

Hon. H. Tuckey: Would you increase the number of members of this House?

Hon. H. S. W. PARKER: No, I think the present number is quite sufficient, but I would alter the distribution.

Hon. L. B. Bolton: Will you agree that the existing number of members of this Chamber is too great?

Hon. H. S. W. PARKER: No, that is quite another matter. Dealing now with the Licensing Court, I would remind the House that originally that tribunal was established for the purpose of reducing the number of licenses in existence. The court fulfilled that objective long ago, and in my opinion a great saving of money could be effected by entirely abolishing the Licensing Court and allowing the stipendiary magistracy to deal with matters that now go before that court. I want it to be understood that in making these references I am not reflecting upon the personnel of the court but am merely discussing the principle involved. Our stipendiary magistracy is on a very solid basis and throughout the magisterial districts the officials I have in mind are quite capable of carrying out the functions now fulfilled by members of the Licensing Court. I sincerely trust our laws will be enforced, and I will do all in my power to improve conditions generally. This I can do because, as was stated in public quite recently, I am entirely free and untrammelled by any party considerations in or outside this Chamber. I have much pleasure in supporting the motion for the adoption of the Address-in-reply.

On motion by Hon. H. V. Piesse, debate adjourned.

House adjourned at 6.9 p.m.

Legislative Assembly.

Tuesday, 15th August, 1939.

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

ELECTORAL—SWEARING-IN OF MEMBER.

Mr. SPEAKER: I am prepared to swear in the member for Nelson.

Mr. J. H. Smith took and subscribed the oath and signed the roll.

ADDRESS-IN-REPLY.

Fifth Day.

Debate resumed from the 10th August.

MR. W. HEGNEY (Pilbara) [4.38]: I do not think I can preface my remarks in a more appropriate way than by supplementing the comments of the Leader of the National Party upon the previous member for Pilbara. I ascertained that he was a very popular member of this Chamber; I also found that he was equally popular in his electorate. Mr. Welsh is a man of magnetic personality and is 100 per cent. Australian. While the members on this side of the House will no doubt be pleased politically that he did not win the last election, I can quite appreciate the high esteem in which every member of this Chamber held Mr. Welsh. You, Mr. Speaker, and the Chairman of Committees, have my sincerest congratulations upon your election to the responsible positions you hold. You both have had wide Parliamentary experience, and I feel sure that you will discharge the duties of your respective offices to the satisfaction of members. The two new Ministers also have my best wishes. The member for Kimberley is thoroughly acquainted with the North-West and is fully seized of the spirit dominating the people there. I have no doubt he will make an ideal Minister for the North-West, as did his predecessor.

I was rather impressed by the speeches of the Leader of the Opposition and the Leader of the National Party. Both appear to have the confidence of their followers and seem well fitted for the positions they hold on your left, Mr. Speaker, positions which I hope they will continue to retain for many years to come.

I desire to address myself to a few matters, mostly of a local character. It must be remembered that the Pilbara district is growing and that we are looking forward to a measure of prosperity in that part of the State, particularly as regards mining. Members will agree that people in the out-back centres of the State are reasonable and fair in the submission of their requirements. The proposals I shall submit are, as I have said, of local importance, and I think will be considered reasonable. The first concerns our water supplies. We have heard speeches from previous speakers on the question of water supplies for the agricultural and gold-fields areas. Port Hedland at present is supplied with water which is carted from Poondina by rail, a distance of 20 miles. The cost to the consumers is 3s. 6d. per 100 gallons. In addition, the residents are obliged to pay a further charge for water, which unfortunately is unfit to drink, from the local scheme. I understand that some time ago a survey was made of the Turner River, about 20 miles from Port Hedland; and that, after the report had been submitted to the appropriate Minister, the then Treasurer (Hon. P. Collier), actually approved of the construction of a water scheme for Port Hedland. If the scheme was considered necessary then—about eight or nine years ago—it is more than ever necessary now. Only a couple of months ago a flying boat, with Captain Taylor in charge, made a survey flight over the Indian Ocean as far as Africa. The boat took off from Port Hedland. Owing to the natural advantages of the port, the fuelling of the plane was carried out expeditiously. I submit it will not be long before Port Hedland is the most important port on our coast from a commercial and defence point of view; and, in all sincerity, I urge the Government to give favourable consideration to the inauguration of the water supply scheme. As regards the financing of the scheme, I suggest it may not be out of place to secure the co-operation of the Federal Government.

Mr. Marshall: Port Hedland is the natural port of that district.

Mr. W. HEGNEY: I am glad of that interjection. The town of Port Hedland is backed by a strong pastoral area, and in addition is the natural port for the whole of the mining district of Pilbara. I was pleased to note from the Speech that the Government proposes to extend the activities of the Workers' Homes Board. For some time there has been a shortage of housing accommodation in Port Hedland. I have in mind four young men who hold what might be termed permanent positions in the town and who are unable to obtain reasonable housing accommodation. If the Government could see its way to extend the activities of the board to the Port Hedland district, I believe the project would prove to be sound. Various people advocate an increase of population in the North-West, and no better way could be devised to achieve that end than by encouraging married couples to settle there.

Another matter of outstanding importance to the people and the progress of the district, more particularly at the Marble Bar end, is that of the mail service. Those who live in the metropolitan area would experience difficulty in trying to visualise the position of the people located at Marble Bar. The train from Hedland to Marble Bar is run to suit the convenience of the boats. In one week the train might leave Hedland on Wednesday, and in another week on Friday, and pastoralists are obliged to travel long distances to the sidings only to find that the train is not running until the following day. If the train does not proceed to Marble Bar on Wednesday, the mail to Nullagine is held up for approximately a fortnight. All that the people ask is that the mail service from Hedland to Marble Bar be run regularly every Wednesday. Business people in Marble Bar and its environs find the present irregularity of the service very inconvenient to the carrying on of their affairs. I trust that the Minister for Railways will take a broadminded view of the question and ensure that the people are given a regular service. Formerly a small special motor coach was put in commission between Hedland and Marble Bar so that a regular service would be provided.

The State Shipping Service is a matter of vital importance to the people of the North-West. At the inception of the service a great deal of hostility was displayed by Labour's opponents, but I doubt whether any member of the present Parliament would be prepared to suggest that the service should be discontinued. It has proved of considerable benefit to the people of the North-West, and they certainly appreciate what it has done for them. The concession fares granted to women and children are greatly appreciated by those concerned, and I suggest that the concessions, with limitations, should be granted to adults at certain periods to enable them to travel to and from the metropolis without incurring excessive expense. At times residents of the North experience difficulty in obtaining berths on the State vessels owing to the tourist traffic, which traffic of course, should be encouraged, and what is really required is another boat to run between Fremantle and Hedland. At the risk of incurring the hostility of members elsewhere, I suggest that the "Kybra" be taken from the south-eastern run, because the South-East and South-West are served by railways, and be utilised exclusively on the run between Fremantle and Hedland. Much freight now obtained by boats carrying black crews would thus be diverted to the State Shipping Service.

The season in the Pilbara and certain other pastoral districts has been a good one. At the same time difficulties similar to those confronting the wheatgrowers face the pastoralists. Wool prices are low, and one of the consequences is that shearers and shed workers generally find their periods of employment considerably curtailed. The reduction of certain freights and the remission of land rents has been a fine gesture on the part of the Government, and any other proposition submitted by the Government to alleviate the difficulties of the pastoralists will certainly receive my support.

As regards mining, it is gratifying to know that there are indications of a reasonable increase of population in the Pilbara district. A scheme known as the Government Prospecting Scheme has been in operation on the Eastern and Murchison Goldfields for some years, and I understand that as a result of this policy, much good has accrued to the State.

I suggest to the Minister for Mines that the scheme be extended to the Pilbara district. In the Nullagine, Eastern Creek, Bamboo Creek, Marble Bar and other areas, there are fair possibilities of further good shows being found, and only one decent discovery need be made to repay the Government for its outlay. There are men—those engaged in prospecting in that district are of a fine type—who would not avail themselves of any Government assistance because they are able to battle along on their own resources, but there are others who, given a little assistance in the direction I have mentioned, would be enabled to carry on prospecting and thus help the development of this outback part of the State. I am quite in agreement with the member for Mt. Magnet (Mr. Triat) in urging a reduction of State Battery treatment charges. In the Marble Bar district the charge is 2 dwts. 12 grains, and the Prospectors' Association is urging a reduction to 1 dwt. 8 grains.

Prices of commodities are excessively high in the district. Bushell's tea, for instance, at Nullagine costs 3s. 3d. per lb. Potatoes and onions cost 7s. per stone, and sugar 7d. per lb. Tinned meats and other foods are proportionately high in cost. Thus it will be seen that any relief granted to prospectors there will be for the benefit of the district.

