with the measure.

Question put and passed.

Bill read a third time and transmitted to the Council.

#### **BILL—ADOPTION OF CHILDREN ACT AMENDMENT.**

Read a third time and transmitted to the Council.

#### **BILL—INCREASE OF RENT (WAR RESTRICTIONS) ACT AMENDMENT (No. 4).**

Report of Committee adopted.

#### **BILL—FISHERIES ACT AMENDMENT.**

*Second Reading.*

**THE MINISTER FOR FISHERIES** (Hon. A. V. R. Abbott—North Perth) [5.0] in moving the second reading said: It is some years since the fees payable in respect of fishing boat licenses and fishermen's licenses have been reviewed. As members are aware, consideration was given by the House last year to fees paid for services rendered by the Crown in pursuance of a number of statutory duties, but at the time the fees

payable under the Fisheries Act were not dealt with. Members know that the activities of the fishing industry have increased a great deal during the past few years. From being a comparatively small industry it has now become one of major importance. We have such new activities as the canning of salmon and the catching of crayfish for export. Such activities have entailed upon the Government greatly increased expenditure by providing fisheries inspectors, in addition to which administrative costs are now higher.

It is proposed to amend the parent Act so that the fees payable in respect of fishing boats and fishermen's licenses may be increased, as well as to define the types of licenses. It is desirable that the fees to be paid should be fixed in accordance with the value of the particular license issued. At present, the maximum fee for a boat license is £2, the minimum fee being £1. A large boat, catching a big and valuable quantity of fish, should pay more than a small boat manned by one or two fishermen, whose annual catch is inconsiderable when compared with those of the bigger boats. Some of the boats engaged in the crayfishing industry deal with as much as £35,000 worth of crayfish in one season. This is an example of where I think a fee in excess of £2 is warranted. That is the first amendment proposed by this Bill.

At present, provision is made for the issue of two types of licenses to fishermen, one where fish are caught for sale, the other where fish are caught for domestic purposes. In both instances the fee now is only 10s. and it does not seem reasonable that a professional fisherman, whose catch runs into thousands of pounds per annum, should pay the same fee as a man who merely catches fish for domestic use. Power is sought to make regulations enabling a distinction to be made between the fees payable for licenses to be issued to fishermen. At present these fees are provided for by Sections 13, 14, 15 and 16 of the parent Act. It is proposed to repeal those sections and to insert a provision in Section 6 of the Act enabling the Governor from time to time to prescribe, by regulation for the purpose of carrying into effect the Act, the various kinds of boat licenses and fishing licenses and to fix the fees.



The next amendment is for the purpose of enabling the department to obtain statistical information necessary to enable it to control the fishing grounds to ensure that they are fished to the best advantage and not depleted. Some information may now be required under Section 18 of the Act, but it is found that such information is insufficient. It is therefore proposed to repeal the section and insert a new provision under which information may be obtained relating to—

- (a) the taking of fish for sale;
- (b) the sale of fish at any market, etc.;
- (c) the preserving, curing, etc., of fish.

Mr. SPEAKER: Order! There is too much conversation. I can hardly hear the Minister.

The MINISTER FOR FISHERIES:  
Continuing—

- (d) the canning, packing or bottling of fish, etc.;
- (e) the preparation of fertilisers from fish;
- (f) the carriage of fish.

I am advised that this information is necessary both for our own department and the C.S.I.R.O. in connection with research carried on by them in fishing. Some difficulty has been occasioned through not being able readily to identify the consignor of undersized fish, so Section 24 of the Act is being amended by adding some new subsections which provide that if a man is found in possession of undersized fish then, if he is only the servant or agent of the owner of the fish concerned or is only entrusted for the time being with the fish, he may, being held responsible, recover from the employer or principal the amount of any penalty for which he may have been convicted in respect of the charge, together with the costs paid; and the court may suspend the operation of the conviction for any period not exceeding three months to enable the defendant to recover the fine and costs from the employer or principal.

Section 31 of the Act enables trout acclimatisation societies to be registered for any district or area proclaimed. The property in all trout in an area in respect of which any trout acclimatisation society is registered shall be deemed vested in such society. It is proposed, with the approval of the Minister, to give power to a society to make bylaws for the purpose of dealing with conditions under which trout may

be taken from streams in the society's district and to fix fishing fees. Penalties not exceeding £5 may be provided for the breach of any bylaw.

Under Section 34 of the Act statements of operations and accounts of acclimatisation societies must be furnished to the Chief Inspector of Fisheries for each year ending on the 31st December before the 31st day of the next January. It is desired by the societies that the year should end on the 30th June and that a return should be furnished before the 31st July following, and the Bill proposes to make that alteration to the Act.

The last amendment, dealing with Section 25, proposes to incorporate in the Act a new schedule classifying the various species of fish and the length at which they may be marketed. Recently there has been a classification of the names of the various fish on an Australia-wide basis and the proposed new schedule not only gives their common names but also their scientific names. Not many, but some alterations have been made to the lengths at which fish may be marketed. Under the existing provisions of the Act these may be altered from time to time and have been so altered by regulation since the passing of the Act. It may still be done by regulation, but advantage has been taken of the opportunity to incorporate a new schedule in the measure. I move—

That the Bill be now read a second time.

On motion by Mr. Kelly, debate adjourned.

## **BILL—COMPANIES ACT AMENDMENT (No. 2).**

### *Second Reading.*

**THE ATTORNEY GENERAL** (Hon. A. V. R. Abbott—North Perth) [5.16] in moving the second reading said: This Bill provides for a number of amendments to the Companies Act, which has been in operation since the 19th December, 1947. Some errors in the drafting of the original Act have been found, and some of the provisions have been discovered to cause considerable inconvenience and difficulties to the commercial community. In addition, difficulties have been apparent in the administration of the Act.

The first amendment it is desired to make is in the definition of "officer" to which at present is given the meaning "manager," unless otherwise specified. It is thought that the secretary of a company should also be included in the definition. Subsection (1) (a) of Section 37 limits the maximum number of members who may constitute a proprietary company to 21. In many instances this has been found to be too few. Although a company may originally be formed as a proprietary company with 21 members, on the death of a member his beneficiaries in nearly every instance consist of more than one; and, as a result, the company can no longer be carried on as a proprietary company. It is proposed to alter the number to 50, which is the number stipulated in the English Act and also in the Acts of all other States. I feel it is desirable, where possible, that our Acts should coincide with those of other States and also England.

Section 48 of the Act gives authority to publish an abridged advertisement of a prospectus issued by a company. Subsection (2) now provides that if the advertisement states that applications for shares will be received only on one of the forms of application endorsed upon or annexed to but detachable from the full prospectus, then, when the form of application is so annexed such form can be used only when the applicant has signed on the application a memorandum, before detaching it, that he has perused the prospectus. This has caused a lot of trouble and confusion and is considered to be entirely unnecessary. The provision requiring such a memorandum is being deleted. This provision is peculiar to the Western Australian Act, and the members of the Stock Exchange of Western Australia have found that it is not practicable because people do not read their instructions with sufficient care and so neglect to sign the memorandum intimating that they have read the prospectus before sending in their applications.

Hon. E. Nulsen: It is still in accord with the practice in the other States.

The ATTORNEY GENERAL: No, it is not. This is peculiar to the Western Australian Act. Section 59 provides that a company may not give financial assistance to a

director whether by loan, guarantee or otherwise. As members are aware, authority is given under the Companies Act for the registration of cooperative companies; and in some cases the directors of a cooperative company may require, in the ordinary course of their business with the company, to get some financial assistance. For instance a director who is a member of a cooperative company may purchase a tractor on terms and security is taken from the purchaser. As the Act stands, he would be subject to a penalty for doing so.

Hon. E. Nulsen: Do you not think we should be a bit careful?

The ATTORNEY GENERAL: Yes, but I do not think this is necessary. As it stands it practically hamstring any director of a cooperative company from doing business of a major character with the company. Section 110, Subsection (1) (c), stipulates that every company should have its name mentioned in legible characters in all notices, advertisements, and other official publications. It is not thought necessary that the name of a company should be sent out in all advertisements as that would mean unnecessary trouble. It is therefore proposed to provide that a company shall be required only to have its name mentioned in legible characters in all business letters and in all notices and other official publications. At present the provision is not being enforced. If it were, the advertisements published by Boan Bros. and Foy and Gibson every day of the week would have to be prevented because they do not in such advertisements describe themselves with their full names.

Section 106 authorises a company to close its register of members at any time or times not exceeding 28 days in each year provided that the register shall not be closed at any period for more than 14 consecutive days. The Bill proposes to change the 28 days to 56, so that the register may be closed for a total number of 56 days in any year, but, of course, for not more than 14 consecutive days at any one time. It has been found that in some companies, particularly where there are numbers of different classes of shares, the share register of the company requires to be closed for more than 28 days in a year.

Subsection (4) (c) of Section 121 provides that a copy of every special resolution passed by a company shall be filed with

the registrar. There are many special resolutions which merely deal with the routine business of a company, and therefore it is desired to provide that only such special resolutions as alter the capital or memorandum or articles of a company should be filed. \*Section 126 provides that the directors of every company shall once a year lay before the company's general meeting a profit and loss account; or, in the case of a company not trading for profit, an income and expenditure account, made up to date, not earlier than the date of the meeting by more than three months; or, in the case of a company having interests outside Australia by more than six months. It is proposed to alter these periods to six months and nine months respectively. It has been found that the stipulated period requires the annual meetings to be called too soon after the closing of the year to enable a company to have its accounts prepared and audited so that they can be put before the general meeting and subsequently filed with the registrar. The periods provided for in the English Acts are respectively nine and 12 months; and, in the Victorian Act, six and nine months.

Section 137 provides for the appointment of an auditor or auditors. Auditors are now required to be appointed under their personal names. Many accountants carry on business under a partnership having a name registered under the Business Names Act and wish to be appointed auditors under such name. The proposed amendment will enable a partnership registered under the Business Names Act, 1942-1946, to be appointed auditors under the business name so registered if every partner resident in Australia is registered as an auditor. As members are aware, many of our leading firms of accountants carry on business under a business name, and the name carries a lot of goodwill.

Section 138 stipulates that the following shall not be qualified to act as an auditor of a company—

- (a) A director or officer or employee of the company;
- (b) A person who is a partner of or in the employment of an officer or director or employee of the company;
- (c) A body corporate;
- (d) A person who is or becomes indebted to the company.

The Bill proposes to delete Section 138 and to insert in lieu a new section which provides that not only may a director, officer, or employee of a company not act as auditor, but in addition that no such like person of a subsidiary company can act in the capacity of an auditor for the parent company.

Hon. E. Nulsen: That is making it more restricted.

The ATTORNEY GENERAL: Yes. The new provision, however, has limited the disqualification owing to indebtedness to where it exceeds £200 in lieu of the £50 now provided. It is also proposed that the section shall not apply where the company is a proprietary company and the person appointed auditor has been approved by a special resolution. At present a proprietary company need not have an auditor at all if that is so provided in its articles or by special resolution. Section 150 requires a company to send to the registrar a return showing its directors 14 days after they have taken office. That period has been found to be insufficient and it is proposed to alter it to 28 days.

Section 151, Subsection (1), requires the remuneration and emoluments of the directors, paid for their services, in whatsoever capacity and under whatsoever designation they may serve and be entitled to such remuneration and emoluments, to be determined by the company from time to time at a general meeting. This provision has been found to cause a good deal of difficulty in commercial circles in respect of directors who are in full time employment with the company. That refers to persons such as managing directors or others who render some extraneous service to the company not directly related to their directorships as, for instance, the director who is acting also as solicitor for the company. The Bill proposes to alter the section so as to require that only the remuneration of a director as such shall be required to be fixed by a general meeting.

Hon. E. Nulsen: That sounds rather dangerous.

The ATTORNEY GENERAL: I do not agree, because after all the Act does not require the salary of a manager to be fixed by a general meeting, so why should it require the salary of a director, who is

manager, to be fixed by a general meeting? Section 154 requires the disclosure by directors of interests in any contracts proposed to be entered into with their company, at any meeting of directors, and for such a declaration to be minuted.

Subsection (3) provides that a general notice given to the directors of a company by a director to the effect that he is a member of a specified company or firm shall be deemed a sufficient declaration of interest in relation to any contract made with such company or firm. It will be seen that the distinction between the two sections is that in one case the information is to be furnished at a meeting of directors and in the other case, where there is a general intimation, it may be given to the directors. It is proposed to insert a new subsection stipulating that such notice must be given at a meeting of directors or brought to the notice of the next meeting of directors after it is given. That will ensure that it is placed on the records of the company.

Subsection (6) (a) of Section 154 provides that a director of a company who is in any way interested personally in a contract with the company shall not be qualified to vote on any resolution relating thereto. Paragraph (c) of that subsection, however, provides that the subsection shall not apply to a proprietary or cooperative company, and the Bill proposes to add an additional exclusion; namely, a director of a public company if the articles of association of such company expressly provide that the subsection need not apply. Some public companies that are closely related have found it at times almost impossible to comply with this provision of the Act, and this additional exclusion is therefore provided.

Hon. E. Nulsen: What section is that?

The ATTORNEY GENERAL: It is Subsection (6) (c) of Section 154. Section 336, Subsection (2) (b) requires the name of a foreign company and of the country in which it is incorporated to be stated in all billheads, letter paper, notices, advertisements and other official publications of the company. The Bill proposes to delete from that provision the word "advertisements." We have already dealt, in an earlier portion of the Bill, with local companies in this connection, and it is now proposed to make similar provision with regard to foreign companies.

Hon. E. Nulsen: But the information will have still to be contained on the bill-head?

