

Mr. Berry: Has it anything to do with coal?

Mr. SMITH: No; it has nothing to do with coal; it is exclusive of oil and coal. This mining panel has had many meetings during which it has looked into the whole question of the rehabilitation of the gold-mining industry throughout Australia. It has made recommendations to the Commonwealth Government and every one of those recommendations has been approved and adopted by that Government. Yet the Mining Editor of "The West Australian" cannot write an article without including a gibe that the Commonwealth Government is unsympathetic to the goldmining industry. I do not know where that kind of criticism gets us. As a matter of fact, it is made under what is called the fifth freedom, the freedom of the Press, which has been interpreted as the freedom which tosses people about at random by lies. I am very pleased indeed that the Government proposes to bring down some new legislation this session.

Mr. Leslie: That is a change.

Mr. SMITH: It is not a change. I am gratified with the type of legislation it is proposed to bring down, although I presume the whole of the Government's programme is not indicated in the Governor's Speech, and it will be necessary to bring down a great deal more legislation than has been mentioned here today.

Mr. Abbott: Vermin and betting control.

Mr. SMITH: At least during the session there will be an opportunity for members to express themselves in respect of the kind of legislation that the Government should bring down. I have no doubt the Government will have a legislative programme that will be well favoured not only by this House but also by the other place. I can only conclude by quoting Ralph Waldo Emerson on this question of legislation when he said—

The law is only a memorandum. We are superstitious, and esteem the statute somewhat: So much life as it has in the character of living men, is its force. Our statute is a currency which we stamp with our own portrait: It soon becomes unrecognisable, and in process of time will return to the mint.

**THE MINISTER FOR EDUCATION** (Hon. J. T. Tonkin—North-East Fre-mantle): I formally second the motion.

On motion by Mr. Watts, debate adjourned.

## ADJOURNMENT—SPECIAL.

**THE PREMIER** (Hon. F. J. S. Wise—Gaseoyne): I move—

That the House at its rising adjourn till 4.30 p.m. on Tuesday, the 30th July.

Question put and passed.

*House adjourned at 4.5 p.m.*

## Legislative Council.

*Tuesday, 30th July, 1946.*

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

## AUDITOR GENERAL'S REPORT.

*Section "B," 1945.*

The PRESIDENT: I have received from the Auditor General a copy of Section "B" of his report on the Treasurer's statement of the Public Accounts for the financial year ended the 30th June, 1945. This will be laid on the Table of the House.

## CHAIRMAN OF COMMITTEES.

*Election of Hon. H. Seddon.*

**THE CHIEF SECRETARY** (Hon. W. H. Kitson—West) [4.35]: I move—

That Hon. H. Seddon be elected as Chairman of Committees.

Question put and passed.

**HON. H. SEDDON** (North-East) [4.38]: I desire to express my thanks to the House for the honour conferred upon me in my appointment to the position of Chairman of

Committees. I will endeavour to carry out the duties of the position as they have been carried out by my predecessors.

### CHAIRMEN (TEMPORARY) OF COMMITTEES.

The PRESIDENT: I desire to announce that, in accordance with the Standing Orders, I have appointed as temporary Chairmen of Committees for the current session the following members:—Hon. V. Hamersley, Hon. G. Fraser, and Hon. J. A. Dimmitt.

### QUESTIONS.

#### CHARCOAL IRON AND WOOD DISTILLATION.

*As to Production, Costs, Etc.*

Hon. C. F. BAXTER asked the Chief Secretary:

1, What is the capital cost of Wundowie Charcoal Iron Deposit Works?

2, The total administrative costs?

3, The total costs of production?

4, The quantities of products produced?

5, The value of such products?

6, The returns received for disposal of products?

7, Is a wood distillation plant to be established?

8, If so, at what cost?

9, What will it produce?

The CHIEF SECRETARY replied:

1, Total to 30/6/46—£119,493.

2, Nil—Still in construction stage.

3, Nil—Still in construction stage.

4, Nil—Still in construction stage.

5, Nil—Still in construction stage.

6, Nil—Still in construction stage.

7, Yes.