The question of a loan to the Barton mine, some 14 or 15 miles from Nullagine, has been before the Mines Department. Some years ago a loan was granted to a private person to assist in the erection of a battery at the 20-mile. More recently the department has refused to grant an advance to Messrs. McKenna and Gallop of the Barton mine, who desire to erect a five-head battery. The discrimination shown has caused a certain amount of feeling along the Nullagine belt. I realise that the Minister for Mines must necessarily be guided by the reports and advice of his responsible officers, but in all sincerity I again appeal to the hon. gentleman and the department to reconsider their attitude. I wish to refer the Minister to the reports of Mr. Gibb Maitland, Mr. Blatchford and Mr. Montgomery, and to a report of more recent date by Mr. Finucane. I shall not touch on other matters relating to the Pilbara district, but would like to comment briefly on certain legislative proposals of the Government for this session.

In connection with superannuation a retiring age of 65 years has been laid down as a matter of Government policy. I understand that this applies to all employed in the Government service, whether on wages or salary. It is my emphatic opinion that everyone in Government employment, including the Public Service, should be subject to the same restriction.

Mr. Warner: Hear, hear. Members of Parliament, too!

Mr. W. HEGNEY: There should not be one law for the man on the basic wage and a different law for a man who happens to be high up in the Public Service and for some reason is retained after having reached the retiring age. I hold the opinion that no man is indispensable; that no matter what work he may be engaged upon, arrangements can easily be made to have him relieved when he reaches the age of 65 years. This retiring age having become law, I hope it will apply equally to all Government employees, whether on a salary of £1,000 a year or on the basic wage.

I am pleased to know that the Government intend to introduce legislation amending the qualification of electors for the Legislative Council. The platform of the movement with which I have the honour to be associated provides definitely that the franchise for the Legislative Council shall be adult franchise. I have often wondered why the Western Australian people have so long tolerated the present system. To this Chamber members are returned on the basis of adult franchise. On the other hand, in order that one may have a vote for the Legislative Council one must possess property up to the value of £50 or fulfil certain other requirements. What is the position from the Federal aspect? The Australian Parliament consists of two Houses, one of which, the Senate, may be likened to our Legislative Council.

Mr. Holman: It could not be like that!

Mr. W. HEGNEY: The Federal Parliament has full powers in relation to defence, finance, and other questions of Australia-wide importance; and yet both branches of that Legislature are elected on the simple basis of adult franchise. In spite of that fact, in the case of a State Parliament constituted of two Houses one must own property of a certain value or pay an annual rental of a certain amount before one can have a say in the election of members of

another place. That is equivalent to minority rule. I hope that the proposed Bill will drastically liberalise the franchise for the Upper House.

Employment and unemployment are matters of State-wide importance. The Premier's attitude regarding appropriation of loan moneys for public works or assistance to the wheat industry has my full concurrence. However, I do not believe that those engaged in the wheat industry desire to be assisted at the expense of men on part time or actually unemployed. Such a step, though assuredly it would not relieve the major problems confronting the wheat industry, would on the other hand accentuate the present unemployment position. I hope that conditions generally will shortly improve to such an extent as to enable the Government to place all men engaged on public works on a full-time basis. The wage earners now employed on public works have certainly borne the brunt of the depression. As regards the conditions of these workers, attention might be given to the supplying of flooring for tents and of stretchers for men obliged to camp on the job, more especially in the wetter districts during the winter months. I know that the Government is doing its utmost to engage men; but if anything could be done to alleviate the conditions of workers who are compelled to camp in the scrub, it would be money well spent.

This leads me to remark that the Government's attitude in regard to arbitration awards and industrial agreements has been most commendable. In its dealings with men on public works, the Government has observed the appropriate awards and agreements. That is in striking contrast with the attitude adopted by the Government of 1930-33.

The Minister for Labour: Of which Mr. Baxter, M.L.C., was a member.

Mr. W. HEGNEY: I have a vivid recollection of what took place in those years with regard to wages and industrial conditions. One of the first acts of the then Minister for Works, Mr. Lindsay, was to retire from the industrial agreement that existed between the Australian Workers' Union and the Minister for Works. In a letter to the union, the Minister used the word "retire"; but I have no hesitation in asserting that the better word to apply to his action would have been "repudiate." The agreement that had existed for some years,

although not actually registered in the Arbitration Court, had been arrived at by negotiation and private arbitration. It had been accepted by the various parties concerned for some years; but in 1930, when the National-Country Party Coalition Government took office, it was repudiated. Among the many matters provided for in the agreement was that a worker was entitled to one day's holiday pay for each calendar month of continuous service. The Government of the day overcame that obstacle by breaking the service of a worker before the calendar month expired.

Hon. C. G. Latham: That is being done to-day.

Mr. W. HEGNEY: On the contrary, the position to-day, as the result of negotiations with the Government, is that any worker engaged upon public works receives, if he has worked six full days, pro rata holiday pay. That is the difference between now and then. The men's service was broken prior to the expiration of the calendar month during the National-Country Party Government's regime, but to-day each Government worker receives pro rata holiday pay after six days' continuous service. That means a lot to men in receipt of the basic wage. This brings to mind a statement made in another place by an hon. member who was a Minister in the National-Country Party Government of 1930-33. I understand I am not permitted to mention names.

Members: Go on!

Mr. W. HEGNEY: I say it ill-becomes Mr. Baxter—

Mr. SPEAKER: Order!

Mr. W. HEGNEY: It ill-becomes the member representing the East Province in another place—

Mr. Needham: Which one?

Mr. Marshall: We all know the member referred to.

Mr. W. HEGNEY: It ill-becomes that hon. member to hold himself up to-day as the champion of arbitration. The vitriolic outburst of the member of another place was ill-timed and unwarranted in view of the performance of his Government during its term of office.

Mr. Thorn: He seems to have got a bite from you.

Mr. W. HEGNEY: That hon. member has his hands pretty full at the present time, and I do not propose to hold a post-mortem on his attitude beyond mentioning

that no consistency is evidenced in the charges he has levelled. I happen to know of the work of some of those whom he has thought fit to mention. As a member of the State Disputes Committee of the Australian Labour Party I have been associated with the officers concerned for 11 years. I can say quite sincerely that the men occupying those offices have done everything possible to preserve industrial peace. They have carried out their duties in a responsible manner, and at all times have worked in the interests of the people of the State. It may be desirable to emphasise that point in view of the attitude adopted by the hon. member of another place. Certainly it is just as well that the great bulk of the employers do not display such an obtuse mental outlook on matters of this description as that displayed by the member of the Legislative Council.

I hold that the result of the recent general elections was a manifestation of the public's confidence in the soundness of Labour's general policy as pursued for some years past. Despite the forces arrayed against the Government during the course of the election campaign, Labour's policy received marked endorsement. I have no doubt that the legislation that will be introduced during the next three years will have as its basis the welfare of the people of the State and of industry generally. As to my own electorate, there are, as I mentioned at the outset, indications of prosperous times ahead. People in that part of the State appreciate what the Government has done; and in view of the fact that some Ministers have visited my electorate, I believe they will take a reasonable and broadminded view of any proposals submitted on behalf of the Pilbara district. Personally I shall endeavour to pay strict attention to the business of the House. I shall adhere to the policy upon which I was elected to this Chamber, and shall do my best in the interests of the people of Western Australia generally.

MR. NORTH (Claremont) [5.6]: I wish first of all, Mr. Speaker, to congratulate you upon your appointment to your present high office. Ever since I have been a member of this Chamber, I have noticed that those elected to the Chair have always been men of prominence who have been powerful in debate. They have possessed strong voices

for the discharge of their duties on the floor of the House. I have often wondered if those attributes formed the recommendations for Speakers who have been elected to preside over the debates in this Chamber. I well remember the late Hon. George Taylor, who in his day was regarded as a sterling, champion fighter for the oppressed. Then we had the late Hon. Thomas Walker, said to be one of the greatest orators in the State, and also a champion of the oppressed. I could follow down through the years until I arrive at yourself, Mr. Speaker, who have been known as an outstanding champion of the under-dog. I certainly begin to think that there may be those who will sleep more peacefully now that you, Mr. Speaker, are in the Chair—not to mention legal practitioners! Then I have in mind your deputy, who has been appointed your Chairman of Committees.

Mr. Needham: He is our Chairman of Committees.