The ATTORNEY GENERAL: Yes. Section 347 requires every foreign company to keep a local share register. It is proposed to limit that provision to foreign companies having shareholders who are resident in the State. It is of no advantage, in the case of foreign companies that are registered here but have no shareholders in this State, to have to keep a share register. That provision is therefore to be deleted.

Hon. E. Nulsen: I think the register should be kept so that we may know who are the shareholders living in other States.

The ATTORNEY GENERAL: I point out that where a share register of a foreign company is kept here it includes only those shareholders who are registered on that particular register, and not the whole of the shareholders of the company. Some foreign companies carrying on banking and life assurance in this State have not had share registers, and this has resulted in double duty being paid by the estates of Western Australian shareholders in certain cases. As the Act now stands, it is thought that foreign companies carrying on the business of life assurance or banking are not required to keep share registers in Western Australia. It is proposed to amend the Act requiring them to do so.

Section 397 requires that the memorandum or articles of a company or other documents relating to the registration or incorporation of the company shall bear a certificate of their correctness signed by a solicitor. The proposed amendment defines a solicitor as a practitioner of the Supreme Court of Western Australia. It has been found in many cases where a certificate has been signed by a solicitor practising in some other part of Australia, that that is not correct, and it is thought to be of advantage that the solicitor should have local knowledge and training in Western Australian law and in the practice of the registrar as administered in Western Australia.

Hon. A. H. Panton: You believe in supporting local industry.

The ATTORNEY GENERAL: Yes, in that case. A new section is sought to be added to the Act providing that any register, index or accounts required to be kept by a company may, notwithstanding anything in the Act, be kept by making entries

in bound books or by recording the matters impressed by any other means. Where any such register, index or accounts are not kept in a bound book adequate precautions are to be taken guarding against falsification, and where default is made in complying with this subsection the company and every officer in default shall be liable to a penalty of £50 and also a daily penalty of £2 during the continuance of the offence. It will therefore be seen that where a company is permitted to record important matters other than in a bound book strict precautions are to be taken and strong penalties provided to insure that such records are properly kept.

The Second Schedule of the Act provides a form of articles of association for a limited company, which may be adopted if so desired. The existing form has been found to be inconsistent with some of the provisions of the Act, and other provisions have been found unsuitable. Article 41 of these articles refers to the term "special general meeting" which is not used in the Act, the correct term being "extraordinary general meeting." The Bill proposes to make the necessary adjustment. Article 44 sets out what business may be dealt with at an ordinary general meeting. It is intended to add the election of directors to such business, this being usually done at the ordinary general meeting of the company. Table B comprises a form of articles that may be used in respect of a no-liability company, and similar alterations are made to the articles where the term "special general meeting" is used.

As one example of a provision that was inconsistent, I point out that the Act provides that the remuneration of directors has to be fixed by a general meeting, whereas Article 60 provides that it may be fixed by the directors. The last amendment proposed is to Form C, which is required to be returned annually, giving the registrar a number of particulars. At present the return must be verified by means of a statutory declaration, sworn before a commissioner of declarations or other authorised person. That has been found to cause some trouble, as most persons putting in such returns are busy and must go out and find someone to witness their signatures.

The amendment is to provide that instead of the return being in the form of a declaration it shall be certified to by the person

putting it in, which will make that person liable, if the particulars in the form are incorrect, to an appropriate penalty under the Act. Those are the alterations intended, apart from a few minor amendments dealing only with small technical difficulties and not affecting any principle. If necessary I will deal with them when the Bill is in the Committee stage. I move—

That the Bill be now read a second time.

On motion by Hon. E. Nulsen, debate adjourned.

## **BILL—WORKERS' COMPENSATION ACT AMENDMENT (No. 2).**

### *Second Reading.*

Debate resumed from the 28th July.

**MR. MARSHALL** (Murchison) [5.45]: I have not as much complaint concerning what is in the Bill as I have about what has been omitted from it. I am sorry that there has been no amendment to the provisions which have existed in the old Act so far as men suffering from silicosis are concerned. However, I understand that the matter is the subject of further consideration, and I will leave it at that. The provision in the measure which seems to regulate the maximum payment which a beneficiary under the Act would enjoy, that is, £6 per week, having regard to the fact that the basic wage is now £6 13s. 1d. in the metropolitan area, is not an altogether generous attitude on the part of the Government. It might just as well have let the provisions relating to the payment of £1 per week to the wife remain as they were, and make the basic wage the maximum payment as a fair and reasonable rate under the circumstances.

We must remember that the beneficiaries under this Act are people who require extra care and medical attention which, under normal circumstances, they would not need. As we are living in what we call a progressive age, I think the Minister might have been generous enough to frame this legislation to make the basic wage the maximum rate. However, the Minister has deemed it prudent, under the circumstances, to reduce it and I do not subscribe to this action. Although I have had no experience as to the matter already mentioned by a previous speaker, I do not think that the provision which has been in the measure all along should remain there. If it does remain it

means that the Government must immediately appoint medical referees throughout the State. So far as I know that has never been done, and the provision which was probably necessary when this legislation was introduced in 1925 and which might have been serviceable and warranted at that juncture, is definitely not warranted now.

After all, a man working in any part of the mining industry defined as such has to be medically examined before entering it. It seems to be wrong in principle, therefore, to say that a person entering Western Australia must have a certificate from a medical referee indicating clearly that he is not suffering from silicosis. If he does enter the industry and after examination by the Kalgoorlie Commonwealth Laboratory which he must undergo before entering the industry, it is found that he is suffering from silicosis, and he has not provided himself on his arrival in Western Australia with a medical certificate certifying that he had not contracted silicosis outside of Western Australia he would, despite long years of service, be denied compensation.

I have never known a case to be tested, but I believe there has been one instance where a person entered this State and failed to obtain the necessary certificate from a medical referee and ultimately, on becoming an employee in the mining industry, indicating, of course, that he must have passed the necessary examination by the Commonwealth Health Laboratory, had contracted silicosis and was denied compensation because he could not present a certificate from a medical referee on his arrival in Western Australia. There are hundreds of men entering the industry now who have no knowledge of this provision. They go through the ordinary procedure of meeting the Kalgoorlie laboratory on its run around the circuit, being examined, getting their certificates changed from the provisional to the initial, going into the industry and contracting silicosis and then obtaining no compensation because they did not think they had to get a certificate from a medical referee under this Act.

Further, I point out that there are no medical referees appointed anywhere in this State. So it does not appear that we are playing a just game with new arrivals into the country. There is no danger in their entering the industry now because they

must be examined by the Kalgoorlie laboratory and therefore every safeguard is taken. I do not think the provision is warranted and it would be unfair to leave it in the Act. In Committee I propose to move to delete that particular provision. Those are my observations. It is true that the Government has been generous in increasing payments under the Workers' Compensation Act, but on that point I would indicate that when the Labour Government was in office every endeavour on the part of the then Minister administering the Act and every endeavour on the part of that Government to obtain increased benefits for the worker, was frustrated because of the attitude of another place.

Year in and year out we have struggled to obtain increased benefits for those unfortunate victims of industry, but we were always prevented from doing so by the Legislative Council. However, I suppose that the members of that House have considered it good publicity for the present Government to take to the hustings and say, "We gave greater benefits under the Workers' Compensation Act." They will say that but I do not suppose it will be stated that the Government has only followed in the wake of its predecessors who were denied the same publicity because of the attitude of another place.

I know from my experience here, year in and year out for 25 or more years, that we have been struggling to achieve improved conditions under the Workers' Compensation Act and improved benefits to beneficiaries, and have failed ostensibly because of the efforts of another place. Whilst I am grateful to the Government for granting increased benefits to beneficiaries, I want it to be clearly understood that they have been denied such benefits for years because of the attitude of the Legislative Council.

**THE MINISTER FOR EDUCATION**  
(Hon. A. F. Watts—Katanning—in reply)  
[5.54]: At the outset I wish to thank members for the reception they gave to the provisions in this measure, and I propose to endeavour to make some reply to a few of the observations made in the course of the second reading debate. Insofar as the first portion of the remarks of the member for Murchison is concerned, I would say to him that it is in my mind in the Committee stage

to amend Subsection (11) of Section 8 of the parent Act to provide that a certificate from the Commonwealth Health Laboratory may be accepted as sufficient where a certificate from a medical referee is not available. The points raised by the hon. member will not then arise.

As to the remarks of the member for Boulder, I would like to say, concerning that section, that at the time it was inserted the benefits available under the Western Australian Act were considerably greater than those which prevail in some of the Eastern States, and it was thought that there might be some inducement for industrial workers to endeavour to enter the industry in this State with the idea of participating in those increased benefits. But substantially, the provision has been a dead letter during the course of its operation. I think it has only been used in one case and in that instance there was the scent of suspicion on the part of the Commonwealth Health Laboratory that the person in question had originally substituted someone else for himself when placing his name on the record. However, as I have said in reply to the member for Murchison, it is my intention to deal with the point that was raised by adding to the clause and providing that the certificate of the Commonwealth Health Laboratory shall be sufficient for our purpose.

The member for Pilbara—and if I remember aright, the member for Murchison also—gave some attention to the provision which was in the Act relating to the payment of an extra £1 for the wife of the worker. Without the slightest fear of successful contradiction, I am going to tell the member for Murchison that there has been no reduction proposed over what Parliament understood it assented to last year, because as I view this measure it was as plain as a pikestaff at that time that this extra amount was not to be paid in the circumstances suggested by the member for Pilbara. All that this amendment to the Act is setting out to do is to place upon the statute book clearly and correctly the intention that was expressed not only by members of this House but also in the report of the Royal Commission as I understand it. All we want to do is to make clear what was intended to be done nine months ago.

I am satisfied, in fact there is no possible shadow of doubt, that but for an error in the drafting of the 1948 amendment, this question would not be before the House now. I am convinced it was the intention of Parliament that the maximum weekly compensation payment payable, including all allowances, should not exceed the average weekly earnings or £6 whichever was the lesser amount. That is the position which we propose to make clear; not to reduce an amount which was intended to be given by Parliament and now to take it away. Some of the provisions, as I think I made perfectly plain at the time, were included in the legislation of the other States and so far as I am aware to this date that condition has not been altered. I point out that if the section were permitted to continue many workers would receive their average weekly earnings, plus £1, while others would receive £7 a week, which is greater than the basic wage.

As is well known, never in the Eastern States history of workers' compensation has it been suggested that the amount payable weekly as compensation should be greater than the average weekly earnings of the worker. That was the position as we intended it last year and that is all that this amendment seeks to do, which in the same way as the amendment to Section 4 of the Act to which everyone here agrees, sets out to qualify the intention of us all when I introduced this measure some eight or nine months ago.

I would like to say a word or two in regard to the premium rates committee, although I possibly propose to say more about it when the Committee stage is reached. I should like members to realise that the authority for establishing this committee has been on the statute book for six months at the outside; in fact, it has had no legal existence for more than four months, as the Act did not come into operation until the 8th April. When the legislation was being discussed last year, no dissent was raised to the constitution of the premium rates committee, which was to include representatives of the tariff or associated insurance companies and the non-tariff or unassociated companies. If we accepted the suggestion made by the member for Pilbara, we should simply be saying either to the non-tariff companies or to the tariff

companies who bona fide were given representation by Parliament that, within four months of the coming into operation of the Act and before it has had an opportunity successfully to function, they should be deprived of the representation they were given.

I have admitted, and I repeat, that there is need for some better balance on the premium rates committee, and consequently this Bill proposes that all the members of the Workers' Compensation Board—numbering three—shall become members of the premium rates committee so that they, together with the Auditor General, will form a majority of the committee. I suggest, however, that this does not fairly postulate taking away from the committee at this stage the representation of other insurers who—I take this opportunity of repeating—have been in office for approximately only four months and have had little or no opportunity to exercise their functions under the Act.

To deprive them of representation at this stage would, in my opinion, be improper. To impose upon them a better balanced organisation would be fair, and that is what this Bill seeks to do. I ask the House, therefore, to agree that the premium rates committee, for the reasons I covered to some degree when moving the second reading of the Bill, requires alteration to give a better balance as regards the insurers. At the same time, we would not be justified, after having placed them in a minority, in depriving one of them—whichever members like—of representation on the committee given to them such a short period ago.

At the same time, I am prepared to agree—and in this I think I am agreeing with the member for Pilbara—that if the constitution of the committee as set out in the Bill is accepted, the board and not the committee shall fix the basis upon which the premium rates committee shall conduct its deliberations. This would mean accepting an amendment to the second and the small portion of the clause in question by deleting paragraph (b). This should remove the last lingering doubt that may remain in the mind of any member as to the predominant position the board will then occupy in this question of the fixation or control of workers' compensation premium rates.

There will then certainly be no justification whatever for the belief that the committee itself should be remodelled to consist of five members only when the members of the Workers' Compensation Board will number three and the manager of the State Insurance Office will be the fourth. So I desire to make my position perfectly plain that, while I cannot agree to the major amendment of altering the constitution of the committee as has been suggested, I can and will, if necessary, agree to an amendment that will alter the position the board now occupies under the Act and enable it to fix a basis upon which the premium rates committee shall make its calculations.

Mr. Styants: The board will fix the basis and the committee the premium rates.

The MINISTER FOR EDUCATION: That is the idea. The basis, so far as I can ascertain, can be nothing less than what is usually termed the loss ratio—the ratio of claims to premium income. Accepting the declaration I have just made as being the law of the land, the board will decide, if it so desires, that the basis or loss ratio shall be 70 per cent., and in that event the calculations would be made on that basis. If the board said 80 per cent., the calculations would be made on that basis. Consequently, while the member for South Fremantle referred to a rake-off of 30 per cent., he must appreciate the fact that the 30 per cent. includes working expenses and so it must be reasonable.