8, £80,000.

9, Acetic Acid—Glacial and Technical Grades. Methyl Alcohol—chemically pure and solvent grade. Denaturing Grade Wood Naphtha. Wood Tars and Oils.

#### CHANDLER ALUNITE WORKS

*As to Production, Costs, Etc.*

Hon. C. F. BAXTER asked the Chief Secretary:

1, What is the capital cost of Lake Champion Works?

2, The total administrative costs?

3, The total costs of production?

4, The quantities of products produced?

5, The value of such products?

6, The returns received for disposal of products?

The CHIEF SECRETARY replied:

1, The capital cost of the Lake Chandler Potash Works is £206,000.

2, £53,800 which includes administrative salaries, printing, stationery, insurance, interest on capital.

3, £124,000 exclusive of depreciation, obsolescence and interest on capital.

4, 2,528 tons pure potassium sulphate.

5, £60,672.

6, £49,600. 1,220 tons of potash valued at £17,000 are stored at the works awaiting transport to the Eastern States.

The above figures of costs include experimental work in proving a formula for the production of potash and the necessary adjustment of the plant following the various tests. Production of potash in economic quantities was not achieved until early this year.

#### TIMBER.

(a) *As to Provision of Seasoned Jarrah.*

Hon. A. THOMSON asked the Chief Secretary:

1, Is the Government aware of the serious shortage of seasoned jarrah necessary for the construction of homes for the people?

2, Has the Government considered the urgent necessity of constructing seasoning kilns to meet this shortage?

3, As the Commonwealth Government is partner with the State in the Housing Scheme will the Government seek financial support on a £ for £ basis for the immediate construction of seasoning kilns to meet the shortage of seasoned timber?

The CHIEF SECRETARY replied:

1, Yes.

2, Yes. Two drying kilns have been operating at the State Saw Mill, Hakea, since 1935; two kilns have been operating at State Saw Mill, Pemberton, also two kilns have been operating at State Saw Mill, Deanmill, since March, 1943. All are filled to capacity.

3, The Industries Expansion Commission has already arranged for the Commonwealth Government to provide finance to enable one of the large firms to establish kilns at one of their new mills.

(b) *As to Export of Jarrah.*

Hon. A. THOMSON asked the Chief Secretary:

How many superficial feet of jarrah have been exported from Western Australia during the past 12 months,—

(a) to the Eastern States;

(b) oversea?

The CHIEF SECRETARY replied:

The exact quantities are not known because jarrah and karri records are not kept separately.

About 20,000,000 super feet of jarrah, which is less than one-fifth of the total production of the State was exported to the Eastern States.

About 7,000,000 super feet of jarrah was exported oversea.

Approximately half the export was in the form of sleepers.

## ADDRESS-IN-REPLY.

*Second Day.*

Debate resumed from the 25th July.

HON. C. F. BAXTER (East) [4.57]: Before dealing with the motion for the adoption of the Address-in-reply, I hope you will permit me, Sir, to congratulate you on reaching the office of President of the Council, one of the highest offices in this Parliament. You have been very worthy of that elevation. I do not think there is anyone in either House who is more efficient than your good self as regards the Standing Orders and the Constitution. During your 20 years as Chairman of Committees in this Chamber you have given the highest satis-

faction, which proves your worthiness to be elevated to the position you hold. I hope that you will continue to enjoy good health and will be long spared to occupy that office to the honour of yourself and the good work of the Legislative Council.

It was interesting a little while ago to learn that the Chief Secretary had been selected as Agent-General. I must say candidly that I regret we are to lose him from this House. He will be a big loss. Even before he sat in a Minister's chair, and when he was just an ordinary member, he proved his worth. He was, of course, like many of us who have come to this House, in that he had some extraordinary ideas; but like the rest, he has toned down, and as a result of the education afforded him in the House, he is well fitted to occupy the position for which he has been selected. I feel sure that in sending him to the Old Country, we will obtain excellent results; and I hope that when his time has expired, he will return and emulate some of those who have preceded him. The remark has been made publicly that the office of Agent-General is a dead end. That is not so. There are those who have acted in that office and who, on their return to Western Australia, have again entered Parliament and have had very useful careers. I trust we shall find that that will be the case with the Chief Secretary.