Mr. NORTH: I am sure that in future those associated with international finance will be able to breathe more freely now the member for Murchison (Mr. Marshall) has been elevated to the Chairmanship of Committees. When a member is first elected to a seat in this Chamber, he does not always appreciate the importance of the Speakership. He realises, of course, that Mr. Speaker is the individual responsible for the maintenance of law and order within the precincts of the House. When I appreciate what strong attacks have been made by you, Sir, upon the problems of the day, while congratulating you upon your elevation to the Speakership I regretfully remind the House that we have lost a very active fighter on behalf of the under-dog.

I desire to extend my congratulations to the two new Ministers and to wish them success in their future careers. As to the new members who have spoken, I think it will be agreed generally that they have impressed the Chamber with their ability and their coolness under fire. Had I not had some years of experience of Parliamentary life, I would indeed feel rash in following the member for Pilbara (Mr. W. Hegney). Hon. members may be interested to know that on this occasion I have no burning questions that I wish to stress at length. From time to time I have dealt with burning questions of the day, and on occasion I have perhaps unduly stressed them before mem-

bers. I can remember dealing with one matter in a speech extending over two hours. That was a shocking thing to do, and I know the speech was altogether too long. Appreciating the fact that Beethoven and other famous musicians composed symphonies and sonatas that could be played through in 20 minutes although upwards of six months or more might have been occupied in their composition, I frankly admit that the time I occupied in dealing with that particular subject was outrageous. In future I shall endeavour to restrict my speeches to not more than 25 minutes. If we were all to aim at the same objective, it would facilitate matters considerably. Of course, I am quite well aware that it would not be possible for Ministers or leaders of parties to confine their speeches within that comparatively brief period.

Hon. C. G. Latham: Or even would-be leaders.

Mr. NORTH: We should thereby improve upon the conduct of Parliamentary proceedings, which would enable the Press to give us better reports, and would be an indication of our desire to move with the times. These are not the days for long, ponderous speeches full of rolling periods and wise saws, which had their appeal in past decades. The rhetorical efforts of Gladstone and other great statesmen of note in the history of the Mother of Parliaments would carry no appeal to-day, when weight does not attach to long speeches as in earlier times. We now look for action and direct appeal, with less of what may be termed "padding." As a student of music to some degree, I have often realised that even some of the great composers have indulged in padding, so that we can very well refrain from listening to many passages. Personally I think it would be an excellent move if we compressed our speeches considerably.

The Minister for Mines: You would not wish to listen to a lot of the modern music?

Mr. NORTH: That is quite true.

Mr. Withers: Much of it goes with a swing.

Mr. NORTH: All I know is that I do not care to listen to swing music myself. I do not understand why people want music of that type, and I certainly do not wish to swing behind the trend of modern music. However, there are many problems

facing the world to-day, and experts are engaged upon investigations. When first we hear of problems, some of us are too apt to endeavour to grapple with them straight away. I was deeply interested in the speech by the member for West Perth (Mr. McDonald) who addressed the House much earlier in the debate than usual. He referred to the position of men on relief work, and his comments were quite adequate and require no elaboration. Every member is anxious to improve the position of sustenance workers. That improvement must be effected step by step, so that all who are suffering from the results of our economic situation may be helped.

The member for West Perth struck a new note when he advocated assistance for the wheatgrowers, and later advocated the socialisation of ground rents. That emphasises the fact that the world is reaching a stage at which there must be a definite break-away from tradition on the part of all parties. Such a change is inevitable if we are to survive. In the past I have repeatedly dealt with various topics affecting our social system, and these included a proposal for an exhaustive investigation of our banking and economic problems, to which this House agreed. The matter was subsequently taken up in the Federal Parliament, and a Royal Commission was appointed. Then again I advanced the subject of the distribution of our unsaleable commodities. That problem is also now being attacked by the American Federal Government which has selected 13 cities in which to carry out a number of investigations.

Mr. Marshall: I think you must have given them a lead by means of your motion.

Mr. NORTH: My motion was not altogether along the same lines, and I do not claim any credit for what is happening in America. If during this session I am silent about certain reforms that I would like to see instituted, it will merely be because those subjects are now being tackled by higher authorities. For instance, the Commonwealth Royal Commission on Banking has issued a report, but I am afraid very few people have read it although it was published about 18 months ago. I do not blame people for not perusing it, because it is a voluminous document. I am hoping, however, that the Federal Parliament will turn to that report more and more as

the years go by, in order to secure a lead from the recommendations of the Commission. The fact that so many millions can be provided for defence so much more easily now than in the past, is an indication that confidence may have been established amongst those who are charged with the responsibility of devising such huge schemes involving the expenditure of millions of pounds, and this may have arisen from the tenor of that report. Members will recall that two or three years before that report was issued—say six years ago from now—we could hardly find money to feed the unemployed. Yet to-day we can find £70,000,000 or £80,000,000 in this comparatively small country for defence and other huge schemes. So that Commission has been useful, and will be increasingly useful as the report is studied. Referring to the disposal of surplus produce, a problem that is now the subject of experiments in the United States, I feel that there is no need for me to burden this House with further motions on that subject, since we shall be able to learn from the first-hand experience of that great democracy across the seas. Furthermore, the point arises whether the Federal Parliament is not the best body to deal with matters of this kind. Perhaps I was not altogether in order in bringing the subject before this House. It may be that the Federal Parliament is the competent authority to decide how the disposal of surplus produce should be financed. However, I am leaving this point alone, because the subject has been dealt with by higher authorities.

The member for West Perth (Mr. McDonald) mentioned another vital matter, namely, the relations between the Federal Government and the States. He said there must be some drastic alteration if we are to carry on satisfactorily as a community in the future. I fully support that view, and feel that if a Constitutional session is convened in the near future much good should come from it. When I look around the country, and observe some of the difficulties from which we suffer, it seems to me that many of them are due, not to inefficiency of civil servants and directors of the various departments, or of the Ministers controlling those departments, but to the overlapping and hindrances that have arisen under the Constitution, owing to the passage of time. For instance, Australian

railway systems would have a far better chance of success if certain alterations were made in the Constitution in that regard. No other country in the world of our size and with our future—for we expect to become a large industrial nation of 40,000,000 or 50,000,000 people—would tolerate as long as we have the continual breaks of gauge. It is obvious to all of us, however, that while we have six States and five or six railway systems operating and all trying to provide a return, there will never be a satisfactory condition of affairs. Until there is some alteration in the Constitution that will enable the States and the Federal Government to approach from a more logical point of view such questions as the saving of the tremendous cost involved in the building of variegated locomotives, the standardisation of workshops and similar problems, we shall never secure the economic and engineering and other changes in the railway system that are so badly needed.

What is the function of a member of Parliament? I sometimes ask myself that question. During the last election I was invited on two or three occasions to support the candidature of my brother, who was ill-advised to stand for election at such a stage. His doing so placed me in an awkward position, and also embarrassed my friend the member for Swan (Mr. Sampson), whom I know so well. Still, the young man had his supporters and this is a free country. During that campaign I was able to say a few things outside the Claremont electorate, which was rather a pleasant experience. I told audiences a few facts that I never dared to mention, or rather never had an opportunity of mentioning, in my own district. The experience was rather amusing. What I said was this—and I am not going to say whether it applies to Claremont or not. I was making general observations as an ordinary supporter of a candidate, having of course first eulogised the member for Swan. I took that precaution, because I think we all agree that he is one of the most active members in this House—

The Minister for Labour: What do you mean?

Mr. NORTH: This is the point I tried to make, and I think there is something in it. I said in effect, "Here we have all these problems before us in the world; not merely in Western Australia, but in other coun-

tries. What does the average elector expect of his member? Does he want the tariff question and the unemployment question and the question of the indebtedness per head of the population solved? Does he want a member who will attend this dog show to-night and that cat show to-morrow and other functions next week and a hundred and one other gatherings of that sort? Is that what members of Parliament are here for?" That is what I said to my audience; but not to the Claremont electors. I said, "How are we to solve these huge economic problems if we are going to spend all our time at functions you desire us to attend?" And they came up to it, too. They rose to the point. They saw the position in a minute.

Hon. P. Collier: They have been well trained by their member.

Mr. NORTH: The world is slipping down the abyss. Here we have Hitler strutting the stage. All of us are being stampeded week by week. But what are we asked to do by the public? If I am any judge, we are asked to spend 75 per cent. of our time attending functions such as I have mentioned. I have gloried in making speeches of that kind outside the Claremont electorate. I have pointed out that there are many functions I have not attended because I have been trying to study up some of the important issues that confront this country. That may explain why I have spoken here too long in the past. Something of importance has happened with regard to these questions in other places. I get stories from other countries, and from my friends in different lands; and I find that throughout the democracies people are demanding that their members should attend various shows, and that as a result Parliamentarians are definitely losing their grip on the main issues. Even our logical faculties are being distracted as I shall endeavour to demonstrate before sitting down. I claim that we are not able to bring to bear on our public questions the same precise and concise logic that the housewives apply to their problems.