I suggest that the State Insurance Office itself, with the best intentions in the world, would find it difficult to work on a loss ratio much higher than that and get away with it, bearing in mind the necessity for building up some reserve funds to meet contingencies. I am not attempting to tell the board what basis or loss ratio it should fix; I am suggesting that if it fixes a certain loss ratio, the business of the committee will be to determine from time to time the premium rates thereon.

The member for South Fremantle introduced a topic which, he suggested in a very friendly manner, I knew all about. There is an old saying that open confession is good for the soul, and I make quite free to tell the hon. member that I probably knew less about it than he thought. As I felt that the inquiry he made was bona fide, I have done



my best to ascertain the position for him. As members know, the Act was amended in 1948. Under the statute prior to that, a worker suffering from a First Schedule injury was entitled to claim the redemption of his weekly payments by way of a lump sum, after he had been on weekly payments for a period of six months and he was certified as having a permanent total or partial disability. The partial disability might have been from 1 per cent. upwards, and it is known that many workers received a lump-sum settlement of the balance of £750 in respect of back injuries and immediately resumed their pre-accident occupation. That is on record.

Prior to the passing of the amending measure in 1944, the lump sum representing the balance of weekly payments due was discounted to present value on an actuarial calculation, but the 1944 Act discontinued that system and thereafter the worker obtained the actual difference between his weekly payments received and £750. The 1944 amending Act did away with the actuarial calculation and thereafter, no matter how little the partial disability might be, some workers obtained the actual difference between the weekly payments received and £750. Obviously, there was something not quite right in that. Indeed, the matter was discussed on the files for quite a long period before I took over administration of the Act. Under the present Act, a worker who has only a permanent partial disability is entitled to compensation on a comparable basis. If he had a 20 per cent. partial disablement, he would be entitled to 20 per cent. of the lump sum of £1,250, and if 40 per cent. partial disablement, he would be entitled to 40 per cent. of that sum. There would be no deduction of weekly payments in respect of the period during which he was totally incapacitated prior to his permanent disability being assessed. If he was assessed at 40 per cent., he was given 40 per cent. of the £1,250 and no deduction was made for weekly payments received as a result of his incapacitation.

Some very important matters were raised by the members for Kalgoorlie and Boulder concerning the changes that might take place in the treatment of silicotic patients. So far as I can see, these involve very considerable principles. I have taken the opportunity today to discuss the matter with the members in question, in conjunction

with the manager of the State Insurance Office. Members will realise that under that portion of the Act, and certainly more clearly under the Act as it will be amended by this Bill, the State Insurance Office will be the only organisation that will deal with these cases. Consequently, the discussions between the manager of the State Insurance Office and myself and the members interested will be of considerable value.

It has been agreed that further arguments on this point shall not be indulged in at present by me because it is proposed to hold further discussions next week, in which case we may be able to arrive at an arrangement that will be satisfactory to all concerned, which includes, of course, satisfactory to me. If it is necessary—I hope that will not be the experience—consideration will be given to further legislation. If it is not necessary, as I believe it will not be, the matter may be contrived by agreement, but we shall not know until we have had further discussions. I think the members who raised these points are satisfied with the discussions so far as they have progressed and are prepared to await the outcome of further discussions.

Question put and passed.

Bill read a second time.

*Sitting suspended from 6.15 to 7.30 p.m.*

*In Committee.*

Mr. Perkins in the Chair; the Minister for Education in charge of the Bill.

Clauses 1 and 2—agreed to.

Clause 3—Amendment of Section 4.

Mr. MARSHALL: This does not give effect to the point we had in view. I believe the Minister is quite sincere in his endeavour to cover the situation, and make it lawful for any beneficiary under the Workers' Compensation Act, injured before the 8th of April—before the Act was proclaimed—and in receipt of weekly payments, to receive the higher rate after that date, but unfortunately the clause is not interpreted in that way. If a person ceases to receive payments on, say, the 7th April, and then on the 9th or the 10th April has a recurrence of his complaint, he will then go on compensation at the lower rate. That is the construction which, I believe, is being placed on this provision. That is not what we want, and I am sure it is not what the Minister wants.

Another point I would like the Minister to give an opinion on is this. There are provisions in the Workers' Compensation Act which make it permissible for the compensation board to direct a beneficiary to return to work for a period to see whether his injury will be improved as a result of such work—especially light work. That provision is being used. Let us assume that a person is directed back to work before the 8th April, and there is no finality in his case. He comes back for finalisation, and because he has not been in receipt of the weekly payments he will be paid at the lower rate.

**THE MINISTER FOR EDUCATION:** All I have to say is that this matter was given the most careful consideration with the intention of carrying out substantially the point of view expressed by the member for Murchison. I am unable to agree with him that it does not do so. I think the clause as now worded is quite clear, especially when it refers to a person who on or after the 8th April, 1949, becomes entitled to weekly payments in consequence of an accident which occurred prior to the 8th day of April, 1949. It provides that such person shall as from that date be entitled to payments, whether weekly or otherwise, in accordance with the provisions of the Workers' Compensation Act. It does not appear to me to mean anything but this, that if an accident occurred prior to the 8th April, 1949, whether the payment stopped or did not stop, provided there is necessity for compensation to be paid after the 8th April, it is to be paid at the higher rate. This is the recommendation of the Workers' Compensation Board to me. As far as I can see it is incapable of more than one interpretation. To the best of my knowledge and belief, what I have said it means, it means.

**MR. MAY:** In view of the fact that some very nice opinions have been expressed in regard to certain clauses, I point this out: Take a man who was injured before the 8th April, and went on to the increased rates after the 8th April, but before this amendment was thought of he had reached his £750 and his payments automatically ceased. I would like the Minister to say whether, under this clause, that man would be entitled to come back and receive his £500.

**THE MINISTER FOR EDUCATION:** So far as I understand the position, a person in the circumstances mentioned by the member for Collie would not receive the additional £500. I think the language of the clause is perfectly clear. It says, "Any worker who on the 8th day of April, 1949, was receiving or entitled to receive weekly payments." If the whole amount available under the preceding law had been exceeded prior to the 8th April, he would be entitled to no more.

**MR. MAY:** It is since the 8th April.

**THE MINISTER FOR EDUCATION:** The case the hon. member put was that the man's payments had ceased; that he had received the full amount of £750 before the 8th April.

**MR. MAY:** I said, since.

**THE MINISTER FOR EDUCATION:** If he were receiving weekly payments on the 8th April and continued to receive them, there is no doubt in my mind that he would go to the higher scale.

**MR. OLIVER:** I am not clear as to the Minister's reply. I ask him this: If a person was receiving weekly payments to the 7th day of April, and he resumed work on that day, he would not be receiving weekly payments on the 8th day of April, but if on the 9th day of April he suffered a recurrence of the injury, he would go on compensation on that day or on the 10th.

**THE MINISTER FOR EDUCATION:** Surely the provision "on or after the 8th" would entitle him to the further payments? To my mind it is not open to question.

**MR. OLIVER:** Would that be on the increased scale?

**THE MINISTER FOR EDUCATION:** Yes. I have tried to examine it from every angle. I have heard all these arguments before, and that is the opinion I have arrived at, and agreed to.

**MR. OLIVER:** Then I am satisfied.

**MR. FOX:** I am not satisfied with the Minister's reply as to the way of computing lump sum settlements. I think the measure in that respect is the worst we have had yet. It is going to be of great benefit to the insurance companies. I ask the Minister whether he will do something to have the payments made as they were previously. If a man has

a 25 per cent. disability he will get his weekly payments after he has been off six months. If he was getting £5 a week, it would be £130, and 25 per cent. of his disability would be about £312, which would come to £442 altogether. That is all he would get for the accident, but he would have to carry the disability throughout his life. He would not be nearly compensated for it. I would like to move an amendment—I do not know whether it is necessary because I believe there will be some litigation over this clause if it is passed as it stands—so that this will give satisfaction to most people. I move an amendment—

That at the end of proposed new Section 4 the following words be added:—"Where a total permanent or partially permanent disability has to be redeemed by a lump sum settlement under the First Schedule to this Act such amount shall be arrived at by subtracting the amount of weekly payments from £1,250 and then have an actuarial calculation made of the balance remaining to find the amount to be paid by way of redemption. Such calculation to take into account the percentage amount of disability which shall equal the percentage of weekly payments. Then find the present value of the amount remaining due in such percentage of weekly payments at two and a half per centum."

I think that would be a satisfactory way of arriving at a lump sum to be paid for any permanent or partial disability under the First Schedule. As the clause stands, the insurance companies will escape big claims. When the amount was £750 I had actuarial calculations made of a 25 per cent. disability and, after a man had received his weekly payments, he would have been getting in the vicinity of £500. This is going to be a present to the insurance companies.

I hope the Minister will adjourn the debate to look at the amendment. Only those who have had a lot to do with the workers' Compensation Act can appreciate the difference between the computation made in the way I suggest and that suggested by the Minister.

The CHAIRMAN: Where does the hon. member want his amendment to come in?

Mr. FOX: As a proviso to proposed new Section 4.

The MINISTER FOR EDUCATION: I cannot accept the amendment. When replying to the debate, I dealt with the point raised by the hon. member who referred, in his second reading speech, to injuries to

backs. The provisions for actuarial calculation were taken from the legislation in 1944. I had nothing whatever to do with it. The situation then became such that if a person had a small disability—such as ten per cent.—he was entitled to claim and receive for a partial disablement, the full £750. That was not reasonable by comparison with other workers. If a man has a 10 per cent. disability of one portion of his body and receives the full amount available, why should not a man who loses his leg, and has a very definite disability, also receive the full amount? We could say that anybody who suffered any injury at all should get the full amount. If we accepted such a situation, it would be neither fair to those who have to pay compensation nor to workers who suffer other types of disabilities which are covered under the Second Schedule to the Act. I cannot accept the amendment because it would be a reversion to the position that existed before.

Mr. FOX: I think the Minister has been working away from that point. If a man gets only 25 or 30 per cent compensation for the disability, it will be hard for him to adapt himself to his altered condition. If my amendment is accepted it will give a man the opportunity, say after six or 12 months, or even longer, to carry on work in a normal manner, provided his injury has improved sufficiently. It would give him some chance of recovering and the rest would give him an opportunity to get his muscles into better shape. If the Bill is agreed to in its present form it will be making a present to the insurance companies and I can imagine them shaking hands with themselves over it. This is a retrograde step and I hope that the Minister will report progress so that he can look into the matter, and do justice to the man who has a 25 or 30 per cent. permanent partial incapacity.

Mr. READ: I move—

That progress be reported.

Motion put and a division taken with the following result:—

Ayes	..	..	..	23
Noes	..	..	..	22
				—
Majority for	..	..		1
				—

Mr. Brady  
Mr. Coverley  
Mr. Fox  
Mr. Graham  
Mr. Hawke  
Mr. Heguey  
Mr. Hoar  
Mr. Kelly  
Mr. Marshall  
Mr. May  
Mr. McCulloch  
Mr. Needham

## AYES.

Mr. Nulsen  
Mr. Oliver  
Mr. Pantom  
Mr. Read  
Mr. Reynolds  
Mr. Shearn  
Mr. Sleeman  
Mr. Smith  
Mr. Styants  
Mr. Triat  
Mr. Rodoreda  
(Teller.)

## NOES.

Mr. Abbott  
Mr. Ackland  
Mr. Bovell  
Mr. Cornell  
Mr. Doney  
Mr. Grayden  
Mr. Hall  
Mr. Hill  
Mr. Leslie  
Mr. Mann  
Mr. McDonald

Mr. McLarty  
Mr. Murray  
Mr. Nalder  
Mr. Nimmo  
Mr. North  
Mr. Seward  
Mr. Thorn  
Mr. Watts  
Mr. Wild  
Mr. Yates  
Mr. Brand  
(Teller.)

Motion thus passed.

Progress reported.

### BILLS (2)—FIRST READING.

- 1, Wheat Pool Act Amendment (No. 3).
- 2, Increase of Rent (War Restrictions) Act Amendment (No. 3).  
(Mr. Cornell in charge).  
Received from the Council.

### BILLS (2)—RETURNED.

- 1, The Westralian Buffalo Club (Private).
- 2, Mental Institution Benefits (Commonwealth and State Agreement).  
Without amendment.

### ANNUAL ESTIMATES, 1949-50.

*In Committee of Supply.*

Debate resumed from the 28th July on the Treasurer's Financial Statement and on the Annual Estimates, Mr. Perkins in the Chair.

*Vote—Legislative Council, £3,524:*

**HON. F. J. S. WISE** (Gascoyne) [8.0]: I was very interested to note that the Premier, when delivering his Budget speech, spoke to a practically empty gallery. Only one person occupied a seat in that part of the House, and there was also present one member of the Legislative Council who, I rather think, was here more from force of habit than because of anything he might learn. They were the only persons apart from members of this Chamber, who extended to the Premier the courtesy of listening to his speech this year.

The Premier: That is not uncommon with a Budget speech. I have seen that happen many times.

**HON. F. J. S. WISE:** It is an unfortunate feature, but it obviously is the present-day trend that the public take very little interest in what should be to them the most important occasion in the proceedings of Parliament during the year, one that in years gone by certainly affected their lives and their personal finances. Since it is that the days have long passed when from this Chamber news of taxation used to be anticipated and Governments based their planning upon taxation suggested here, we find today how much States are dependent on the contributions under the Uniform Tax (Reimbursement) Act and upon special grants from the Commonwealth. So it is that an unfortunate feature in our public life of today is that most people take very little interest in what is happening in this Chamber.