Although some members were unopposed at the last election, others had to engage in contests. Only one member lost his seat, namely Mr. Cornish. We have been fortunate in the type of candidate who has been returned to Parliament. We have one member of a very old family of parliamentarians, namely Mr. Forrest. He is one of my oldest friends. It is a very long time ago since I first met him. At that time both of us were in a vastly different position from what we are in today. By returning Mr. Forrest the electors of the North Province have done themselves a service. I do not know much about Mr. Simpson, the new member for the Central Province, but what I do know is in his favour. I also congratulate him on his return, and feel sure he will render good service. I have yet to learn all about Mr. Bennetts, who comes from the Goldfields, but I am confident that no matter what his ideas may have been on the Goldfields, whether rabid or otherwise, this

House will gradually show him how to fit himself in. If he is inclined to be on the warm side he will quieten down, as many others have done before him.

I also desire to congratulate Mr. Loton, Mr. Mann and the Honorary Minister upon their re-election, and upon the handsome majority they obtained through the ballot box. I do not think there was ever any doubt about all three of them being returned, so far as other members of this Chamber are concerned. Even though we may be of a different political colour we do not like to see any sitting member laid aside at election time. There are also four members who were more fortunate in that they were returned unopposed. I do not know whether to congratulate the electors or ourselves. I refer to Dr. Hislop, Mr. Dimmitt, Mr. W. R. Hall and myself. It is pleasant not to have to face an election. If satisfaction had not been given to the electors there would certainly have been an urge on the part of some people to oppose the sitting members. I feel there must have been very little dissatisfaction in any of the four provinces that returned its members unopposed.

The Speech delivered on behalf of the Lieut.-Governor was a most remarkable one. It contained enough promises to occupy any Government for years. There is not any part of the State concerning which a promise has not been made. Where is the money coming from for all that work? Of course we know that the elections are in the offing. Surely the electors of Western Australia are not going to fall for the promise that the Government will do all these things. We find references to cold storage and other works and to the fact that harbours are to have a lot of money spent on them. I could continue with a whole string of works. The situation is remarkable in view of the fact that the deficit for the year just passed has been so high. Unfortunately I cannot refer to the Premier as "gone a million Frank" in the same way that the late Mr. Scaddan was referred to as "gone a million Jack." The Premier of today has nearly reached the same mark, and is only £70,000 or so under it. That deficit has resulted in a year that must have been considered to be a buoyant one. We cannot expect the same return in future years;

and neither can we expect public utilities to derive so much benefit as time goes on as they have derived in the past owing to the war effort and the money that was spent on them even after the war finished.

What will be the future position? We had a deficit of £912,000 in a buoyant year, and we are told that the Government is going to do wonderful work all over Western Australia. Is money going to rain from the skies? Are the prospects so good for Australia generally that these glib promises can be made? I am astounded. When we look ahead we can see what we are facing. Australia generally will have to change her coat very considerably, or we shall be in a terrible plight in a few years. It is only a week or so ago that a correspondent went further than I would care to go when he referred to the Government as "gutless and spineless." Those are very strong words. Because of the lack of administrative effort there is some reason for strong reference being made to the Government. An investigation shows the methods employed by the Government to make itself popular by giving way to everything that is demanded by trade unions and the masses generally—their votes are valuable—and making a speciality of popularising itself in districts which are represented by Labour members. This indicates the extent to which administration can be abused. The Government has shelved everything that would tend to create criticism and has hidden behind all kinds of subterfuges. It is always ready to throw the responsibility upon the Commonwealth Government, and at the slightest suggestion to rush to that Government for aid.