Hon. P. Collier: Some of them.

Mr. NORTH: This State Parliament stands definitely between other higher authorities and the electors. In this House we are forced to be much more careful in expenditure than is the Federal Government,

which has more money to spend. The British Government is even better off. It deals with affairs of much greater magnitude than our affairs, and has far more latitude than we. It is able to lose millions of pounds: a great hue and cry is raised, but the whole matter is almost forgotten the next night. On the other hand, if we lose £100,000 we feel the loss badly. But our grip on world problems is weaker, because we have not been able to give sufficient time to the study of such matters. Often I have thought as I have sat here—just one of the humbler members of this Chamber; I have never claimed to be one of the greater front-benchers—what a great thing it would be for this place if such men as the member for Nedlands (Hon. N. Keenan) and the member for West Perth (Mr. McDonald) could be pulled out of their legal offices and made to give their whole time to the problems with which we are faced. I believe we would gain a lot more from them—much as we gain now; for they shine whenever they rise. But there is a vast amount of knowledge to be secured concerning economic and other problems and the state of the world to-day; and it is not possible for them to make the necessary close study of these matters and at the same time pay strict attention to the professional and other duties that engage them outside this Chamber. At the present time people in various countries—notably Alberta, Sweden and New Zealand, and leaving aside the United States—are conducting highly interesting experiments involving a break-away from old regimes.

Mr. J. Hegney: They are doing pretty well in Alberta.

Mr. NORTH: I am not saying at the moment whether any of these experiments are right or wrong. But, whatever our politics, we should be able to study those experiments closely. From a few inquiries I have made I have learned something about the problems New Zealand has to face; and things are not just as they are stated to be in the abridged cables of the Press. I should like to see more comprehensive statements of the position in that Dominion than we are getting. The position existing in Alberta should be closely studied also. More facts about these places should be obtained. I am not sure that we have any data on the past in Australia.

From hearsay information I gather that there are in Alberta some Treasury Boards that are increasing the finances in some degree.

Mr. Marshall: Credit houses.

Mr. NORTH: We are not told anything, and we should know these things. Who are we to say that our system is working all right? I am not advocating that this Government or any Government should change the present system. The present Government has been returned by the people, and has every right to carry on as it has done in the last few years. But we have a duty to our electors, and that duty is to keep ourselves abreast of the times and to learn what is happening in other countries. And if we know that definite changes are being made not only in countries with a constitution like that of New Zealand but in provinces like Alberta—which is closely though not entirely akin to our own State—if we know that in such places experiments are being tried that are increasing trade to such a degree that Alberta, at least, has the best record for prosperity of any of the provinces in Canada, we should obtain all the information we can and study it.

An even better example of progress is Sweden. That country has achieved such a measure of success that our own Broadcasting Commission, which as a rule is sufficiently orthodox not to encourage any heresies in politics or administration, has arranged for addresses to be given on the progress of that democracy. The claim is that Sweden is the only country in which democracy is operating successfully. Only two addresses were planned. I heard one of them. If hon. members care to listen in to the second talk to be given by a man straight from that land, they will learn that Sweden to-day has solved practically all the problems that still confront us. One of the remarks made by this gentleman was that there are no undernourished children in Sweden. He mentioned that the price of milk was 4d. a quart, delivered in a bottle at the door. Another item he mentioned was the reduction that had taken place in the cost of electric current from 2s. to 11d. All this has been done, but not by any change in the financial system, or by any of the other kinds of changes that have been advocated in this

House. It has been achieved through the co-operative societies, a fact that would please the member for Guildford-Midland (Hon. W. D. Johnson) if he were here. The societies did not achieve these results by doing as the speaker claimed the co-operative societies in Australia did, namely by charging the same prices as outside firms and providing better dividends for those in the societies, but by reducing prices to such an extent that goods are almost given away, and making only a very small profit—something like a penny in the pound. In this way outside firms have been compelled to bring their prices down to a reasonable level. He showed that one of the results of this change was that in Sweden, with its population of a few millions, the national debt was equal only to the interest on our national debt for two years. That country is getting along very well.

Mr. J. Hegney: Is not your 25 minutes up?

Mr. NORTH: Very soon. We should have information of this kind. Instead of discussing nebulous matters we might, if possessed of the necessary information, find a simple solution for our troubles awaiting us around the corner. I should like to see the Government use its newly appointed board, under the Ministry for Industry, as a bureau of information, with a view to obtaining unbiassed reports of the various democracies with which experiments are now being made. We might at very little cost to ourselves contribute largely towards an improvement in the system of governing and administering the affairs of the country, without having to lose any face. As things are at the moment reformers are not required in Western Australia. That is proved by election after election. This is a very conservative country, and we believe in leaving things as they are.

In the course of his remarks on one occasion the member for West Perth (Mr. McDonald) said he was very interested in what was going on in New Zealand. He wished the people there all the luck in the world, but added, "Thank God these things are not being tried in Western Australia." That is a logical attitude to take up. We have all our experiments ahead of us. We need only apply the experiments to ourselves in those instances where they have been successful.

What a happy position we are in! If when I joined the House 15 years ago I could have foreseen how things would turn out, I could have saved myself a lot of time and many evenings spent in this Chamber. None of us could foresee what would happen.

Mr. Cross: Are you not going to talk about trolley buses in Claremont?

Mr. NORTH: We may make many mistakes in our early speeches. I am no exception, and plead guilty to having made many mistakes. It is remarkable how things come out in politics when one works for them. I remember nervously making a maiden speech some 15 years ago, when the new Labour Government had come strongly into office. The member for Boulder (Hon. P. Collier) was waiting to jump upon me and cross-question me. I talked about the Collier power scheme, secondary industries, and nervously made a number of nebulous remarks such as members do make in the early stages of their Parliamentary career. One thing I remember clearly, and that was in 1924, advocating in Claremont that a temporary wooden bridge should be erected over the Swan River until a permanent steel bridge could be built. Now, 15 years later, the bridge is actually nearing completion. This shows how wrong I was in thinking as I did that the old bridge would collapse with the first big motor bus or lorry that passed over it. The structure has stood all tests. It has carried us through, and we are still using it. This shows how wrong we can be in our judgment.

Mr. Withers: You had better have the new one pulled down.

Mr. NORTH: It is almost completed, and will serve all purposes. It all goes to prove how we may exaggerate problems that confront us, and how easily those problems are smoothed out as time marches on. I will not weary the House by dealing with local requirements. I shall have an opportunity by means of questions and the necessary motions to deal with such matters. When we come to deal with motions, of course we give way to the member for Subiaco (Mrs. Cardell-Oliver). Possibly I shall find myself supporting her in some of the motions she intends to submit.

I have not yet touched upon one of the main points I desired to stress. We have been practically dragged off our feet by zealous electors who wished us to

attend dog shows, flower shows and other shows, with the result that we may have neglected world problems. I admit that as things have turned out, we have not to worry about them so much, because something very significant has come about. Many people say that those who manage the finances of the country should govern the country. I have always understood that finance was government and government was finance. It may be true in part that those who control credit have a lot to do with the control of governments. There is also another force in the world, the force of science and engineering, that is ever-growing and coming more into prominence.

We have, however, a third force that is perhaps of even greater importance. Members know the old saying, "The hand that rocks the cradle rules the world." The ladies are definitely taking in hand the question of governing the country. They do not like this perpetual talk of war, unemployment, misery, starvation, and debt. What are they doing? Without any fuss, without attending our meetings, they are merely keeping down the birth rate to such an extent as not to maintain the population. This is a silent and simple method of controlling Governments. So long as the ladies were doing their job in the old way, and population was slightly increasing, Governments could go on taxing the people and raising loans. Always enough babies were coming along to keep the population large enough so that the debt per head would be reasonable, and people could breathe under it. Since I have been in the Chamber the indebtedness per head of the population has increased from £140 to £203. I often mark my dates by the rise in the debt per head of the population. One reason for this is that babies are not coming forward so numerously as they did, and another is that scientists and engineers, who hitherto have largely kept out of politics, are now taking a hand in them. Rarely did an engineer associate himself with politics. But these professional and scientific gentlemen have suddenly become frightened. They have discovered what is going on, that the ladies are taking a hand, and that the species is not reproducing itself.

The result of all these happenings is that the British Association of Science has met, and decided to inquire into how the impact of science on society may be dealt with.