I intend in addressing myself to the Estimates this year, to deal with many matters which have a distant connection with the finances of the State although they are very important to our daily lives if we are seriously to consider them and the impact on our existence day by day of happenings far away from Western Australia. I would refer firstly to the troubled world in which we live, which conditions were arrived at after years of hostilities, and to consider the disturbed state of the world four years after those hostilities ceased. It can be said quite safely that peace did not come with the cessation of fighting. It might be pertinently remarked that the first World War was considered at that time to be a war to end wars. That statement was very frequently made in those days. However, in seriously considering happenings in the intervening years it would appear that the termination of the war of 1914-18 meant the commencement of what was really an armistice between two wars.

By 1939, which was 25 years after the first World War started, there was evidence of intense preparations for another world conflict, particularly insofar as Germany was concerned. Other nations had been left years behind in the preparations for war, which were so essential if they were to continue as nations. Hitler's methods were so foreign to British-speaking people that

his words in "Mein Kampf" appear to have had very little effect on the majority of citizens who thought in the British way. But by the end of 1939 it was very obvious that the safety of millions of people was threatened, and indeed, soon after Hitler began his war in earnest, millions of people were in concentration camps.

I have often thought that the occurrence of a war places such an unusual burden upon those in charge of the affairs of nations that common citizens like ourselves are apt to overlook the effect of some decisions and how they might even be determining factors respecting future civilisations. Perhaps one of the most important decisions that had to be made during the period of the last war was when Russia was attacked by Germany, and the determination had to be reached regarding how quickly Russia was to be assisted or whether we should allow Germany to win. The latter would have been a very easy decision, arrived at in an entirely different way from that in which it was ultimately reached.

We know what would be our fate if Germany had won, and I wonder if anyone associated with arriving at that decision, in view of the colossal aid that was immediately available to Russia and which continued to be made available to that country for many years, was in a position to gauge what Russia could do, what our ally would do when her desires were met and what sort of ally she would prove to be when hostilities ceased. We are still not sure of our future as regards Russia. Indeed, it can be said quite safely that what I have, in other places and at other times referred to as the perfidy and treachery of Russia, is making itself felt in every nation and among every creed and class.

Before having anything more to say on the point regarding the effect and influence of Russia's attitude, I desire to refer to the fact that Hitler's war, during its currency, caused the death of about 40,000,000 people—colossal figures even in these days when wars of that description are said to be the means of preserving civilisation as we know it. It can be said with truth that one of the partners in preparing the pattern for peace has been more intent on obstruction and veto than in endeavouring to assist in peace-time planning functions. Many sacrifices were made for Russia and

what was thought to be the whole-hearted cooperation on the part of Britain merely turned out to be one-way traffic.

This nation of Australia made tremendous sacrifices insofar as essential machinery and manufactured goods from Great Britain, which had been destined for this country, were diverted to Russia. Some of those goods were diverted to Turkey and some to Greece, the object being to assist in halting Germany and defeating that enemy. I think, too, with reference to Russia that in the four years following the end of hostilities it can be said that the conception of human liberty, respect for personality and the inalienable rights of the individual, which are integral in the British way of life, had no common ground in Russia. The gulf between our way of life and totalitarian ideals is so wide that one wonders whether the idea of working with such a country in peace-time is indeed a myth.

There is much evidence in every walk of life in the international sphere that it is practically impossible to induce the Russian nation to think fairly, impartially or broadly, particularly when it comes to making preparations for a peaceful world. Soviet Russia continues with her machinations in her cold hard way, using methods to split and undermine nations which ultimately she hopes to be her victims, succumbing to her without the need for actual warfare. To us who know the fate of the leaders of such pre-war democratic countries as Czecho-Slovakia, Rumania and Hungary, all of whom disappeared, there is the realisation that Russia is merely adopting her ugly methods in Europe which are spreading southwards through Italy and are apparent viciously in France at the moment.

Those methods are also to be seen working in Africa, America and Australia, while in Great Britain the Russian pressure is becoming continuous. Every means possible are adopted to prevent the reconstruction of Europe and to make impossible co-operation between the nations in that part of the world. Everything that can be done to that end is being availed of by Russia. Wherever these moves of the Soviet are apparent, it can be said that liberty disappears. I think it should be apparent now to everyone that the guff and pretence that the efforts of Russia are on behalf of

the underdog and the workers, are without substance and that is demonstrated in every action that country takes, internally or internationally, so that there can be no misconception about it now. The technique has been the same everywhere, varying only according to the field of operations. The method is to divide classes and nations; it is the application of the old principle of divide and conquer.

Russia's objective is world domination, nothing less! The primary instrument used is to encourage chaos and the deliberate creation of an economic catastrophe. In an international sense, the corrective involves the limitless cooperation of the peoples of all nations. I do not believe there is any other alternative. There should be no local considerations limiting the co-operation necessary to thwart the world-wide move that is threatening civilisation as we know it. I think that nothing, nationally or internationally, should be left on a basis of local interests, if we are to succeed in any attempt to stem the trend in these very serious times. We have reached the stage in ordinary peace-time where the economically weak nations and those that are strategically vulnerable can easily succumb.

So it is that nations in their counsels and conferences have a great responsibility one to the other to see that in this fight for preservation, liberty and right, they are on the side against Russia. Many people for political reasons attempt to cavil at the great effort of Dr. Evatt in the international sphere. Those who will ponder over this problem, even partially but preferably impartially, must pay a tribute to that very able man for what he has done not only in the fight for right but also in the fight for the weak. The Dominions of the British Commonwealth have, quite apart from the foreign nations, had a great service at the hands of Dr. Evatt. It is implicit in the plan that Britain has evolved for world peace that Germany should be helped back on to the road of economic success and freedom in order to be the European bulwark against communism. That, without doubt, is the objective of the British nation; it is particularly the anxiety behind the effort of the leaders in public life in Great Britain.

America's part, so far as the restoration of Europe is concerned, is well-known. It can be said that what is called Marshall Aid or the Marshall Plan, has been the greatest contribution in history to the extension of charity in a practical way to help unfortunate peoples. Although it is a matter based on the strength or the money wealth of a nation, I suppose it is mere coincidence that there is a similarity between the name of the author of the Marshall Plan and the name of one who in this Chamber has also interested himself in financial matters. But I would like to show how important has been the material help that America has given to Great Britain and Europe in their days and months of trial. I quote from the speech of a Conservative member of the British Parliament who, at a recent Empire Conference, used an extract from the "Board of Trade Journal," an official Government publication. He said—

Some idea of the magnitude of the help of America can be obtained from a rough estimate of the consequences that would have ensued if no aid had been forthcoming. It has been calculated that rations of butter, sugar, cheese and bacon would all have had to be cut over one-third and there would have been less milk and eggs. Cotton goods would have disappeared from the home market. Supplies of footwear would have been reduced and tobacco consumption would have been cut by three-quarters. The general dislocation of industrial activities might well have brought unemployment figures up to one and a half million and would have become progressively worse as the lower standard of living resulted in diminished productive effort.

So far as the British Commonwealth of Nations is concerned, there is something for all its units to be extremely proud of in the recovery of the United Kingdom itself. Mr. Alexander Spearman, who is a member of the Conservative Party of Britain, made the following comments at the Bermuda Conference recently:—

At the end of the war we found ourselves without the foreign investments which we had used to finance the war effort before the United States came in, and almost without exports because we had converted the vast majority of our export food and raw materials which we wanted for our existence. They went to the workers to make munitions. In the United Kingdom we cannot produce more than half the food and materials which are vital to our very existence. It is for that reason that we require American aid until we get on our feet.

He went on to say that no fair-minded person could deny that the present Government was faced with appalling difficulties which no Government could easily have overcome. He spoke at great length on that subject and it is interesting to note that a Conservative at a conference of members of the British Commonwealth was ready to be so generous about what had happened in the United Kingdom and what had been done as a result of Government action to alleviate the sufferings of the people. All of us know, too, Britain's serious plight because of adverse sterling balances. A tremendous part of those balances is held by nations who during the war had made supplies available to Britain. Britain, not being able to pay, accumulated adverse balances in sterling, which today amount to £3,500,000,000. I wonder what would have happened without lend-lease and without Marshall Aid! If the efforts of Hugh Dalton, when he was Chancellor of the Exchequer a few years ago, are ultimately to bear fruit it will only be by other nations doing as America did and adopting the Lend-Lease principle, and applying it to much of that debt. Otherwise the British Nation and the whole of the British Commonwealth might be struggling for very many years to get rid of that incubus of debt.

Before leaving the aspect of war as affecting the British people, I think it can be said quite safely that the scars of war are to be felt not only personally, but nationally for a very long time; and they will not heal for a very long time insofar as the British Commonwealth is concerned. They are not being allowed to heal as a result of the gangster methods adopted by the communists throughout every part of the British Commonwealth of Nations. Communism is finding a ready field in the coloured countries and the coloured units of the British Commonwealth. Naturally thriving as it does in bad conditions, communism is able to find a foundation in suspicion and bad living conditions, aspects which in many coloured countries are far too prevalent.

The rising tide of colour, quite apart from communism, is being fostered by the agents of Russia in every coloured country which is a British country. We see that influence not only in India and Burma. It is rife also in South Africa; and we see it in nations that are not British, such as Java, where it is almost impossible to know today

who can be trusted insofar as decent thinking, decent trading and decent principles are concerned. But Britain herself, in spite of the activities of communism and Russian agents generally has made a tremendous contribution towards a return to pre-war circles in her restoration projects, which have involved the re-building of 4,000,000 damaged homes and the housing of 800,000 individual families since the war ended, an amazing achievement by an amazing nation of people.

In addition, the United Kingdom has reached the point of exporting 50 per cent. more than she exported in 1938. Agricultural production is 50 per cent. more than pre-war. At present in operation in agriculture there are 235,000 tractors engaged in the British Isles, and that indicates very clearly what the pressure of war has done in the building of the united people of Great Britain. But it also brings home to us, I think, what a colossal wastage war must mean to any nation, whether victor or vanquished. I do not know whether members of the Committee have ever come across the words of Charles Summers in reference to that subject. He said—

Give me the money which has been spent in war and I will clothe every man, woman and child in an attire of which kings and queens would be proud. I will build a school-house in every valley over the whole of the earth. I will crown every hillside with a place of worship consecrated to the gospel of peace.

And yet, in spite of the knowledge which exists throughout the whole civilised world of what war brings, we see, four years after the last war, an anxiety, even in peace-loving nations for preparation against annihilation, not only of their countries, but of their thoughts, their ways of life, their liberty.

Before leaving the subject, I want to say deliberately that the two "isms" most necessary to kill in this world are communism and materialism. I know quite a lot of the activities of an organisation, which is attempting in civilised countries, and particularly on the Continent, to kill communism by the application of Christianity, by the killing of a lot of selfish materialism. I had a letter recently from Switzerland from someone wellknown to many in this Chamber, and in that letter was an enclosure of a document on the subject of just actually what they were finding in their attempts to christianise European countries.

These words appear—

Materialism, whether of free enterprise, or communism, defeats itself. It can never achieve abundance. Because materialism puts things before people, it cannot meet the deepest needs of men or give them the vision which puts meaning and purpose into work. I am certain that our free world has no chance whatever of survival unless it deals with the root cause of materialism. The cause is moral and the cure is moral; it is change. But somebody must begin.

The document goes on to say—

Unless management accepts this responsibility it need not be surprised to find its function taken over by others who believe in a programme of abundance for all, however obnoxious to management and however defective that programme may be.

Those thoughts and many similar are the ideals for which many young people are prepared to give their lives, because they believe that the only basis upon which communism can be stemmed is that of fighting it with an ideology that makes it impossible. I hope that the great fervour of those people is not misplaced. If we stop for a moment after reading the daily Press and observe what is going on around us in this very community—the disregard for law and order and the anxiety to avoid control by the laws made in this Parliament—we can see many signs, both in our own cities and particularly in national and international spheres, which are sufficient evidence to provoke the thought that this could be another civilisation to disappear, just as empires have disappeared before and since the fall of the Roman Empire. I think that if the community would give some consideration to these trends and if we could make them seem real to the people in their daily lives, we would more quickly get a greater response against the move to communism which has been so greatly accelerated in recent years.

I do not wish to dwell for long on Australia's magnificent war effort, except to say that the effects on a disturbed post-war world are being severely felt in this country, and will continue to be so felt. There is need for the closest of ties between our nation and the representatives of the heart of the British Commonwealth. Anyone who listened to the wireless news tonight will have heard the reference to the Dominions Conference to take place in Washington next week to deal with the dollar crisis. The British Commonwealth is to

receive suggestions from the Dominions to help meet this crisis. I, therefore, perhaps in a wandering way, get to the point of stressing how important is the impact on this community and the whole of the Australian nation of international affairs which, unless we think a little beyond our own puny interests, seem to be so very far away. Australia is vitally concerned in international affairs, not only because she is a nation but because, as I will show later, she is very dependent upon the trends and circumstances in many other countries for her international economic welfare.

In referring very slightly to Australia's war effort as a whole, I wish to mention the stimulus to industry which the war gave to more than one State, and in more than one way. The States that were not vulnerable were given great opportunities to expand and establish industries which, although founded on a war base, were easily convertible to peacetime industries when peace was restored. Those States were able to retain their manpower and to keep their labour forces solidly employed. Then there were the States which were very vulnerable and which had tremendous sums from the national income and from loans spent in preparation to defend them against the enemy. Those States not only received help in the way of substantial roads, ports and harbours, and extensions to them, but also by way of hospitals, and public buildings of all kinds which have since served to house people.

South Australia, which came within the first category of a State not so vulnerable, got miles and miles of factories at Salisbury and also, even during wartime, had 200 miles of pipeline constructed from the Murray to Whyalla to assist the iron and steel industry, and Queensland had a tremendous impetus given to its post-war programme by the constructions which were erected for war. But unfortunately this State of ours, for many reasons perhaps, received very little permanent benefit from the war. Comparatively speaking, there was little money spent here on what could be regarded as permanent assets. In fact, many of our industries stopped altogether. Our goldmining industry was not wanted, so it had to stagnate. If it had not been for the action of the Government of that time, the goldmining industry in many ways, and in many mines, could not have recovered. It



was only the pleading of the Government and of our citizens that saved it.