I say without fear of contradiction that through the past 12 years the Labour Government has been ever ready to pass this State on to the Commonwealth. Every movement that has occurred in that direction it has been in favour of. To prove my point as to what can be done in different electorates, I will mention one instance. The Water Supply Department at considerable expense brought up to date the valuation of South Perth properties. This district like many others, has not been revalued for years. The new valuations were sent to the Minister for approval. They meant a substantial increase

in Government revenue, increases that are reasonable and justifiable. They were not approved by the Minister, notwithstanding all the expense incurred by the department and the volume of work done. Without comment the Minister returned the request with the curt words "not approved." That was all the thanks given to the department for all the work that had been done. One naturally looks for the reason for such action. The present member for the district represents Labour. An election will be held shortly and the seat is an unsafe one for Labour. Hundreds of properties rated on a low basis will escape the necessity for making just payments until after the election. Seeing that many districts are concerned the loss in revenue to the Government will be heavy. Let me also take the burning question of starting-price betting. That has been allowed to continue uncontrolled except for the few fines that have been imposed. Indeed some of the starting-price bookmakers have escaped punishment altogether.

Hon. E. H. H. Hall: There are many thousands of them.

Hon. C. F. BAXTER: That may be so. The elections are approaching, and therefore more drastic action is now being taken. That has been taken, to the Government's disgrace, under an Act which was never intended by Parliament to be applied to such a purpose, namely, the Traffic Act. It is really a subterfuge to cover the Government's weakness because it did not take action before. The Government is harassing a few people who desire to make a bet. In the business centres such as Hay-street, crowds of people can be seen on the footpaths, and other persons who desire to pass by have to walk on the street. There are queues at theatres and other places which render it difficult for people to pass along the footpath or enter a place of business. These people constitute a real obstruction but they are left to carry on to the detriment of the general public. The Government realises that it would be unpopular to carry out the law in such cases, but the practice should not be allowed to continue.

There are many other divergences to which reference could be made because of their bearing upon the future of Australia, but they can be dealt with at another stage if necessary. Whilst I feel inclined to refer

to the wheat question it is, I think, necessary to withhold criticism until the Bill comes before us. It is plain, however, that the wheatgrower is to receive scant consideration. A very serious problem for the Police Department is the control of traffic in all directions. The department needs all the assistance possible, particularly from the Government and from those who administer the law. Assistance is required from the Government in the shape of funds, the department requires to be freed from political interference, and help is required from the bench in the shape of reasonable punishment to act as a deterrent. Car stealers cause a great deal of trouble and expense before a case can be proved and they are usually fined only a few pounds. Their treatment by the bench is ridiculous. A car costing hundreds of pounds may be stolen. On conviction the offender is fined a paltry sum. If, however, food or other articles are stolen the unfortunate delinquent has to serve a term in gaol. A car costing £500 or £600 may be stolen and in nine cases out of 10 may be badly damaged, but often enough the guilty party is fined a few pounds or given two or three months in gaol. That sort of punishment is no deterrent, and it is time that more drastic treatment was meted out.

The Chief Secretary: Do you blame the Government for that?

Hon. C. F. BAXTER: No, but I want to see the Act amended and the bench stiffened up. It must be remembered that the owner of a motor vehicle is heavily taxed, and surely he is entitled to receive more consideration than he has had from the bench in the past. Let members consider the erratic treatment that has been meted out to drunken drivers, which is a matter that calls for serious consideration. If one of those offenders is found guilty, surely a fine of 20s. is totally inadequate, more especially in view of the fact that people's lives are endangered. An amendment of the Act to deal with that phase is necessary.

Take the position of the public generally. I am afraid that many have drifted into a state of carelessness and to some extent they are prone to defy motorists. Frequently pedestrians, particularly young people, deliberately walk in front of moving vehicles, thereby defying the drivers. It is not only the consequences such conduct may have on

the pedestrians themselves but the effect on the drivers of motors. It will be realised that should a driver's foot slip from the foot-brake to the clutch, the inevitable result would be that a pedestrian would be hurled into the next world and the unfortunate driver of the vehicle would suffer in consequence.

Hon. G. B. Wood: The riders of bicycles are the worst offenders.

Hon. C. F. BAXTER: I am coming to that.

Hon. E. M. Heenan: That shows how difficult it is to generalise regarding penalties.