They say that science and engineering are bringing us into a condition of chaos, and that members of Parliament, who are occupied so much at functions, are not able to give the time they would like to devote to these questions. The British Association of Science intends to take evidence with a view to discovering why it is that our system is failing, why markets are failing, and why all these other troubles have come upon us. Thus a new avenue for investigation has been opened, and through it evidence can be given to show what is wrong and why it is wrong. My hope is that the Government will send as evidence to the association a copy of the report on Youth Employment. I should also be glad if it could be arranged to send to the body in question the findings of the report of the Federal Royal Commission on Banking. The association comprises one of the most august bodies within the British Empire. We all know it by name, and probably have read many of the addresses that have been given before it. Through its activities we may yet ascertain why society is crumbling and why things are as they are. I hope, at any rate, that the findings of this association will not be pigeon-holed, as usually happens to reports of Royal Commissions.

MR. MARSHALL (Murchison) [5.42]: I congratulate you, Sir, upon your election to the Speakership. Your apprenticeship as Chairman of Committees will serve you in good stead. Old members will be confident that you will always be impartial, fair and just in your administration of the affairs of this Chamber. I also desire to congratulate the two new Ministers. Judging from the prospects that lie ahead of Western Australia and the Commonwealth I should say their task will be burdensome. Their lot will not be very bright. They will have a difficult task to perform and many problems to deal with. My congratulations are also extended to the new members. There was a time when I was a new member. This is my seventh term, which means that I have had the opportunity to take part in debates similar to this on eighteen different occasions. Probably as with most new members, I came into the House full of hope, very enthusiastic, and confident that through the medium of the Parliamentary institution we could secure the happiness and welfare of the people.

I really believed that. I thought, too, that the Crown was the only authority that could manufacture and control money. On both these points I have been sadly disillusioned. From having been confident and enthusiastic I have now reached the point of sadness. I take the view that it is hopeless to do very much for the welfare of the people as the Parliamentary institution stands at present. Parliament is not the authority that manufactures and controls money; only to a limited degree is that so. If one wants to know anything about the welfare or happiness or the prosperity of the people, any parliamentarian, unless he is blind, can look around for himself and see, not happiness and prosperity, but poverty, misery and degradation. These confront him at every turn and it proves that up to the present time we have failed dismally in our responsibilities to the people.

Hon. P. Collier: The whole system is wrong.

Mr. MARSHALL: The hon. member may be quite right, but what I wish to imply is that the facts are there. If we go back some years, we can claim that we then had more prosperity and happiness than exist to-day. I respectfully suggest that between the period 1920 to 1930 we had much more happiness and a great deal more comfort than exist to-day. And so I contend I am right when I say that I have been sadly disillusioned, that the misery that confronts us to-day is deplorable in the extreme and indicates the failure of Parliament to give effect to the wishes of the people. The community as a whole does not ask for impoverishment; it does not seek social adversity, but Parliament permits these conditions to exist. Although we are pleased to call this democracy, I suggest it is democracy upside down, because we are a Parliament that gives to the people what they do not want and denies them that which they require. The Leader of the Opposition and other speakers who have contributed to the debate, including the two new members, I frankly confess have made very few claims on the Treasury; they have asked for only small concessions, which may have a favourable chance of being considered in due course. The Leader of the Opposition, and in a big measure the Leader of the National Party,

put forward proposals to which the Government might give consideration regarding the alleged grievance of a certain section of the community. They referred to the deplorable state of the farmers and wasted the time of this Chamber by asking the Government to perform the impossible. Have there not been conferences held throughout the Commonwealth on this question? And have there not been conferences from time to time of people representative of the whole world, without there being any fruitful outcome? In England, in Switzerland, and in Germany and almost every civilised country, conferences of an international character have been called to discuss the farmers' problems. With what result? With no result at all; and if we are frank and honest with the people we represent, we will tell them that the result of those conferences has been nil. We must therefore look for the cause of the adversity. The Leader of the Opposition suggested the other evening that the Acting Premier should take a quarter of a million from the financial emergency tax to give relief to the farmers.

Hon. C. G. Latham: Can you tell me in what way he spends that money?

Mr. MARSHALL: The Acting Premier can present his own case. Can the Leader of the Opposition tell me whether he is aware that any money that comes into the possession of the Treasurer or his Ministers is not actually spent?

Hon. C. G. Latham: They spend it very foolishly.

Mr. MARSHALL: It is a deplorable state of affairs, and I might say, without being offensive, it reaches the point of stupidity when we find leaders of parties pretending that they could do a lot better if they were in occupation of the Treasury benches. They imply that if they were in power they would be the salvation of Western Australia. I have facts that I can present to the Chamber that can disprove that. Look at New South Wales, which has been experiencing for some years past the administration of a National Government.

Mr. J. Hegney: National-Country Party.

Mr. MARSHALL: What is the difference between the two? As the Cornishman would say, "If there is any difference, there be none at all."

Hon. C. G. Latham: You have no right to reflect on another Government.

Mr. MARSHALL: It is no use the Leader of the Opposition attempting to divide the community by stating that their enemies are in the rank and file of Labour. We might just as well tell the farmers that they are the enemies of the industrialists. It is because of this attempt to divide the community that the real Shylock is able to rule. The real enemy does his work while we get the community to concentrate on something that is infinitesimal, and so we leave the major questions alone. Can the Leader of the Opposition name anything that has not brought about slowly but surely the impoverishment of the people? We cannot go on in that way; we have too much poverty and too much misery in our midst to argue that if there were a change of Government, the welfare of the people would be better catered for. We know that that is utterly impossible, and that the impossibility arises from the shortage of finance. It is in consequence of this, as I said in my opening remarks, that I am disillusioned with regard to the fact that the Government or the Crown is not the only authority that manufactures and controls money. If members were free and frank with themselves, and gave a few moments' consideration to the subject, they would find that all that the Government or the Crown manufactures in the way of money as legal tender constitutes 1 per cent. of the medium of exchange which takes place in the whole of the commercial life of the Commonwealth, leaving the other 99 per cent. to be both manufactured and controlled by private institutions. We should realise that gradually and surely, for years past, there has been a determined attempt to take from the Crown its sovereignty. I can state frankly that in my opinion no Government is ruling this country to-day; it is being ruled by an unseen hand. Would I be impudent enough to suggest that the present Government has not given effect to the Labour Party's policy and platform? If the Treasurer is not giving effect to our policy, whose policy is it? The policy of high finance, the hand behind the scene, the individual who takes no responsibility but who, through the medium of exchange, assumes complete control of all Governments, as the New Zealand Government is aware by now. If our poverty is due to the lack of purchasing power of the people, therein must lie the problem that is left for us to solve. That, to me, appears to be the

only problem Parliament need consider. It is true that this Parliament has forfeited its right as far as the monetary system is concerned, but I suggest that we have a responsibility to our electors, and if we can find the cause of the evil that appears in our midst, we are entitled as the people's representatives to expose it, to declare to the people the actual truth of the position, and it is that we are in debt to the extent of £1,272,000,000. To that we are adding each year between £40,000,000 and £45,000,000, and from every pound collected in taxation 10s. 9d. or 11s. goes out in interest payments. I make no complaint about that, but I ask whether we as individuals could perpetually live by borrowing? We could not possibly do it individually and therefore we cannot do it as a nation. We must look for some solution. I have no complaint to make whatever with regard to the banks as such; they are useful as a repository for people's valuables and paying out money for expediting the business of the commercial community. To that end the banks serve a useful purpose. What I do take exception to is that they usurp the Crown's authority, and manufacture money. They have the control of the issue of public credit; in other words, they have taken complete authority away from the Government. An example of their control is the Loan Council, to which the Premiers of the States must go to find the wherewithal to enable the States to exist. I am sorry, Sir, but I have heard members of Parliament make a statement, or ask a question, which implies that they are not yet disillusioned as to the main cause of our social and economic drift. The statement or question referred to implies an entire ignorance of the subject of credit. Clearly, the people must be in a hopeless position while such men are representing them in Parliament. The question I refer to I observe in the newspaper practically every day, or at all events when the Press considers it advisable to write up some article dealing with monetary reform. The question repeatedly asked in such article is, "Where is the money to come from?" The statement I refer to is, "You can never get something out of nothing." Unfortunately, people forget or are ignorant of the fact that the writer of such articles is a well-paid person. He receives a very high premium for his articles. No one can blame him; he,

like all other persons, is suffering from economic pressure, and therefore must bow to the dictation of those who employ him. He must write the policy of those who engage and pay him. He could, if he wished, follow the dictates of his conscience and write a most logical argument for the other side, but for that he would not be paid a high premium; he would be met with instant dismissal if he dared to do it.