We did not get ammunition factories in Western Australia until the war was nearly over but it was our lot to use public and private assets; to use public and private workshops to the limit in the production of commodities so vitally needed in the war. I wonder how many people pause to think of the contribution which the Midland Junction Railway Workshops made to the war effort, whether they really know that some of those small Fairmile and other motor craft used successfully in the island warfare were equipped with engines made at Midland Junction, and whether they know of the tremendous outturn of shells and other things which, by their manufacture, stopped the peacetime routine and output of the Midland Junction workshops.

The efforts of the private foundries of Western Australia were remarkable, particularly those of firms such as Tomlinsons and others, which made a major contribution to Australia's war effort. The Government of that time in an endeavour to keep the economy of the State active, in the face of colossal difficulties, and to prepare for the future, financed, encouraged and stimulated both new and old industries, in spite of the serious manpower shortage.

It is interesting to note that from 1939 to 1947, during the war years, the number of factories in Western Australia increased from 2,122 to 2,615, and the net value of their production increased from £9,000,000 in 1939 to 16,000,000 in 1947. There were many notable industries, then new to Western Australia, which under Government direction and finance had their birth during the war years. When the Estimates of the appropriate departments come forward I intend to speak at length on that subject. Our agricultural industry not only carried on during the war under severe difficulties and made great contribution towards meeting Australia's needs and the needs of the Fighting Services generally, but was also able to establish new branches.

I do not think many members know the story of the flax industry in this State. Flax was first grown in Western Australia in 1940, because of the persistence of the then Minister for Agriculture, who gave an undertaking—on a Tuesday—that the Commonwealth would be informed by the

following Friday whether we would accept its proposal and guarantee 5,000 acres of flax that year. Till then we had been overlooked, but the flax industry came to Western Australia. I know, because I was then Minister for Agriculture. We had been left out of the calculations with regard to flax being either a possibility, an economic crop or one that war requirements would make imperative in this State. I hope that from that beginning we will have flax as part of our permanent agricultural economy.

It is pertinent to observe that during the war years we reached peak production of lambs and the War Agriculture Committees did work of such moment that I regret they have not been continued under our peace-time circumstances. The contributions made by those committees in country districts were a milestone in the agricultural war effort of this State. I think it may be said that, during those years, the Lands Department was even more active than it is now, in spite of the soldier settlement programme. I would also remind members that during the war years we experienced the worst drought in the history of the State, not only in farming areas but also in the pastoral districts. In the farming areas there had been bad seasons and bad prices and we were faced during the war years with marginal area reconstruction.

An agreement had to be made between the Commonwealth and the State, involving the spending of millions of pounds to place on a sound foundation our marginal areas, into which agriculture had intruded during better seasons. We had also to face the adjustment of accounts on repurchased estates. The whole of the area between Ajana and Kalannie had to be repriced, because there was a threat—which some country members will remember—of a wholesale evacuation of certain districts owing to the poverty that obtained among those farming communities. With regard to repurchased estates, Yandanooka, which was cut up in 1913, is still a problem, as I am sure the member for Greenough will acknowledge. That is mainly due to the limitations imposed by the acreages, which were very small when considered in relation to the type of farming that must be engaged in in that area. There were such estates as Avondale, which is well known

to the member for Beverley, and which could not have survived with the original settlers had it not been for the action of the Government of that day.

The position of Avondale, which was a repurchased estate, was such that the settlers would have had no hope of weathering successfully the years of bad prices and production had it not been for the intervention of the Government. Side by side with all those worries the Government laid successful plans in anticipation of the requirements of soldier settlement. Together with all those activities a survey was made of all Crown land likely to be suitable. All blocks considered to be potential areas for the settlement of returned soldiers were withheld from settlement during the war years. Soil surveys proceeded on hundreds of holdings before hostilities ceased. In preparing the way for peace and for the obvious necessities of a post-war soldier settlement scheme the Government of the day faced its problems in a most realistic way so that, when the war ended, its plans were years ahead of those of some other States. Those activities included soil surveys of vast areas of land for settlement in the Margaret River and Blackwood areas. The surveys of the whole district were completed in 1946, and it is unfortunate that we did not have more abandoned farms to withhold from general settlement, because they have proved to be the nucleus on a sound basis of the soldier settlement scheme in this State.

The figures will show that, although more men have been settled on repurchased areas, a great proportion of formerly abandoned Agricultural Bank holdings are offering prospects of great success for the settlers of this new era. It will be remembered—and if it is not I will remind the Committee—that before the war ended the Government arranged for the purchase of hundreds of young dairy stock in anticipation of the needs of dairy farms. The Government was criticised for that action by some country members in this Chamber. What has been the result? The result must have been a Godsend and a boon to the present Minister for Lands for he had available hundreds of dairy stock on the point of production. The settlers having been able to get young, healthy milking cows of good quality at pounds below their market value. I understand that some culls have been sold to

butchers for over £20 a head. Therefore those preparations, planned during the war and given effect to, have very fortunately been a major contribution to present day achievements in land settlement.

The fact that the majority of settlers have been placed on repurchased estates should speak volumes. It should tell us that the available Crown land left in Western Australia, that is appropriate for early use and quick settlement, is very limited. With the exception—so far as my knowledge of Western Australia is concerned, and it is considerable—of the area between Moyup Brook and Cranbrook, taking in the Frankland River area, there is in Western Australia little high quality land available, as distinct from land that could not, for many years, be brought into production for soldier settlement.

I do not wish, in any way, to emulate Sir James Mitchell in quoting figures but I clearly recall that we had, as at the 30th June, 1948, approximately 16 million acres of cleared land in Western Australia. Very little over 4½ million acres of that land is in crop or is annually cropped. Can members say where we will be able to get another 16 million acres? I deliberately and purposely pause on that question. Where can we get an additional one million acres, excepting the type of problem land of a sand plain nature, where we can again commence to build up another three quarters of a million acres of arable land in Western Australia?

The area which was opened up by the previous Government, out from Albany, well, I am certain, be a safe bet—I refer to Many Peaks area particularly. I hope that the Minister for Lands will one day ask me to accompany him on a visit to this area. There is an area, too, between Coorow, Mingenew and the coast. We have heard of this country from the member for Greenough. There is also an area adjacent to Miling in the Midlands which is high quality sandplain country. However, they are still problem lands and unless we encroach further on our forest reserves—and we must be very careful about doing that—we cannot anticipate an expansion, to any great degree, of our wheat and sheep farms in Western Australia. That must be acknowledged, and therefore the South-West Land Division from, say, Geraldton to Burracoppin and south-west, following the line

of the rabbitproof fence, encloses the safe rainfall country of Western Australia.

The Premier: What about that tremendous piece in the Albany-Mt. Barker area? You mentioned Many Peaks.

Hon. F. J. S. WISE: There is a tremendous area of country but not tremendous in millions of acres.

The Premier: That is so.

Hon. F. J. S. WISE: The Premier knows the limitation in regard to acreage which brings us right up against the problem of better land use in Western Australia. Far too much land has been given away by the Crown in years gone by.

Hon. E. H. H. Hall: Too much altogether.

Hon. F. J. S. WISE: Land which at a few shillings an acre has been alienated from the Crown, has benefited from Crown spendings, and has an increment of up to £20 to £25 an acre above its initial cost. It should receive, in my view, much closer attention in regard to its capabilities and use than it is receiving at present. Unless Western Australia is to embark on a policy of better land use, where amenities have been provided by the Crown over the years, we will be extremely limited in the potential for land settlement in Western Australia. In order to preserve the standards of life as we know them, and to embark on a wholesale land settlement policy, we must insist not only that we shall use all of our problem country, and all of the good sandplain, but also all of the heavily timbered country between Mt. Barker and Boyup Brook, taking in the Frankland River area. We must also look at the land which has already been alienated from the Crown, in many cases by selfish landed interests, and which is not giving the return to Western Australia that this State deserves.

After 50 years of settlement in an agricultural sense—although the development in the main has happened only since 1910—we have been able successfully to clear and occupy, in a pastoral and cultivable sense, only 16½ million acres. What Governments and people particularly must look at, is the problem of finding the next 16½ million acres to establish settlers of Australian or immigrant origin.

The Minister for Lands: Of course, there is a tremendous lot of clearing that could still be carried out on land held by different owners in our agricultural areas.

Hon. F. J. S. WISE: The Minister will find reference to that on the files in his department. He will notice reference to something that was done in the period 1938 to 1940 when the marginal area reconstruction policy was launched and he will find the answer to his question in the files of the department. A complete survey was made of the area from Southern Cross westward and north to the rabbitproof fence and the Murchison River. I would say there is no possibility of any further wheat or sheep properties being made available unless there is a subdivision and that subdivision must provide for additional water supplies. There are great difficulties in any endeavour to double the population in that area.

The Minister for Lands: I was referring to land that was already privately held.

Hon. F. J. S. WISE: I hope some day to get the Minister on my side as to this privately held land, for in that lies the greatest potential for advancement in Western Australia's agriculture.

Mr. Marshall: There are some fine types of holdings with rich soil around Pinjarra.

The Premier: You would not know it if you saw it.

Hon. F. J. S. WISE: I would refer briefly to the situation and circumstances of the pastoral industry during the war years and the colossal task of government as to that industry in its plight from 1935 to 1942. There are stations in the electorates of the member for Roebourne, the member for Murchison and in the Gascoyne area which at the end of the 1942 drought owed £10 sterling per head on sheep remaining on those properties after the drought. Properties which in 1934 shored 35,000 sheep, in 1942 mustered 1,800 to 2,000. The colossal task of reconstruction in that industry is something greatly to the credit of the Government of that time. It appeared an absolutely hopeless task but it is gratifying to know that many of the people who bore the heat and burden of the drought and low-price years have in some cases lived long enough to see their country and credit balances recover. It is a very different story today with in-different seasons and high prices.

It is interesting to observe with mining that the industry at the outbreak of war employed 15,000 men. There were 50,000 families absolutely dependent upon the

goldmining industry of Western Australia. It produced 1,100,000 fine ounces of gold in the last pre-war year. It was then producing one-fifth of the State's total income and today, four years after the war has ended, there are only 6,000 people in the industry and the production has dropped to 660,000 fine ounces a year. I do not intend to intrude into this subject, which will be so ably handled by other members, except to draw the attention of this Committee and the Government to the serious decline of what was our major industry for so many years, not only as an employing agency and effecting a favourable export position and an oversea income, but also bringing population into territory which otherwise is difficult to colonise. I hope that the plans which were so soundly laid by previous Governments for the mining of other minerals, including asbestos, iron and lead, will be brought to fruition by whichever Government is in power through the continued interest and activity that such projects deserve.

As to forests, I am certain that although it is a subject for which I have a flair it will be amply dealt with by many members. But in passing I do ask: Is it enough to hope that it will not be for 25 years until our virgin forests will be cut over? Is it enough to say that the forest policy of Western Australia is designed on the present basis of consumption to be ultimately in forest perpetuity? I believe that any forests policy must, if we put it side by side with migration requirements, of necessity develop all our lands which are possible of development. That is, with a forest policy in which we must anticipate a sharp stepping-up of this State's population, it should be the primary consideration when planning for timber used internally in Western Australia, because we will find at the end of the period when our virgin forests have disappeared there will be no prospect of keeping pace with the demands for our timbers from Western Australian trees which are used internally. I would ask the Minister for Forests whether the forests policy is being watched to keep it in line with migration prospects.

The Minister for Housing: It is.

Hon. F. J. S. WISE: If we look at the table of revenue estimates we will find in the estimated revenue for this year that

timber royalties are expected to reach £230,000 and that last year they actually contributed £182,000. In regard to exports members will find, if they refer to the Budget tables of last year, that by the firms of exporters well over £1,000,000 worth of timber was sent from Western Australia. Approximately the same sum, a little more, was used internally. From that timber, from the denuding of our capital, our national wealth; the utilisation of the timbers which have taken centuries to grow, the State coffers benefited only to the extent of £182,000. Is it enough?

The Minister for Housing: The royalties have been put up this year.

Hon. F. J. S. WISE: Well, I submit that if it is possible for the export portion of timbers represented in the royalties of £182,000 to be worth over £1,000,000 we are still denuding our forests unfairly, using as we are our own national capital, using the money out of revenue and, more than that, having to make a recoup under the Forests Act to the Forests Department above the three-fifths share of the revenue which that Act prescribes.

The Minister for Housing: That is why we are reviewing the old policy.

Hon. F. J. S. WISE: In that event, I simply pose the question whether we are getting sufficient from this natural resource to which the State and its people are entitled. The Forests Act prescribes that three-fifths of the revenue shall be paid to the Forests Department for its own use. Do members not think it is a sad commentary that this year we will find in the Estimates under the page dealing with other statutes that £33,000 has to be paid from revenue to buttress the three-fifths paid to the Forests Department from revenue? There is something there worth a lot of thought. Is it enough to hope for in any forests policy, while we are frittering away our forests, that with such a small return, if we hope for our potential in migration to be what it should be, we will not have sufficient for internal use within the next half century? I intend to speak at some length on the Estimates of the Fisheries Department at a later stage. My speech tonight would be made unduly long if I dealt with such subjects individually.

I wish now to touch on the secondary industry position. There are still many members who can remember the days when Mr.

Kenneally was Minister for Industrial Development. They will recall his physical and mental capacity, how he featured and preached in every accessible hamlet the necessity for Western Australians to use Western Australian goods. They will remember, too, how difficult it was to get Western Australians to use Western Australian tomato sauce or anything bearing a Western Australian label. That was only 15 or 16 years ago. There were campaigns urging people to use local goods, and the stimulus given over many years by Governments, almost scoffed at by Western Australians themselves, is beginning to bring its just reward in the achievements of our secondary industry production.