Hon. C. F. BAXTER: Quite so, but I hope the hon. member appreciates the point I am making. Too frequently people ride bicycles without any reflector or light on the back of the machines. Members can note what goes on any night they like to investigate the position. Young people are not the only offenders in this respect. I have seen many middle-aged men courting death in this way. If a motorist is affected by the lights of on-coming traffic, it is quite impossible for him to see a bicycle being ridden along the road in front of him. Particularly is this so when no reflector or light is carried on the bicycle. It does not matter so much about the front light because the machine is proceeding in that direction; the greatest danger is in respect of the absence of any light on the rear of the cycle. This phase should be dealt with drastically because it is not only the lives of cyclists that are threatened, for the unfortunate motorists are in danger as well.

There is another aspect to which I shall refer, and here the police have control over the situation. I refer to cyclists riding three and four abreast. That practice unfortunately is indulged in very frequently, and such conduct makes the life of motorists most difficult and trying. Doubtless in many cases the motor driver himself, or herself, is not blameless. There are many drivers—in the vast majority they are city drivers—who are extremely careless. I have driven in many capital cities and have noticed what goes on there. I can assure members that I have never seen elsewhere such carelessness as I have noted amongst the motor drivers of Perth. It is quite common for a driver here to stop his vehicle or turn it without giving any signal for the

guidance of approaching traffic. Some pull out a finger, but goodness knows what that may mean! Others let their arms flop carelessly outside the door. One wonders if such people have ever received any education with regard to traffic signals, or are they just too indolent to make use of them! As a matter of fact, one has to be a mind-reader if one is to drive a motor along Perth streets with any degree of safety.

Another reprehensible practice on the part of some drivers is to pull out from a kerb without giving any signal at all. That sort of thing happens time and again and calls for some greater attention on the part of the police. In past years there may have been a certain degree of slackness on the part of the police in connection with traffic regulations, but during the last 12 months the position in that respect has improved to a considerable extent. It has to be realised that drastic improvements cannot be achieved all at once because that would amount almost to a revolution. There is a lot to be done yet, and a hard task confronts the police. I certainly hope the Government will provide more funds to enable additional police to be put on to this work so that the people may be educated along these lines. The pedestrians require more horse-sense and there should be more common sense displayed by motorists. If those results could be achieved, the number of fatalities in the metropolitan area would be reduced and in that respect the position has been serious in the metropolitan area for some time past.

Turning now to the position in politics never before in the history of Australia—at any rate during my lifetime—has there ever been such bribing of electors as that which has been practised by Labour Governments in recent years. The wiping out of a lot of restrictions has been promised and likewise the reduction of taxation. If there are any restrictions wiped out and taxation reductions granted, it will be because of the forthcoming Federal elections.

Hon. G. Fraser: But taxation had to be reduced, no matter what Government was in power!

Hon. C. F. BAXTER: The hon. member makes me laugh when he makes such statement as that! If he takes his mind back, he will remember that a little while ago the Prime Minister, Mr. Chifley, stated

definitely that there could be no hope of any reduction in taxation. A few weeks later Mr. Menzies said that if his party were returned to power, taxation would be reduced 40 per cent. over a period of three years.

The Honorary Minister: And you talk about bribery!

Hon. G. Fraser: Yes, is that not bribery?

Hon. C. F. BAXTER: I will let members see what was behind this, if they will let me proceed. I will show the working of the iron hand that is ruling Australia today. Apparently, the Labour Caucus met and put the Prime Minister in his place, with the result that the Commonwealth Government had to agree to a reduction in taxation—but what a paltry reduction has been indicated! If Australia is to be placed on its feet again and the country is to function successfully, we must get rid of the present heavy burden of taxation. If the Federal Government possesses any commonsense, reason or ability, Federal Ministers must realise that taxation must be reduced reasonably so that the people will have more money with which to expand industry and indulge in other operations. If that end were accomplished, the Government would receive double the revenue that has been obtained in the past. I doubt, however, if Commonwealth Ministers have the foresight to appreciate the necessity for that being done or ability to take steps to accomplish what is required.

Hon. G. B. Wood: They might—just before the election!