Consider the first question, "Where is the money to come from?" I answer it by asking another question, "Where has the money come from?" Australia owes £1,272,000,000. We have assets, public and private combined, to the extent of £7,000,000,000. I am speaking now in Commonwealth terms. We have those assets and we have that debt. Where has the money come from? We have only £55,000,000 of legal tender in all Australia. Where, therefore, has the money come from to enable us to create assets to the value of £7,000,000,000, while owing £1,272,000,000? Where has the money come from? Banks created credit. That is all. The question is easily answered. The banks have used the capacity of this country to produce goods and services of that value, and have issued credits against it. By that very act, the banks have got something out of nothing, and have made a huge profit. What does it cost a bank to issue credit? Again I suggest that a large section of the community and many members of Parliament still foolishly believe, or live under the impression, that when a Government goes on the market for a loan, it borrows money in the real sense of the word "money," whereas, in reality, nothing of the kind occurs. The underwriters merely add the amount which they propose to underwrite in their ledgers, and give the Government credit to the limit so written in. So the banks have created something, have made something out of nothing, by merely adding figures in their ledgers. I think the member for Pingelly (Mr. Seward) has often made such entries in bank ledgers.

Mr. Seward: I do not know.

Mr. MARSHALL: He probably was often called upon to write such figures in ledgers, as he has been a ledgerkeeper in banks. The argument that the borrower never went to the bank and took out legal tender—

Mr. Seward: Did not he?

Mr. MARSHALL: He did nothing but walk out of the bank with a cheque-book in his pocket.

Mr. McDonald: He could have taken cash.

Mr. Seward: What happened to the cheques?

Mr. MARSHALL: He could not take cash; or, rather it would depend solely upon the amount of loan that was granted him, because no one knows better than the Leader of the National Party that if every individual who has deposited money in a bank calls at the bank at the same time and demands the money he has deposited, the bank would be unable to pay.

Mr. McDonald: We all know that.

Mr. MARSHALL: Even the Leader of the National Party admits the money is not there. In passing, I compliment the Leader of the National Party upon his argument about the non-alienation of Crown land. It meets with my entire approval, as was well said by the member for North-East Fremantle (Mr. Tonkin), and clearly indicates that at last there is an awakening in the National Party. The member for West Perth is the first Nationalist in Parliament who has been so frank on that important subject. As he is the Leader of the Party, no doubt he is speaking on behalf of those around and behind him. His utterance indicates clearly that his party is beginning to realise the importance of the non-alienation of Crown lands.

Hon. C. G. Latham: I think you own a piece of freehold.

Mr. MARSHALL: I believe I do.

Hon. C. G. Latham: So do I.

Mr. MARSHALL: I am not much concerned whether it is freehold, leasehold, or held by the Crown, so long as I can keep my tenancy and use the land to the best purpose.

Hon. C. G. Latham: You are pretty safe if you have the freehold.

Mr. MARSHALL: Getting back to my subject when the member for West Perth interjected, I say the banks do not lend money. They are creators of credit. They use public credit, which should be the sole prerogative of the Crown. We have had many arguments in this Chamber regarding the ownership of various factories which supply the complex demands of the community. I know the Opposition regards State-owned industries as anathema. The

contention of the Opposition is that the State should own practically nothing.

Hon. C. G. Latham: We have got the Commonwealth Bank, if we like to use it.

Mr. MARSHALL: Yes. I can tell the hon. member about the Commonwealth Bank. Let me inform the Leader of the Opposition—

Hon. C. G. Latham: Don't shake your finger at me!

Mr. MARSHALL: Just let me remind the Leader of the Opposition that it was his great and able leader in the Federal sphere, Sir Earle Page, who introduced legislation making the Commonwealth Bank practically useless. Following the dictates of Stanley M. Bruce, Sir Earle Page has, as I have said, rendered the Commonwealth Bank almost useless. So it is no good the Leader of the Opposition putting that over. I have here the report of the Commonwealth Bank, but before quoting from it I desire to emphasise the fact that banks to-day create something out of nothing. They have made huge profits and impoverished every country in the world in the process. There is no doubt about that. In case my argument on the point does not convince members, I shall quote authorities, writers and students of economics whose opinions can be accepted by all.

Mr. McDonald: Leave out Mr. McKenna.

Mr. MARSHALL: I shall not quote Mr. McKenna this time, although that gentleman is no Labour supporter. He has written and stated facts for the people to take hold of and use, but the people have not done so. He has told people repeatedly of the cause of their poverty and misery. He is an authority on the subject of finance and has warned people again and again of the terrific power and authority that the banks hold over them. He argues that the banks rule the destinies of the nations. Yet we have the leaders of the parties in Opposition telling the supporters of the Labour Government that if they are returned to power everything will be all right. We can, however, look in vain for a leader in the whole world of any political colour who has succeeded in high finance. There has not been one, and never will be.

Hon. C. G. Latham: Then what is the use of your lecturing us?

Mr. MARSHALL: There is no hope whatever of convincing the Leader of the Opposition. I might inform him of this, too, that

I consider there is no hope for the unfortunate wretches whom he represents, until he changes his views.

Hon. C. G. Latham: You say it is impossible; you said so just now.

Mr. MARSHALL: It is impossible for individuals single-handed.

Hon. C. G. Latham: That is better.

Mr. MARSHALL: I have not heard the Leader of the Opposition complaining about the indebtedness of the farmer, except in such a way as to try to place the burden upon the taxpayer generally. He knows himself, as he implied by interjection, that if necessary the Commonwealth Bank can issue credits to relieve the farmer.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. MARSHALL: I desire to quote authorities upon this subject of creating something out of nothing, authorities whose pronouncements may be accepted as being more authentic than any utterances I may make. Why hon. members have not given consideration to the writings of these authorities, so that they may be able better to understand the position and thus serve the interests of this State more efficiently, I do not know. However, let me quote these authorities. I do not think one member in this Chamber will doubt that each and everyone of these men is qualified to write and speak on this subject. First, I would quote the 14th edition of the *Encyclopaedia Britannica*, which states—

Banks create credit. It is a mistake to suppose that bank credit is created to any important extent by the payment of money into the banks. A loan made by a bank is a clear addition to the amount of money in the community.

That is quite clear to every individual.

Hon. C. G. Latham: We know that.

Mr. MARSHALL: That is bank-created credit; that is where the money is coming from.

Hon. C. G. Latham: You told us before that there was not sufficient money to pay debts owing to people.

Mr. MARSHALL: I do not wish to link up the two points. The point I am trying to emphasise is that the Crown is not the sole authority that manufactures money and that every loan made by a bank is a distinct addition to the money in circulation. And it is created out of nothing.

That is a function that is being performed by private banks, which have reduced the power of the Crown. The Crown and the Crown alone should be the authority to create and use this credit. It is due to this fact that we now find ourselves in the invidious position of having to continue borrowing in order to exist. Upon each and every borrowing we must go to the people and impose taxation upon them to service the debt incurred. Gradually but surely we are getting further into debt and taxation must, of course, increase with the increased debt. The more we take out of the people's pockets, the greater the degree of poverty do we create. Here are the remarks of another authority, H. D. McLeod who, writing in "The Theory and Practice of Banking" states—

The essential and distinctive feature of a bank and a banker is to create and issue credit payable on demand, and this credit is intended to be put into circulation and serve all the purposes of money. A bank, therefore, is not an office for the borrowing and lending of money; but it is a manufactory of credit. In the language of banking a deposit and an issue are the same thing.

Then we have Davenport who, in his "Economics of Enterprise" states—

Banks do not lend their deposits but, by expansion of credits, create deposits.

Mr. J. M. Keynes, the economist, says—

There can be no doubt that all deposits are created by the banks.

Finally, Mr. R. G. Hawtrey, assistant secretary to the British Treasury, in his "Trade Depression and the Way out," says—

When a bank lends, it creates money out of nothing.

They are not my utterances. They are the opinions of men who have given deep, keen and enthusiastic thought to this subject. Their statements are unchallengeable. They are authorities on the subject and I do not think one member will challenge their right to give a definite, exact and correct expression of opinion on the matter of banks creating something out of nothing and showing a profit in the process.

There is only one more point with which I wish to deal and I shall then resume my seat, because I desire to follow the good example set by the member for Claremont (Mr. North). There is a section of the

community that foolishly accepts statements that appear in the Press; but the Press is owned and controlled by the financial oligarchy, and it gives expression to the views of the financial interests. They pay premiums to men capable of writing up their viewpoint. People foolishly accept all they see in the Press as being the correct theory on this subject. In other words, they are foolish enough to support and give effect to a practice that must ultimately land them in a greater degree of poverty than they are experiencing to-day. The statement is this: that you can only increase the volume of money in circulation by using the printing press. But how much has the printing press been used over the last 30 years? Very little indeed. I tell members distinctly that money can come from the same source; credit can be obtained on the same basis. But it must be done by the Crown itself; no individual has a right to impoverish this country by usurping the authority and right of the Crown.