The present Government was very fortunate in that it was able to avail itself of the actions and initiative of its predecessors to build up a case for the State in the Commonwealth sphere, insofar as having the right quotas allotted to us to keep our industries going. I should like to refer to the remarks of the Premier in his Budget speech on that point. He said—

Manufacturing activity reached a new peak in 1948-49 when over 37,400 persons, or about 18 per cent. of the population engaged in gainful occupations found employment in Western Australian factories. Industrialisation in this State has now progressed to the stage where there are more people engaged in manufacturing industry than in farming and pastoral occupations. This contrasts with the position before the war when persons engaged in rural industries outnumbered those engaged in manufacture by over 50 per cent.

Let us go a little further back than the years immediately preceding the war. In 1932-33, 14,810 persons were employed in secondary industries; in 1933 the number had increased to 16,150; in 1935-36 it was 21,000 and in 1938-39 it was 23,200, and today the Premier proudly points to the fact that we have 37,400 engaged in secondary industries. Not very many new industries have been established since 1947.

Hon. A. R. G. Hawke: None.

Hon. F. J. S. WISE: Therefore the claim of what the previous Government did in laying that foundation is a just one. The foundation was not only well and truly laid, but it has also enabled something to be built of which Governments opposed to us speak with pride. I have made that review deliberately, admittedly in a sketchy way, to give the background of the building-up of our industries. It does give a basis for judgment

as to what our future is to be and upon what it is to be based. I believe that our future depends upon our capacity to induce population to settle successfully, without reducing the standard of living, in expanding production—primary, secondary and tertiary. There is no other way.

The retention of our standards is vital, not only to the State's well-being, but also to our very way of life. But I submit that we must work to be worthy even of their retention. I am anxious to have members ponder over the aspects I have presented in retrospect and to think of the State's development up to this stage and what remains for us to do, to think especially of our rural industries, which were built up by a handful of people. We still number only half-a-million, and the agricultural industry, although it has produced much, has cost much to establish.

I should like to analyse in brief just what those costs have been. Many members might be surprised to learn that the losses on agricultural settlement are well over 20 million pounds. There is well over 20 million pounds of dead debt being serviced and paid for within these Budget Estimates as the costs of establishing agriculture to its present stage in this State.

The Premier: Has not that been the case in just about every country in the world where new land settlement has been undertaken?

Hon. F. J. S. WISE: Not in all. I wish the Premier to be quite clear on the point that I am not blaming any Government. I have never cavilled at the cost, either from his side or from this side of the Chamber. I am simply directing attention to the cost even in the use of our best land—and I stress that point—to what can be and must be our prospect in anticipating losses that must be faced in country costly to clear, difficult in its problems, especially in the initial stage, as is the case in Western Australia. Our case cannot be compared with that of Victoria. Colossal losses figure in the national debt for the institution of agriculture in this State, and for this there are many reasons, not the least of which is that our settlement began when Eastern States settlement finished, when we had to bear the impact of tariff and protective policies while Eastern States agriculture knew no such charges.

We have to remember that the dead debt, which is the cost of our agricultural development in the past, is an annual burden exceeding £1,000,000 a year. When we look forward to the future, we can gauge our anticipations by the experience of the past if we are wise in our administration. But do not let us ignore those losses or difficulties. Let us not ignore the fact that the Agricultural Bank on group settlement alone wrote off over seven millions, that for sundry debtors it wrote off seven and a half millions, that the losses in concessions on State utilities including railways, water supplies and other departments exceed seven millions and that the capital reductions in several departments represent eight millions.

All of those schedules contain figures prepared by me for the statement of the case to the Grants Commission in 1943 when a special plea was entered for a recognition of the difficulties peculiar to Western Australia. We have to remember, therefore, that in spite of the present opulence of the people, in spite of the present easy-street of government, when we consider the future expansion and the spending from revenue or from loan, these investments on behalf of the people have to be made with a long-term view as to their potential return on the capital invested.

So that I shall not be misunderstood in raising this point, I say as a matter of actual fact that, in spite of the serious loss and severe criticism—in which I have never indulged so far as our land settlement policies are concerned, although their aggressiveness may have encouraged losses in some respects—we have to remember that Western Australia was pushed into some land schemes by the Commonwealth and Imperial Governments. But while we consider those policies, we must bear in mind that since 1925 the return from our primary production, excluding gold, has been £438,500,000, notwithstanding that we have only 16,000,000 acres, including pasture crops, which gave us that return. When we take that into consideration, one very obvious fact stands out, that we in the past have been and must continue to be a predominantly exporting community. That is the point I reach after analysing world affairs.

No matter what Western Australia's future may be in the pursuit of an aggres-

sive agricultural policy, properly planned to ensure that developmental money is well invested, and whether or not we adopt a lackadaisical attitude towards our future, we would have to increase our population many times before we could be regarded as a community not predominantly living upon exports. That being so, all international circumstances and trends have an influence and a bearing not only on the fluidity of money or the well-being of individuals, but on the whole economic set-up of Western Australia. Although we may cut a very small figure in international affairs, being only half a million people, we are an important part, so far as exportable commodities are concerned, in world markets. I therefore repeat that the concept of our export industry must be adopted as the cornerstone in our agricultural policy of increasing and better land use.

The development of our problem lands must be kept up. All this is elementary, but it is necessary to realise that side by side with such increased land use we will be kept predominantly in an export position. Unless we are prepared to make better use of our land, wherever it is situated and however it is owned, that is served by amenities which cost this State so much to install, we shall never make progress or get population into the livable parts of the State. One of our great difficulties has been, particularly in the heavily-timbered parts of the State, that one generation has been expected to do the work of many. The clearing of our country by one pioneer generation has been an important contribution to Western Australia's amazing productive capacity. It will be recalled by members—particularly Country and Democratic League members—that the serious times following the financial depression placed the farming community of our State in an exceedingly poor position. Farming and farm land ceased to be an investment. In fact, I think there are members of the Country and Democratic League in this Chamber who had that experience.

Members will recall the necessity for introducing in this Chamber farmers' debts adjustment legislation, which provided for a moratorium and which in many other ways helped the farming community by giving them relief, subsidies and so on, not only to weather the storm of those days but also to tide over the farming industry

until better times came. I consider it necessary to bring back to the recollection of members those exceedingly difficult days, and I hope we shall never have such a retrogression of prices which gave the Government of the day such responsibility and worry, owing to poor yields due to bad seasons and low prices due to international circumstances. That was the experience of a Government of which I had knowledge over several years. Those were the days when government was extremely difficult, when no Minister was in the happy position of wondering what a ministerial job was all about.

I now come to a statistical return which is a development of one I used in this Chamber many years ago to illustrate the importance of the impact of a fall in prices on our exportable commodities. The figures I quote are taken from the Commonwealth Production Bulletin of 1946-47. I shall take our most important rural production, namely wheat. Returns from wheat in 1946-47 were as follows:—

	£ (millions)
Western Australia .. ..	9.75
South Australia .. ..	12.65
Victoria .. ..	17.79
New South Wales .. ..	8.85

But the £8.85 million pounds which New South Wales received for her wheat was only 5.4 per cent. of her primary production; it was 17.7 per cent. of Victoria's production; 25.65 per cent. of South Australia's and 24.13 per cent. of Western Australia's. A drop in overseas prices had an immediate effect on our rural economy. It affected 24 per cent. of our primary production in that year and it represented 25 per cent. of the factory output of the State. It is not many years ago since that figure was almost doubled. The total value of Australia's wool in 1946-47 was £96.63 millions, of which Western Australia produced £9,100,000 worth; South Australia, £8.55 million; Queensland, £15.79 million; and New South Wales, £42.54 million. In that year wool constituted 30 per cent. of Western Australia's total rural production. I will not weary the Committee with any more of those figures, but would like to see the complete schedule recorded in "Hansard," if it is permissible to record it, to show very clearly the different effects in each State of Australia of any shrinkage in the overseas value of any of our primary products. The schedule is as follows:—

## Western Australia.

## GOVERNMENT STATISTICIAN'S OFFICE.

## GROSS VALUE OF RECORDED PRODUCTION, 1946-47.

(Source—Commonwealth Production Bulletin No. 41.)

Industry.	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
	£ (mill.)	£ (mill.)	£ (mill.)	£ (mill.)	£ (mill.)	£ (mill.)	£ (mill.)
Pastoral .. ..	53.02	32.43	30.47	11.30	10.09	3.93	147.14
Agricultural .. ..	29.92	41.06	20.37	24.41	15.04	6.32	137.12
Dairying (including Pigs and Poultry, etc.) .. ..	29.99	29.14	13.56	8.15	4.47	2.19	87.50
Total, Rural .. ..	112.93	102.63	64.40	43.86	30.50	12.44	371.76
Mining (including Quarrying) .. ..	19.80	3.03	3.90	3.21	7.70	2.86	40.50
Other Primary (Forestry, Trapping and Fishing) .. ..	11.15	7.64	4.81	2.24	2.20	2.16	30.20
Total, Primary .. ..	148.88	113.30	73.11	49.31	40.40	17.46	442.46
Wheat—Total Value .. ..	(a) 8.56	19.79	(a) 0.18	12.65	9.75	0.04	50.96
Percentage of Rural .. ..	7.25	19.28	28	28.84	31.97	32	13.71
Percentage of all Primary .. ..	5.74	17.47	25	25.65	24.13	23	11.52
Percentage of Factory Output .. ..	1.92	6.27	18	14.59	25.48	16	5.04
Wool—Total Value .. ..	£ (mill.) 42.54	£ (mill.) 18.71	£ (mill.) 15.79	£ (mill.) 8.55	£ (mill.) 9.10	£ (mill.) 1.94	£ (mill.) 96.63
Percentage of Rural .. ..	36.97	18.23	24.52	10.49	29.84	15.59	25.09
Percentage of all Primary .. ..	28.57	16.51	21.60	17.34	22.52	11.11	21.84
Percentage of Factory Output .. ..	9.54	5.93	15.77	9.86	23.78	7.90	9.56
Factories—	£ (mill.)	£ (mill.)	£ (mill.)	£ (mill.)	£ (mill.)	£ (mill.)	£ (mill.)
Value of Output .. ..	445.95	315.44	100.10	86.70	88.27	24.57	1,011.03
Value of Production .. ..	186.54	131.49	35.34	31.07	15.75	10.67	410.86
Value of Production per head of population .. ..	£ 62.95	£ 64.46	£ 32.21	£ 48.50	£ 31.67	£ 41.90	£ 44.83

(a) Drought year.

A shrinkage in the price of wheat and wool has a very serious and immediate effect on this State's economy. I can recall that not very many years ago—only a few years after our record harvest of 53 million bushels in Western Australia—wheat was selling at 1s. 9d. a bushel at sidings; and during the season 1947-48, 17s. 11d. a bushel was the average price received on a harvest which was worth £21,000,000.

Those are the Statistician's figures. They are very expressive firstly of the importance to all our economy of a healthy rural industry; and secondly of how very fortunate the present Government has been in having during its occupancy of the Treasury bench good seasons and good prices together, in fact almost fantastic prices for some of our primary products. It is pertinent to observe that the peak average value free on board, prior to this peak of 17s. 11d., was achieved in 1920-21—that is how far back we have to go—when 7s. 4d. a bushel was reached. Imagine the colossal difference! We find, if we examine the tables of our production, that wheat returned to Western Australia last year—and it was well over 70 per cent. of our agricultural crops—more than £22,000,000. What an enormous income! But what a remarkable dependence, too, Western Australia has on a single crop!

If we turn to wool, we find that Western Australia has, in its fortunate recovery in the pastoral industry itself, an amazing opportunity to get clear of mortgages for a very long time. To think that side by side with the receipt of 17s. 11d. a bushel for wheat we were getting over 48d. per lb. for wool! We have indeed been a very, very fortunate people. Our sheep numbers are now back to 10,500,000, whereas it will be recalled that in the seven drought years we lost 4,000,000. The figures are very expressive, not only of the well-being and healthy circumstances which high prices bring to Western Australia, but of how important such a rise has been to the Government.

I have mentioned that I intend to speak at considerable length on some of the departmental Estimates, and consequently I do not think it fair to the Committee unduly to prolong on the general debate an analysis of many industries such as fisheries and forests. I might have something to say later

also on housing and lands. Before analysing any particular set of Budget figures, I wish to say that no Western Australian citizen should be allowed to ignore the fact that the State's industries must be developed by every practical method and in every reasonable way. We must develop our industries and our assets, permitting only a minimum of waste insofar as our natural wealth is concerned, to keep our standards intact and to regulate our expansion so that the consequent costs or liabilities to the community are commensurate with the return to be expected from the expenditure on those assets.

That would be my starting point in an analysis of the Budget figures: That Western Australia has to appreciate that, being subservient as it is to the will or the goodwill of the Commonwealth and the organisations set up under the Commonwealth, when we are facing in this community of half a million people an expenditure of £25,000,000 a year, we have to be very careful, not as to how particularly revenue is obtainable but how expenditure is made. In this Budget, which I would call a very unimaginative Budget, it is proposed that £23,500,000 will be spent and £22,670,000—I think that is the figure—will be collected. The estimated deficit, therefore, on the year's operations will be £898,827.