Hon. C. F. BAXTER: Certainly, the people will get nothing from the Commonwealth Government after the election. What does the reduction in taxation so far indicated really mean to the people? We know that there is nothing definite about it because the necessary legislation has yet to be passed. Take the figures that have been published—they are the Government's own figures—and we find that the reduction to a married man on the basic wage will amount to £3 1s. per annum, or a paltry sum of 1s. 2d. per week. Is that not ridiculous? The taxpayer will not realise that he is enjoying a reduction at all. Is that not merely fooling the electors? By agreeing to this reduction, the Commonwealth Government seeks to placate Caucus and fool the people into thinking that they are receiving more than they actually are granted. The

taxpayers in the other grades are in much the same position. No-one will feel the benefit of the promised reduction, and it will not mean that more money will be available for the promotion of industries.

Hon. E. M. Heenan: Why do you describe that as bribery?

Hon. C. F. BAXTER: That is all it amounts to! The Commonwealth Government boasts that it has not increased taxation and in this instance the people are led to believe that the reduction promised to them means something appreciable. They will not know the real position until after the next election, because they will not have received their taxation assessments before then. Only at that stage will they appreciate that they are not getting much of a reduction in taxation at all. While the Commonwealth Government professes not to have increased taxation it must be remembered that Labour Ministers were guilty of one of the worst political actions known in Australia and probably in any part of the world. By a subterfuge they took the people down by charging them 15 months' taxation payable for a period of 12 months. All salary and wage earners had to pay the amount in 12 months while taxpayers in other categories were able to pay the impost over a period of three years. The fact remains that the Commonwealth Government required the people of Australia to pay an extra quarter's taxation, and there was no justification for that at all. It was absolutely dishonest on the part of the Commonwealth Government to impose that extra taxation. I will compare the different applications of the taxation systems and show how people are penalised by the concessional rebates compared with the old method of concessional deductions. I will deal with the 1944-45 period, as there are no later figures available.

Hon. E. M. Heenan: How does all this affect us as members of the State Parliament?

Hon. C. F. BAXTER: It affects us very much. It does not leave so much money in our pockets.

Hon. E. M. Heenan: What power do we possess to do anything about it?

Hon. C. F. BAXTER: It is just as well to let the people know what the position really is; the hon. member apparently does

not like the exposure. Take the position of a man who has a taxable income of £500 from personal exertion. He is granted a rebate of £100 in respect of his spouse, £75 for the first child, £27 for insurance and £15 for medical expenses, making a total of £217. Prior to the inauguration of the present system the levying of the tax was done on a different basis. Under the present system, with an income of £500 the individual is taxed on that amount and consequently, with a rate of 65.6d. in the £ applying, the tax amounts to £136 13s. Here is where the shoe pinches. Instead of allowing the £217 off, the taxpayer is only allowed the rate per £ on that amount with the result that his rebate is £59 6s. 3d. That means that the poor unfortunate who earns an income of £500 from personal exertion has to pay a tax amounting to £77 6s. 9d. If the tax were calculated on the net income as formerly the position would have been that from the gross income of £500 the £217 would have been deducted, leaving the taxable income at £283, for which the rate of tax applicable is 41.04d. That would mean an amount of £48 8s., which would be the tax to be paid. Under the present system the method adopted is the equivalent to an increase of £28 18s. 9d. in the tax or an increase of 60 per cent. This is the action of a Government that claims not to have increased taxation!

Let us bring the matter nearer home so as to meet the desires of Mr. Heenan. Let us see what a wonderful Government we have in this State with its promises of millions of expenditure, promises that are made so glibly. We hear that there are to be wonderful secondary industries established at Welshpool. This takes one's mind back 40 years to a period when the then Labour Government established fish shops, butchers' shops and so on, resulting in a tremendous loss to the State. What is the position today in the light of answers to questions put in the House earlier in the sitting? We find there is one concern on which £400,000 has been spent and after four years it has turned out £60,672 worth of products. What commercial undertaking or private individual would be content with a business run on those lines? Unfortunately, I have not yet had time to analyse the figures placed before us this afternoon.