Hon. members can make their suggestions. The member for Subiaco—and I am with her—can plead with this Government to provide free milk for children of parents on the lower-income rung. We can go on finding every instrumentality in a deplorable state of disrepair. We can continue to find inefficiency the order of the day. Our rolling stock, which is an asset to the State, is in a damnable condition. These things can continue to be, because there is no money. And the best the Government will be able to do will be to reduce the purchasing power of the people by taking money out of their pockets by way of taxation to service the debt. We have to continue to borrow under this system; we must do so because of the system. Borrowing is inherent in the system. We cannot escape from it. Until the national bank of this Commonwealth takes control of public credit and utilises it in the direction that was intended in the first place, all the pleading of the Leader of the Opposition and the Leader of the National Party and those behind me who want a water supply—all their pleadings will be in vain because we are gradually but surely increasing the national debt which, in turn, only impoverishes the Treasury and the people.

Hon. C. G. Latham: Germany and Austria and Russia were not too successful when they were operating under the system you are talking about.

Mr. MARSHALL: If the Leader of the Opposition read the history of the recent trouble between Germany and Great Britain, he would find that both Hitler and Mussolini departed from the orthodox method of finance. They could have succeeded and would have succeeded, but high finance called a halt, because it derived no profit from the process. High finance threatened Hitler and that really was the cause of all the trouble. The trouble persisted until Hitler returned to orthodox methods of trade and finance and used money created by the banks from which those banks derived a huge profit.

Hon. C. G. Latham interjected.

Mr. MARSHALL: We could go on discussing this matter by way of interjection. Of course this has been going on for years. Germany has not been trading with us for years. Why? Is it not because Germany has become impoverished?

Hon. C. G. Latham: No, because they have wanted to supply goods that we can manufacture ourselves.

Mr. MARSHALL: That may be so. There are all sorts of anomalies, but these must be expected when every country in recent years has been gradually but surely shutting its doors to the importation of goods from other countries and at the same time demanding that other countries take its exports. There has been a commercial war going on all that time. With nations becoming self contained, they do not wish to import from other countries, and this is all due to the rotten monetary system that has impoverished us as well as other countries. Until we turn over and resort to an unorthodox method and use the national bank for the purpose of equating money to the needs of producing and consuming goods and services, until an equation is established, we shall have hungry children, ill-clad children, ill-housed children, and the number of unemployed will be increased, not reduced, because Governments cannot command the requisite money. Governments have no control over the money and the banks dictate the terms. We have infant children and prospective mothers, ill-fed, ill-clothed, and ill-housed, an instance of which was brought under notice in Money-street, Perth, recently—three unfortunate little

girls starving, six sleeping in one bed, a deplorable state of affairs in a country that can produce everything needed and requires only a satisfactory medium of exchange. People are foolish enough to accept the statement that while science has done so much to help humanity, experts do not exist who can give us a monetary system that will make possible the enjoyment by every individual of the bounteous gifts that Providence has made available.

In this Chamber years ago I foreshadowed that another depression was inevitable. It is here. Again attempts are made to delude the people into believing that there is a cycle, termed a trade cycle, implying that the community consumes more or less than it did ten years ago. What a ridiculous theory to submit to the people! But it is done and done successfully. Under the present banking system we are told that only a certain amount of credit can be issued. The banks then call a halt and test the temper of the taxpayers to ascertain whether they are willing to pay higher taxation. On this occasion defence requirements are being used as the excuse, and thus the people have been prepared to accept higher taxation. The Prime Minister, Mr. Menzies, has warned us that higher taxation is necessary to meet defence needs. On every occasion some catch-ery is found to tickle the ears of the people or work upon their passions and thus reduce their standard of living in order to service the public debt and pay interest on something that belongs to the people—something that should never have been allowed to pass into the hands of private individuals. The banks make something out of nothing and on the transaction show a huge profit. If flood, drought, earthquake or some other catastrophe occurred and impoverished this country, we could attribute it to misfortune, but this country can produce and is producing goods in abundance and all that is necessary is a proper medium of exchange. Until some alteration is brought about I shall not refrain from complaining of the private ownership of public credit.

MR. SHEARN (Maylands) [7.45]: Although my reference may be somewhat belated, may I be permitted to associate myself with the congratulations extended to you, Mr. Speaker, upon your elevation to that honourable position. With previous speakers, I believe that you, from your years

of experience as Chairman of Committees, will bring to bear upon the duties of your new office all that wisdom and tolerance displayed by you while conducting the business in Committee. I extend my congratulations to the member for Murchison (Mr. Marshall) on his appointment as Chairman of Committees. Under his code of discipline, obviously we are to have very few interjections in Committee. I believe that he, too, has already learnt something of the need for harmony in conducting the business of this Chamber. I can say with equal sincerity that the speech of the member for Mount Magnet (M. Triat), though necessarily short, struck a refreshing and fortifying note in the circumstances in which we find ourselves. His reference to the condition of the farmers and his solicitation for the industries of the State must have commended themselves to every member and to all thinking people in our midst. The fact that the matter of the defence of Australia was placed foremost in His Excellency's Speech and that the Government has indicated its desire to co-operate with the Federal Government is commendable. Whatever may be our individual ideas on certain phases, we must, in the main, admit the necessity for Australia's being adequately protected against emergency and, to this end, the co-operation of this and other State Governments is imperative. The ready acquiescence of the Government to meet the desires of the Commonwealth in this direction must meet with the approval of every member.

I hope it is not too much to expect that a similar spirit of co-operation will characterise this session during the discussion of the various serious matters that affect us locally. Although the Opposition is supposed to oppose Government efforts, the position in which we in Western Australia find ourselves—and the same remark applies to Australia as a whole—calls for and will evoke from the Opposition in this House the cordial co-operation that the Government might reasonably expect when dealing with the extraordinary conditions that exist today. I am pleased to note, regarding the unemployment question, that the Government has set about instituting an inquiry that we are led to hope will give special attention to a reasonable adjustment of the existing unsatisfactory social conditions of the part-time worker. The conditions that

have prevailed for a considerable time in the matter of country work certainly have left much to be desired, and I am pleased to learn that the Government, recognising this unsatisfactory state of affairs, is about to do something to alleviate those conditions. Some better means of rostering the work should be devised so that particularly married men with young children might be given a better opportunity personally to protect the welfare of their families. In my district instances of this kind have come under notice, and after investigation we have been satisfied that the system of taking men away from their homes for lengthy periods and of leaving the children of differing ages to the mother to look after is, under present economic conditions, not conducive to the welfare of home life nor to the interests of the children themselves. I am pleased that the Government intends to do something in this direction.

Later on in the session we shall probably be given information of a direct character with respect to these people, and I will therefore pass on to another subject. The plight of the countless number of unemployed youths has been under discussion for some time, both in this State and in other parts of the Commonwealth. As yet no concrete proposals or schemes dealing definitely with the problem seem to have been evolved for the elimination of the blind-alley employment of lads under 21. This serious problem has been tackled by various organisations with differing results, but no tangible effort has been made by any Government in Australia appropriately to solve the problem, or discharge its responsibilities. The conference which recently commenced will, I trust, evolve some scheme so that the plight of these men, their hopelessness attendant upon present-day conditions, may be improved. Some scheme must be framed to provide a solution of this difficult problem. The present situation means that young fellows get into a temporary unskilled or semi-skilled position, and when they reach the age of 21 they are quietly set aside for cheaper labour. Members in the metropolitan area will know what an utterly hopeless task it is to provide employment for youths who have been thrown out of work under existing conditions. I hope the conference to which I have referred will continue its deliberations until, with the co-operation of the Federal and State Governments of Aus-

tralia, some scheme is evolved that will definitely mean the acceptance by Governments of their responsibilities, and that a solution of the problem will be found whereby these youths may become decent citizens, skilled in their occupations, and may take up their rightful and proper place in the community, whether in Western Australia or some other part of the Commonwealth.

The question of vocational training and employment on a national scale must form part of any scheme that is brought into being. The promise of a review of the apprenticeship system will commend itself to all. From our experience of modern conditions, we know that something of a practical nature must be done. There is a tendency to regard apprentices as cheap labourers instead of as young people whose practical and technical work should be so balanced as to enable them to become skilled and accredited tradesmen in whatever trade they ultimately find themselves. The already large army of unemployed is bad enough without our having the spectacle of all these young fellows whose plight, under existing conditions, is so hopeless.

Mr. Marshall: Thousands of unemployed that we do not know of are unregistered.

Mr. SHEARN: Yes. The Government has no definite knowledge of them because, for various reasons, they are not actually registered. One fears to contemplate how many people are in the position either of being unemployed or being unemployable. The problem as it is known to us is serious enough to demand that the apathy which has appertained to Federal and State Governments for some years should be realised and something of a concrete nature done to alleviate the position.