If the Premier will refer to my Budget speech on a former occasion he will find that my anticipation was well borne out. In my view, on this occasion he will find it difficult, if my analysis of the Budget figures is anywhere correct, to get the revenue he anticipates unless a most beneficent Commonwealth Government does more than even he hopes; and I believe he cannot keep his expenditure down to the £23,500,000 he proposes. If we look at the sources of the money, we find that over £8,500,000 is to come from the Commonwealth, almost the amount of the total Budget in the immediate pre-war years; £3.6 million is to come from grants; and £4.495 million from taxation; and he is to get the interest contribution, which has been continuous since the Premiers' Plan, of £474,000; plus well over £1,000,000 from petrol tax. I thought the Premier made a very interesting comment in his Budget speech on the question of flexibility of finance. He said that—

It is true that even before the introduction of uniform taxation there were limitations on the ability of Governments to increase revenue.



Nevertheless, it was a fact that within those limitations, Governments were able to make their own financial arrangements for the implementation of new measures of policy. Nowadays the problem is different. Commonwealth reimbursement payments replace the flexible system of State income taxation.

I seriously question that statement as being valid, with the methods adopted by the present Treasurer. It was beyond the wildest dreams of any Treasurer of the past to adopt the flexible methods he is adopting. They are so flexible that it does not matter what comes along in the shape of something to be approved as expenditure, he approves of it knowing full well that he has merely to be a replica of *Oliver Twist* tomorrow and ask for more. It is amazing that no matter how much he asks for, he gets it. I will analyse that in a few moments.

Hon. E. H. H. Hall: He did not get much to give away at Geraldton.

Hon. F. J. S. WISE: The Premier has exercised this carefree abandon with regard to expenditure, knowing full well that up to date he has not been found out.

Hon. A. H. Panton: They will catch up with him.

Hon. F. J. S. WISE: I know that he will continue with that method, but I question that he can make a valid complaint that his income lacks flexibility. You can recall, Mr. Chairman, how, with almost bated breath we used in former years to await the introduction by the Premier of his Budget so that we would know how much the community was to be taxed, and you can remember, too, the miserable, petty sum we received from taxes. Even with the financial emergency tax, it was under two million pounds. The Premier today has the flexibility of four and three quarter million pounds from uniform tax reimbursement plus, on his own anticipation, as will be found in his Estimates, one million five hundred thousand pounds from the Grants Commission. This flexibility argument of the Premier will not bear one minute's examination. He went on to say that the inflationary factors had spent their force. If they have, they are not being encouraged to spend it by the attitude of the Treasury.

While I think there are plenty of signs in this community that the inflationary factors have spent their force, a day of reckoning is coming very quickly when the

spending capacity of the people will slacken and when, instead of 17s. 11d. per bushel, on the average, being received for wheat, we will get back to the rate, under the international wheat agreement, of 7s. 6d. until 1952; and when wool will come back as it undoubtedly will, from 48d. and 49d., average, per pound.

Hon. E. H. H. Hall: Too much!

Hon. F. J. S. WISE: The member for Geraldton interjects, "Too much." It is far too much if this system of Government finance is continued and the taxable capacity of the Australian nation sharply reduced. In that event from where will we meet the fixed commitments? And the majority of the Budget Estimates are fixed commitments. Apparently the inflationary tendency has gone as high as it can because we can see the Premier, with his finger pointed and looking in a Shylock way at the public, saying that the Government will reduce and control prices. It is almost laughable! He might have been pretending. He may feel that having had nothing from posterity, posterity will have to carry something for him. But there is no doubt, as sure as the sun rises in the East and sets in the West, that day will come.

I would like to comment, too, on a most unsatisfactory explanation made by the Premier with regard to the deficit repayments. It may be that he gave to members absolutely and unequivocally the facts, but if he did I submit that he was very much misled by someone. The Premier said that he would suffer no prejudice through the absence of a supplementary grant. He said that in South Australia and Tasmania the cash resources were nearly depleted, and they could not afford to wait. South Australia, with a very astute Premier, has cash resources that are not available to this Government. The Premier of that State can sign a cheque on his own bank at any time. Yet, the cash resources of that State and of Tasmania were nearly depleted and they could not afford to wait. They applied for a supplementary grant in anticipation of a deficit, but there was no claim from Western Australia. I am very suspicious, with my knowledge of how the Grants Commission works, that in being so kind to our Treasurer last year by giving him £3,600,000, someone must have suggested that because of the amount being so large the Treasurer

would surely not have a deficit. But I think he had a deficit of £874,000. The progressive figures showed that he must incur a deficit, but he did not apply, on somebody's advice, I suspect.

The Premier: Good advice, too!

Hon. F. J. S. WISE: It is good advice to this extent, that the Grants Commission has applied a new formula. I do not suppose that members would be very interested or the public particularly thankful if I attempted to explain that formula, but briefly it is that instead of a supplementary grant being available at the time the deficit is incurred, the supplementary grant is paid on the basis of the deficit of the two years previously.

The Minister for Housing: The grant is paid, not a supplementary grant.

Hon. F. J. S. WISE: Yes.

The Minister for Housing: You said, a supplementary grant.

Hon. F. J. S. WISE: I used the word incorrectly the second time. The best the Premier can hope for is to get a recoup or £265,000, which was the deficit of two years ago. In financing the deficit from the Budget on this occasion, he admitted, in a studied answer to a question by me this afternoon, that in the total public accounts, which take in everything, the amount of Loan funds available at the end of the financial year was in excess of two million pounds. But I would assume, in spite of the clouded nature of the answer, that the two million pounds of unspent Loan money has been spent. It has been put to financing the deficit and to purchases for the Government Stores Department. In addition to its having been spent in that way, I would say, too, that trust funds, to close upon £2,000,000 have also been spent.

The position is that we have to analyse— if we are a responsible Committee—whether deficits matter. That is the point. My view is that deficits do not matter much if they are repaid by the nation from the nation's wealth at the time they are incurred, or if the money is invested on a short or long term plan so that the debt is not a constant charge. Otherwise they do matter, as I will show the Committee. I anticipate that with loan moneys spent as they are, when the Premier goes to the Premiers' Conference and Loan Council meeting next

week, there will have to be consideration by the Commonwealth of how to finance State Governments until the next loans are raised, because a Government that cannot live within £1,000,000 or so of its revenue has to get money from loans. If that is not done its public servants will eventually meet a Friday on which they will not be paid.

No matter when the loans are launched, I suspect that it will be necessary for Treasury bills to be issued by the Commonwealth to finance its operations until December next. I do not think there can be any avoidance of that. Therefore, if we examine the question of what deficits are at present costing us, we will get a clearer conception of how much they matter if they are to be a continuing charge on the revenue of the State without any chance of their recoupment. It is interesting to note the position in the last decade. In the year 1939-1940 revenue was £11,119,000 and expenditure £11,266,000, which grew in 1946-1947 to a revenue of nearly £15,000,000 and an expenditure of just over £15,000,000, an increase in the seven years of under £4,000,000. In the two years 1946-47 to 1948-49 the actual increase was over £5,500,000, because the estimate for 1949-50 is £20,560,000 revenue and £22,670,000 expenditure, an increase of £7,670,000. That shows an increase from 1946-47 to 1949-50 greater than the increase in the 40 years from 1901 to 1940.

The Minister for Housing: That is a general experience, including that of the Commonwealth.

Hon. F. J. S. WISE: It is an interesting figure which discloses the trend in public expenditure. In addition to that tremendous burden on the community, because it must be recoverable by taxation or in charges, the loan expenditure has increased, even in these times of plenty—loan expenditure side by side with heavy public expenditure, challenging and competing with public expenditure in the fields of manpower and materials, at a time when loan expenditure should be lessened.

The Premier: How can we lessen it in view of the demand for essential work that exists today?

Hon. F. J. S. WISE: The Premier has either to lessen it or eat his words of a year or two ago, which I will quote if he

will be patient for a little while. During that period of increasing loan expenditure the per capita debt of Western Australia has increased, and so, although the Premier was fortunate in being shown how to finance deficits, insofar as my first deficit of £980,000 being repaid immediately by the Commonwealth was concerned, the future is not so bright in that regard. If members wish to see what the trend is I refer them to Table V in the Budget figures of last year, which gives the surpluses and deficiencies of the Consolidated Revenue Fund from 1900 onwards. There members will find that what I have stated is correct and that the increase in the last three years is greater than for the 40 years from 1901 to 1940.

In the last year of Labour Government in Western Australia the grant paid under Section 96 of the Constitution was £960,000, and we thought that we were very fortunate. In that year we were getting £3,380,000 from uniform taxation and £960,000 from the Commonwealth grant. Now the grant is £3.6 million, and I come back to the question of whether deficits matter. Any Commonwealth Government—not necessarily the present one—may at any time say to the Grants Commission, "We are being imposed upon by the mendicant States"—which they are pleased to call the claimant States—"We must have a closer examination of their accounts and study what they are doing with this money that creates the deficits that we have ultimately to recoup or that must be funded."

The Premier: Why do you think they will come to that sudden conclusion? They know how the grants are made up.

Hon. F. J. S. WISE: I said that any Commonwealth Government might come to that conclusion—not necessarily this year. When the Commonwealth finds that its taxation receipts are falling, because the taxing capacity of the Commonwealth will be reduced, the Premier might then have granted his wish to have his taxing rights returned to him. When the State's finances become a worry to the Commonwealth that Government will at any time be likely to say "Have back your right to tax your people and you can share with us the taxation you are able to raise in your State." I think the revenue accounts today are being charged with items that in other times would be charged to loan ex-

penditure. I believe there must be large sums approved by the Treasurer and charged to revenue accounts today; otherwise there could not be this increase in the expenditure side of the Budget.

I do not want the Premier to commiserate himself in any reply to that statement, because it is possibly the wisest course for him to follow while the Commonwealth is in its present mood of disregarding how important the size of the grant to the State need be, but I suspect that that is the trend and that the States are fortunate not only in having large loan programmes made available to them with the necessary money but also sufficient loan money left to finance deficits and, in addition, the ability to charge to revenue account sums that might properly be charged to loan. When halt is called—I would remind the Committee—someone has to find the money. I think that regard public finance is no different from private finance. One cannot continue to spend more than one has or more than one receives. That just cannot go on.

I would remind the Premier that if he goes to the stage where he has to fund a deficit and the impact of the Financial Agreement is felt by him, he will not be so satisfied. If members wish to study fully the Financial Agreement, they will find there an adequate reason for the discouragement of deficits because of the burden they place as an annual charge on State Budgets. When the Financial Agreement was framed, it was the responsibility of State Treasurers to avoid deficits. If they incurred deficits it was their responsibility to put such charge on the annual Budget. In that way it was hoped that deficits would be discouraged.

I say to the Premier that if the provisions of the Financial Agreement have to be imposed on him because of a further revision it will be a sorry situation when we continue to have deficits of a million pounds or more. If we are to have an annual deficit averaging one million pounds, in spite of recovered revenues, it will unavoidably be a heavy burden on the community of Western Australia. Ultimately the Grants Commission, which has to answer the claims and statements of the Commonwealth, will have to alter its tune, and deficits which are unwisely incurred will be a serious burden on the community of this State and a most embarrassing situation could arise.

The present Grants Commission is the most favourable one, so far as this State is concerned, that has ever existed. Just imagine Jim Kenneally doing anything, irrespective of the type of Government, that would be prejudicial to Western Australia. He would keep the Grants Commission at a sitting all night to achieve his end if he thought that it would help Ross McLarty. There is no doubt about that.

Mr. Marshall: Too right, he would!

Hon. F. J. S. WISE: A member of the Grants Commission, Kenneally, is so much a Western Australian that in spite of his strong political disposition he is a Western Australian first.

The Minister for Works: We have never thought him otherwise.

Hon. F. J. S. WISE: The Minister has had a very happy experience with him and he would be most ungrateful if he thought otherwise.

The Minister for Works: I was just saying that we did not think otherwise.

Hon. F. J. S. WISE: I am sure the Minister does think that way, otherwise he would be ungrateful.

The Premier: And you have much faith in his judgment, have you not?

Hon. F. J. S. WISE: I have faith in him as a true Western Australian. Then we have Gordon Wood. I know him very well and I am the proud possessor of autographed copies of every book that he has written. He has shown to Western Australia a very sympathetic attitude over the years. As for the present Chairman, I think he is so kindly disposed to the claimant States that he even puts Professor Mills to shame. Suppose, as it might easily happen, that the personnel of the Grants Commission altered! We might get a couple of Egglestons or Sandfords again appointed to it. I was in the unfortunate position of year after year having to give evidence before the Commission when Mr. Eggleston was chairman. Goat's knees were soft compared to his attitude. Not only did one have to prove one's case in a general way, based on the then existing formula which was budgetary equilibrium, but they almost grilled a Premier if he went into a deficit much more than he initially anticipated. I say quite publicly—and I do not care where

I say it—that if the complexion of the Grants Commission changed and men who have no sympathy towards the claimant States are appointed, we will be in queer street overnight.

The Premier: Are they not appointed because they are supposed to have sympathy towards the claimant States? Is that not the reason for the appointment of the Commission?

Hon. F. J. S. WISE: No, they are appointed because they are expected to be able to weigh the evidence and to measure the disabilities under the varying formulae.

The Premier: That is so. The disabilities under which we suffer.

Hon. F. J. S. WISE: Firstly, it was based on the disabilities suffered; it was then changed to the disabilities which prevented Budgetary equilibrium and now, it is based on the comparisons of State expenditure when compared with the standard States. Those are the fluctuating formulae and they changed with the personnel. Therefore it is nothing to be satisfied about. It is nothing for the Premier to be heartened by when he says that Western Australia, this year, will receive £3,600,000. I think members will find that the anticipation for next year is £4,452,000 less the deficit for 1947-48 which brings the Premier, on his own anticipation, to a figure of £4,100,000. That is the figure he expects as the net return from the Grants Commission. I refer members to page 13 of the Budget Estimates where they will find those figures set out.

The Premier: It won't be far out, either.