Take the position at Wundowie, where expenditure has been incurred for some considerable time now. There has been no production whatever. The sum of £119,491, practically £120,000, has been spent there but nothing has been produced. I do not think anything will ever be produced there. What can Wundowie do in competition with a concern like that wonderful organisation which has meant so much to Australia, the Broken Hill Proprietary Co.? How can Wundowie turn out charcoal iron in competition with that company? Why does the Government undertake these concerns? An extraction plant has been installed at a cost of £80,000; I say straight out that the plant was installed in order to cover up the failure that has followed on the establishment of the Wundowie works. I ask, where is all this leading us? Are we to continue these concerns losing so much money? We still have the State Implement Works, unfortunately through an oversight on the part of one of our Ministers; and this Government has not the common decency to proclaim the amendment made to the State Trading Concerns Act. The State Implement Works has lost hundreds of thousands of pounds.

Hon. G. Fraser: Look at what those works did for the war effort!

Hon. C. F. BAXTER: Those works, in common with other concerns in Western Australia, only scratched the war effort.

Hon. G. Fraser: World-wide owners of shipping will tell you what has been done at the State Implement Works.

Hon. C. F. BAXTER: It is needless for me to deal with the many strikes and hold ups in industry; these have received such publicity that they should be well known to all. Most of the trouble arose from the pressure for higher wages, less working hours and longer time off for respite. This position in Australia over the past five years has been calamitous and has set the country back badly at a period following on the war when the greatest care, aided by economy and efficiency, should be taken. Australia is now facing a different era, a period where marked alterations must be made in the methods to meet competition from the outside world very much keener than has been experienced hitherto. Australia is not nearly as important to the world as the world is to Australia.



The Chief Secretary: Where did you get that idea?

Hon. C. F. BAXTER: We must face the fact that Australia is dependent on income from exports for the greater portion of her total national income. The 1930-33 period showed plainly that when the world's market failed us, we were immediately in trouble. It is equally plain that if we fail the world's markets, we—but not necessarily they—will also be in trouble. We fail the world's market if, through some policy which could have been avoided, we establish the prices of our exportable products beyond those markets. If our exports are to be maintained and our prosperity preserved our prices for exportable products must not only be within reach of oversea buyers; they must be competitive. When we prate so much about the expansion of secondary industries, it must be remembered that whilst such industries may be kept going for part of the year to supply our own needs, a market must be found for the surplus over and above those needs. There is nothing which Australia can produce which other countries cannot also produce. We have no monopoly, not even in fine wool, which now has to meet strong opposition from artificial products. That monopoly is gone, unfortunately.

Hon. E. M. Heenan: We have not a monopoly of strikes, either.

Hon. C. F. BAXTER: God help any country that has suffered worse than Australia has from strikes!

Hon. E. M. Heenan: What about America?

Hon. C. F. BAXTER: The American strikes have occurred since the war ended; there were no strikes there during the war. We had strikes in Australia during the war that caused the hold-up of supplies to our boys while they were fighting to save Australia for us. That did not happen in America. On the other hand, we have a variety of products which, if we produce them at all, must rely to a great extent for their disposal on other markets. Of course, that will be readily understood by members, who know that we must export. If we want progress and stability in Australia, we must pay strict attention to costs of production. Very little attention has, to our undoing, been paid to this most important matter in the past; Australia has been floating along

on unsound and uneconomic lines. I have not seen any move on the part of the Commonwealth Government, or any State Government, to formulate a scheme to meet the position that we shall be facing in a year or two. Shall we wait for that evil day when there will be another financial crisis worse than that suffered by us during the depression years, or are we going to put our house in order and meet the position?

The Chief Secretary: What do you suggest?

Hon. C. F. BAXTER: Now that the war is ended, conditions have arisen that make it no longer practicable to escape the penalty of a departure from competitive efficiency. If we ignore the fact of lower costs elsewhere, it will be doubtful whether we can even preserve our own market for ourselves. It is certain that we cannot acquire and hold our necessary reasonable share of other markets unless our production and costs can compete with those of other competitors. Everything likely to add to the cost-burden of industry should be carefully scrutinised. Costs of management, overheads, hours of work, output per man-hour, quality of products, wages, profit levels, industrial amenities and social benefits, all must stand the test not of their desirability alone, but of their comparison with conditions prevailing in other countries which will compete with us in the markets of the world and, in many cases, even in our own market. Those are the matters we have to consider if we are to meet the position facing us.

In the past, Great Britain has provided an excellent market for Australian commodities, but the drain on her resources during the war has turned her from a creditor nation to a debtor nation, and consequently she is forced to reduce her imports and expand her exports. To do this, she will have to produce much more of her foodstuffs at home, and increase her exports by keeping the quality of her exportable goods up and prices down. Is it not plain that she will not require so much of our products and that our main products will have keen competition from British agriculture? Australia in the last complete pre-war year took 42 per cent. of her imports from and sent 51 per cent. of her exports to the United Kingdom. In the ten years before the war we exported 75 per cent. of our wheat, half of which went to Britain; 51 per cent.

of our butter, 94 per cent. of which went to Britain; 50 per cent. of our sugar, 94 per cent. of which went to Britain; 74 per cent. of our dried fruits, 70 per cent. of which went to Britain; 40 per cent. of our apples, 82 per cent. of which went to Britain; 30 per cent. of our meat, 95 per cent. of which went to Britain. Members will realise that Britain will not take even half the quantities which she took from us before.

What is Australia going to do to meet this position? The tendency here is to reduce hours of work without a reduction in wages. The stoppages through continual strikes and other industrial actions taken by unions show little thought for the future; while the reduction in output per working day which has taken place and continues over a wide range of industries is disastrous and will react with far-reaching results inimical to the interests of the workers themselves. Mr. Fraser is very concerned about the fact that a dwelling which cost £913 before the war now costs £1,250, or £340 more. We have not far to search to find the reason. Increase in wages alone accounts for £36 of that sum; and, according to the Department of War Organisation of Industry, another £76 is due to the loss of manpower output. In other words, the workers are slackening to such an extent that an increase of £76 has occurred.

Hon. G. Fraser: That was not my charge at all. I said that the builders were charging 20 per cent. above labour and material costs.

Hon. C. F. BAXTER: I have not finished yet. So far, I have dealt only with the buildings; but everything supplied to the building suffers in the same way. There have been increased wages besides a slackening of effort in regard to those supplies. We therefore have not far to search for the increase to which Mr. Fraser referred. Added to that is the fact that, except for a few export commodities, all forms of primary production have been artificially aided either by home price schemes or direct bounties. Is Australia to continue pandering to the urge of reactionaries, whose demands know no bounds, until such time as disaster falls on us? Is Australia to allow sections to continue to trample on the laws of the country? Will there be no move made to prepare to meet the necessary demands of lower costs in order that we may compete with other

countries? Is the position to be allowed to drift without any move being made to prepare us for what must ultimately come—period when it will be most difficult to dispose of anything that we export, and of which the country exists? Our financial requirements outside Australia have to be met. We have interest that we must pay on moneys owing to other countries. How is that to be done if we export nothing? What can we export in competition with other countries when the world gets back to a settled state? We know perfectly well that there will be a big slump throughout the world.

To me the future is frightening. No move is being made by any of our Government to put our own house in order so as to be prepared for the time when Australia must compete with outside countries. The Australian workman stands second to none, but what do we find? He dare not give of his maximum. Compare the few paltry bricks laid by a bricklayer today with what was done 20 to 25 years ago! It is the same throughout all industries. Unless the Australian workmen give of their best, then pit help Australia! If they are going to continue in the golden hope that they will get high wages for very little labour, the day will come when they will suffer, along with the rest of the population. I hope that the Governments of Australia realise what is before them. We must prepare to meet the outside markets with our products. If we make that preparation gradually but surely, without suffering to anyone, we will avoid a great deal of the misery that we otherwise cannot hope to avoid. I support the motion.

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

**BILL—SUPPLY (No. 1), £2,700,000.**

Received from the Assembly and read first time.

*House adjourned at 5.50 p.m.*