Hon. F. J. S. WISE: The Premier does not think he will be very far wrong in his estimate.

The Premier: I won't be far out.

Hon. F. J. S. WISE: It has been so easy for the Premier because he has enjoyed such buoyant seasons, record prices, record personal incomes for the community, record grants from the Grants Commission and record reimbursements under the Taxation (Reimbursement) Act. Therefore he can quite easily say, "I will get the £4,100,000." If he does, then it will be a much greater responsibility than he appears to appreciate. The Premier is also expecting roughly about £5,000,000 from the Commonwealth under

the disbursement. I think the total figure for all the States is something like £62,000,000.

The Premier: Something like that.

Hon. F. J. S. WISE: The Premier hopes for £5,000,000 from that source. When the Commonwealth's taxing capacity on Australia's income recedes substantially, what then will be the attitude of the Commonwealth, not only to the claimant States, but also to the standard States, in regard to the formula at present being applied to taxation reimbursements? The Premier has been extremely lucky in taxation reimbursements. The initial taxation reimbursement under the 1946-47 allocation was £40,000,000 and Western Australia received £3,384,000. I say quite humbly that I played a very important part in having that sum granted to Western Australia. I kept them there for two days in order to achieve that end. Last year the Premier received £4,489,000 and, if my figures are correct, insofar as the allocation of £62,000,000 is concerned, the Premier will receive at least £5,000,000 on the formula to be applied so far as the population increases and the weighted averages are concerned; at least £5,000,000 from uniform taxation. Just imagine being lucky enough to receive that amount from taxation reimbursements!

If members would like to read the history of grants from the Grants Commission they will find it in the 15th report of that Commission. All the schedules for past payments formerly used, as well as claims from States, are in Table 10. They are all there, from 1935, when the initial payments were made under the present set-up and under Section 96 of the Constitution. The Premier was extremely lucky with taxation reimbursements, very lucky with grants and very lucky with seasons. So one can quite understand his carefree attitude in feeling that, no matter for what he budgets, he will get his reimbursements. But what a difference compared to the campaigners of 1945!

The Premier: We only get what we are entitled to.

Hon. F. J. S. WISE: What a different situation the Government is in now as to Federal-State relationship! In the Policy Speech of the Premier in March, 1947, this will be found—

Liberal policy is that the State shall as soon as possible resume control of their own finances.

Mr. Marshall: "I say to you now!"

Hon. F. J. S. WISE: This also appears in the Policy Speech—

Our policy is income tax reduction on a substantial scale.

Hon. A. R. G. Hawke: Crunch, crunch!

Hon. F. J. S. WISE: It goes further—

We intend to see that the people of Western Australia receive back the essential powers to direct their own affairs.

How sorry the Government must be for those words! That is not now its policy! It was featured as a winner and it did mislead an awful lot of people, including the Government itself.

The Minister for Housing: Pretty good stuff there.

Hon. F. J. S. WISE: What a sorry mess the Government would be in with the Commonwealth Government if it had given effect to that policy! Without doubt, if the Premier had his taxation rights restored we would not find him with his present equanimity for the reason that he would not be able to sleep because of the hopeless burden of taxation he would have to impose on the people of Western Australia. Income tax would have to be increased on all incomes and considerably increased on the lower ones. Also, there is other taxation, which is not now being imposed that would have to be reimposed. Taxes such as the goldmining profits tax which does not exist today, would have to be reimposed. It is obvious that one of the few taxes that the Premier can effect—the land tax—has been increased since he has been Treasurer. So we know that no Government ever existed which was less anxious than is this one to resume the responsibilities of taxation or of any other power that brings to it responsibilities.

No Government in any period of our history has been less anxious to resume responsibilities which it pretended it was clamouring for when it became the Government. I would think, although it be a very sorry experience for the people of Western Australia, that those Ministers who are sensitive to their public responsibilities—there are some but they are few—would almost die of fright if the Commonwealth divested itself of the worry of States and their finances and said, "Take your taxation rights back." I am afraid there would be some apoplexy. One other

gem, of which I would like to remind the Premier, appears in his Policy Speech of 1947, and it reads—

It was necessary for the State Government to be something more than a puppet of the Commonwealth.

I looked at a couple of dictionaries. As to the meaning of "puppet," Webster says, "Puppet:—a tool; one acting as another will; a small image in a human form." Johnson's Dictionary says, "Puppet: a small image moved by wire, wooden tragedian."

The Premier: Moved by what?

Hon. F. J. S. WISE: Moved by wire. I clearly recall the Premier visiting Malloch's to get a lesson in the art of wire-pulling, and it is quite appropriate because of this emulation of a puppet which he so discounted and pretended to discourage in 1947. Because I think it has meant that no previous Government in our history has been less constructive or generally shown less initiative than this one, and if it had not been able to receive such vast sums from the Commonwealth, it could not have continued to pay its civil servants. I would go further and say that no Government has been so mendicant as this one. No Government, by action or desire, has been such a puppet. I think it likes being a puppet. I think it is prepared to refer any problem, or anything that looks like a problem, to the Prime Minister or to a Royal Commission, but particularly to the Prime Minister. When any discussion arises with the Minister for Mines, or the Premier, for that matter, in regard to gold, for instance—

The Premier: I am glad you mentioned gold.

Hon. F. J. S. WISE:—the Premier says, "I will have a chat with the Prime Minister about that."

The Minister for Housing: He takes all the gold.

Hon. F. J. S. WISE: This is the point: With the monetary set-up of the present Government, anything that looks like a problem that can be passed to someone else is passed. Therefore, no other Government has found it so convenient to be a puppet of the Commonwealth as this one. It is absolutely ridiculous to think that those who even get lessons in wire-pulling and should so endeavour to emulate what a puppet really is, should have anything to say

of anyone or of any Government that gave any favour, patronage or request to any Commonwealth Government. I repeat that this Government has been extremely fortunate with commodity prices and seasons.

The Premier: May they long continue!

Hon. F. J. S. WISE: Yes, may they long continue, and I hope that this or any other Government is not faced with a depression and a drought in the one year as other Governments have been. But whether we can attempt to stabilise either industry or internal economy, which really means State finance, on fantastic prices is quite another matter. That is where I repeat that although the fantastic prices of some commodities are weakening, it is my private view that the Premier is not right in what he said of wheat prices, "That there is not likely to be any further reduction," basing his contention, I presume, on the fact that the price fixed for the 1950-1953 crops, according to the present situation and the international wheat agreement, cannot fall below that figure. But it will fall, and so will wool go back from £50 a bale.

If we look closely at the effect of the dollar position on our wool prices, on the capacity of nations, who are relying on Marshall aid, to use wool, we can see that in that international wool position, which I attempted briefly to describe, there can be very serious repercussions. Although it may not be the lot of the Government to change its care-free attitude, it is going to be the responsibility of some Government. I am wondering whether the Premier noticed in the "Daily News" of the 27th July a statement as follows:—

Adverse Western Australian Trade Balance: An adverse trade balance of £71,841 was recorded for Western Australia during the first eight months of 1948-49.

An adverse trade balance! I understand that this information, which was wired from Melbourne, was extracted from the National Bank circular. If that statement be fact that in these days of opulence we have had an adverse trade balance, we certainly have reached the peak of prosperity and of commodity incomes. I have some reason to doubt that Press statement.

My examination of the statistical position as disclosed by Commonwealth publications suggests that excluded from the figures is at least the gold that was not exported, and my analysis also suggests that

there must be gold to a value of 30 or 40 millions still held in Western Australia by the Commonwealth awaiting shipment. To include such figures in the trade balance from any one year would swell them enormously. Members will find in the summary of trade balances that only once in the last 15 years have we had an adverse balance, so I can hardly put it to the discredit of the Premier and his Government that, during their time of tremendous prosperity they had an adverse trade balance. I consider that that statement should be examined by the Premier and that the newspaper and those responsible for the publication of the item, if as I suspect it is a libel on Western Australia, should be sharply corrected.

The Premier: What is the date?

Hon. F. J. S. WISE: The 27th July. I will make the cutting available to the Premier. There is something else that will not be so easy to answer. In the issue of the "Daily News" of the 20th July is headlined the statement that Western Australia was top in the June quarter price spiral. It says—

Canberra, Wednesday.—Living costs increased more in Western Australia during the quarter ended June 30 than in any other State. Compared with the June quarter of 1948, the index shows these increases for five towns in each State:—W.A., 13.4; Tas., 10.9; Victoria, 10.3; New South Wales, 9.4; Queensland, 9.3; South Australia, 9.1. The figures show that the cost of living is highest in Broken Hill. Next come Kalgoorlie, Geraldton and Canberra.

I hope I am not uttering a lot of threats regarding the speeches I intend to make, but I propose to speak on price-fixing and on matters ancillary to it when the Estimates of the Attorney General are before the Chamber. I think that the handling of price control in Western Australia is an absolute muddle. Not any member of the Government can justify either what was said at the time of the referendum or what is happening now. If our prosperity were real and we were not experiencing with it a tremendous increase in the price spiral, we would be in a very unfortunate position indeed if the Micawber attitude of the Government one day—waiting for something to turn up—were not offset by its Oliver Twist attitude the next day when it not only asks for more but gets it.

Reference was made by the Premier to the alarming gap between revenue and expenditure in connection with some of our public utilities, and he plans to meet, the £3,000,000 deficit on the railways by increases to bring in £550,000.

The Premier: There will be increased earnings, too.

Hon. F. J. S. WISE: The rise in freight rates is based on a percentage to bring in £550,000 additional revenue to meet his anticipated deficit on the railways of £3,000,000. He said that that is as far as he is prepared to go. I would say that the road subsidy on super, with a rail freight of  $\frac{1}{2}$ d. a ton mile is a public scandal. I consider that the Premier lost a remarkable opportunity when, with wheat averaging 17s. 11d. a bushel last year, he did not collect a reasonable freight rate, as the farming industries were able to pay the cost. Instead of that a subsidy is paid on the difference between the concessional rate of  $\frac{1}{2}$ d. per ton mile for railway haulage and the actual cost of haulage by road. This, I submit, is a scandalous proposition. How can we expect the Commonwealth when analysing the returns from our public services, to take other than an adverse view and insist upon a halt being called? It is obvious that the Government is getting ready to blame the Commonwealth—this is the cuteness of its attitude—if it is forced to increase freights beyond what is at present planned. I have an example that I am prepared to quote on the relevant Estimates of another claimant State having raised its railway charges the day before it went to the Grants Commission in order to be in a position to say, "If you force us to make another increase, it will be the fault of the Commonwealth." This Government is getting into precisely that position. If we compare the overall increase in rail freights, which the Premier says is as far as he is prepared to go, with the 30 per cent. increase in State shipping freights, the comparison is neither favourable nor fair.

The Premier: There was an increase in railway freights last year, too.

Mr. Rodoreda: And there was an increase of 10 per cent. in shipping freights.

Hon. F. J. S. WISE: I am aware of that. If "Lord Nullagine" were present I am sure he would regard very seriously any proposal to increase shipping freights and passenger fares by 30 per cent. and to impose a 15 per cent. surcharge on wool and 3s. per head surcharge on rams. I take it that the freight rate on cattle is to be subject to the 30 per cent. overall increase.

The Premier: That is so.

Hon. F. J. S. WISE: The Premier did not mention that. The position with regard to cattle is that the freight rate was reduced in 1947 from 87s. 9d. to 73s. per head.

The Premier: It will go back to 95s.

Hon. F. J. S. WISE: That is 30 per cent. on 73s., so that those persons who have been enjoying a very high price and whose freight was reduced from 87s. 9d. to 73s. will get an increase on the 73s., which means an increase of only 7s. 3d. per head above the 1947 figure. Freight rates are based upon ability to pay. What has been done in regard to the State Shipping Service, quite ignoring its losses, is not fair to the 5,000 or 6,000 people living in the North-West, compared with what the Premier is prepared to do in respect of the railways.

If members will examine the item in the Estimates, "Other Hydraulic Undertakings," they will find an interesting figure. The income from all hydraulic undertakings, with maintenance barely paid for and no interest payment made at all, is £121,000. Many million pounds are invested in other hydraulic undertakings. Water is supplied at under a farthing a gallon. The return from "Other Hydraulic Undertakings," which includes drainage and irrigation in the Premier's own district, is only £121,000 on a Loan investment, according to page 30 of last year's Budget tables, of many million pounds. The spending of that huge sum has meant an increment in land values in some instances of £20 per acre, especially to the people who were fortunate enough to secure Crown land at a few shillings per acre. There is an increment of millions of pounds in land values in the district so served, yet the best we can do from the item, "Other Hydraulic Undertakings," is to get a return of £121,000. I consider that is unfair to the rest of the community.

I shall have something to say on the drift in the Hospital Fund when the Health Estimates are before the Committee. In this record Budget of expenditure and revenue, which will, I think, finish much more to the bad, we have had the benefit of record help from the Commonwealth Government. This is a record example of the Government being a puppet of the Commonwealth. I repeat that no Government has been so anxious to be a puppet. I believe we must plan with boldness, but with responsibility, with daring and with vision. We must expand this State by production and population and by making better use of our better-class land, and by all means using our resources to develop our assets, but not conveniently—even in a long-term view of recoupment—leaving payment of interest on the investment to posterity. Expenditure must be soundly based on assets with a potential for servicing that expenditure.

It is not sufficient to be pleased with ourselves because of current high prices and high returns; it is necessary, with more imagination, with more boldness, to get rid of the care-free attitude of the Government and to have a Government responsible for its plans, not one so anxious to pass the buck when difficulties are met. The public will find that as soon as Easy-street is passed by the Government how necessary it will be to return a Government which is prepared to translate plans into achievements for the benefit of the whole community of Western Australia.

Progress reported.

*House adjourned at 10.36 p.m.*