As one who supported the Minister for Industries in his efforts last year, in connection with the Bill dealing with secondary industries, I am pleased to know that at last something tangible is about to be done. I feel sure that what the Minister proposes to do, and the publicity already given to some features of his scheme, will materially improve the position. Although some people would say that for many reasons the scheme will be impracticable, it is within my own knowledge that as a result of the activities already made manifest, at least one new industry is likely to start in this State at any time. I feel sure that the enthusiasm of the Minister, and those associated with him in

an honorary capacity upon the various committees that have been appointed or are yet to be appointed, will lead to an improvement in the position, and be the means of attracting the attention of Eastern States manufacturers to the possibilities of development in this State. Incidentally, I trust this will lead to an increased consumption of local goods, concerning which we have yet to adopt an adequate educational policy. The member for Mt. Magnet (Mr. Triat) pointed to the absolute necessity for much more loyalty on the part of our citizens towards local products. When one realises that many goods produced in this State find a ready market in the Eastern States, one finds it extraordinary that they do not attract similar attention in this State. The Minister may look for the support of every member of the Opposition in his efforts to promote the introduction of new industries and the expansion of those already in existence.

A matter of considerable importance to residents of the metropolitan area is the storm water question. In my district, as in many others, because of the unprecedented rains, a position has arisen which ordinarily would not exist. When the Government sets about the installation of a storm water drain in any given area, the local authority is expected simultaneously to provide the subsidiary drainage. Many local authorities find, because they did not know about the main installation, that the subsidiary drainage becomes difficult to finance. Several such instances exist concerning which more will be heard in the near future, because for financial reasons these local authorities found themselves unable to meet the cost of the immediate installation of subsidiary drains. For the sake of the districts concerned I hope some thought will be given to evolving a comprehensive plan, so that, when a storm-water drain is contemplated the local authority concerned and the Government department may co-operate more closely. By such means it will be possible to arrange for the installation of such subsidiary drainage as is required simultaneously with the major undertaking, and give the local authority an opportunity to prepare for the scheme as a whole, an opportunity which under present conditions is invariably denied to it. That is possible and desirable. The position, it must be realised is most unfair to the man who may select a home in a locality with which he is not en-

tirely familiar, and suddenly discovers his home to have been rendered partly useless through the invasion of flood waters. In many portions of the metropolitan area that is the case to-day. Certainly the areas affected are not large, but great inconvenience is caused. There is also the economic loss to owners. Therefore I hope that the lesson which has been given to us now in certain localities may be profitable to all concerned, and that some scheme such as I have briefly suggested may be undertaken in order to anticipate what may happen in this respect in other localities at some future date.

The development of the Swan River and its foreshore has received much practical attention from the State Gardens Board and certain local authorities, and has, I want readily to admit, received the commendable support of the Government. But while that is so, a great deal of necessary work remains to be done in that connection. Surely at the present time, when the Minister and those associated with him find it difficult, I admit, to get within the metropolitan area works affording the greatest possible measure of labour as against material, so as to meet, incidentally, the demands made upon them daily by men whose various responsibilities require that they should be given some consideration in the matter of local work, the development of the Swan River and foreshore might well receive attention. This is one of the means by which two purposes can be served. It is the desire of two local authorities—I can speak definitely of one and hopefully of the other—to continue foreshore reclamation work and the construction of the Riverside Drive. While at the moment I am not in a position to indicate definitely what may be done, I am confident that at least one local authority, and probably also the other, which is in a much better financial position, will be able to submit a scheme to the Minister, who, I know by the way, does regard the riverside work as being desirable in the interests of the community generally, apart from its ordinary practicability. The local authorities may be able to submit a scheme which will receive his sympathetic consideration and, I hope, some practical support from him.

The proposal to introduce long-overdue legislation for third-party insurance should

be received, and I am sure will be received, with general public approval.

Mr. Lambert: As long as it is not State insurance!

Mr. SHEARN: At the moment I am not concerned with schemes. I realise that in connection with this proposal there are many phases that will involve a deal of thought and may even induce a certain amount of conflict of opinion; but I am certain that the Government is earnest in its desire to do something in the matter, and I am equally certain that there is general recognition of the need for such legislation. In fact, this State is one of the few Australian States that have not already legislated on the subject. No doubt there will be many side issues introduced incidentally, but I hope it will be possible to get a reasonable premium rate, in view of the tremendous number of vehicles that would come under such a scheme. I look forward to the securing of a premium rate that will not make it a hardship for owners of vehicles to take out third-party insurance policies. The major point I have in mind at the moment is the absolute necessity for insurance of this nature to give protection to such people as have, unfortunately, been victims in a large proportion of recent accidents. Frequently victims find the owners of vehicles responsible for accidents to be uninsured and therefore are unable to recover compensation or even medical expenses. Only a few weeks ago there was brought to my notice the case of a sustenance worker who was proceeding to work on a certain morning, and owing to the carelessness of a person driving a motor vehicle was knocked down, rendered unconscious and taken to hospital. After remaining there in a dangerous condition for some time, he returned home. The man has a family of five or six children. The Government department for which he was about to start work could not assume responsibility, because of the fact that he was just going to his job. He subsequently found, to his dismay, that in spite of all the suffering and loss he had sustained, he could not recover compensation, the owner of the vehicle being uninsured. Had it not been for the Child Welfare Department giving his wife some temporary relief, he would have been in a dreadful position be

cause the owner of the vehicle was neither insured nor possessed of any means. I am merely concerned with the principle of the subject; and I say that from the instance I have quoted, and from a number of other instances of which I have read, I am convinced that there is not one sensible person in the community who would say that third-party insurance is not long overdue. I am indeed glad that this legislation is to be introduced, and I trust that whatever opposition may arise—though I hope there will not be any—will be easily adjusted, so that this form of insurance will at last find a place on our statute-book, and that there may be some safeguard for people who suffer owing to road-hogs and other persons unsuitable—fortunately a minority—for holding licenses.

With regard to such matters as police protection, school accommodation, and transport facilities for my electorate, I propose to conform with other members who have spoken and deal with those items when the Annual Estimates are brought down.

The member for Mt. Magnet (Mr. Triat) and other hon. members who have spoken give an indication, even if only by indirection, of a lack of sympathy on the part of members occupying these cross-benches with the plight of the farming community. I desire to say expressly that I personally, having had some little opportunity of observing conditions in certain portions of the wheat territory of Western Australia, have every sympathy for the position in which so many farmers find themselves. I realise, too, as a member of a metropolitan constituency, the state of dependence in which, so to speak, we live in Western Australia; and therefore I duly appreciate the fact that, within the bounds of possibility, all that can be done for the farmers ought to be done. Certainly any such proposals will receive my unqualified support. I do not believe in any one section of the community being fleeced for the benefit of another. In his references to that phase, I presume the member for Perth (Mr. Needham) did not intend us to accept his remarks too literally. He must realise, with other members, what it means to those who reside in the metropolitan area if a large portion of the men on the land labour under the difficulties that confront them at this

juncture. The people in the metropolitan area cannot possibly hope to enjoy prosperity when so many of the primary producers are living considerably below the bread line. I agree that everything possible will have to be done in the interests of the farmers, who represent a very important section of the community.

Mr. Needham: Do you expect them to produce wheat below cost?

Mr. SHEARN: In dealing with this problem the Federal Government must accept the lion's share of the responsibility. I entirely disagree with some of the utterances of the Prime Minister, when commenting upon the part the States should play in this matter. The State Governments, with one exception, have already indicated their definite interest in, and sympathy with, the problems of the farmers, but assuredly the major responsibility should rest upon the Federal Government to overcome the difficulties surrounding the present-day situation. I assure members, particularly those of the Country Party, that I shall certainly consider it my duty to support any and all projects of a practical description for relieving the unfortunate and cruel conditions in which the farmers find themselves to-day. I trust that as the result of the negotiations that are in progress, the farmers will at any rate gain some semblance of a restoration of decent conditions, with a reasonable outlook for the future. I believe that is necessary, not only in their own interests, but for the benefit of Australia generally.

As I found to be the position during the three sessions I have been in Parliament, there will doubtless be many differences of opinion when the House deals with various subjects. I trust—I do not think the hope is forlorn—that there will be a general recognition of the fact that the position confronting the State is so serious as to require all sections of this House, irrespective of political allegiances, to stand behind the Government in any plan or project that is shown to be in the best interests of the community generally. To that policy I shall give my unqualified support, for I believe that by such means alone will the Legislature this session make any contribution towards the alleviation of the conditions in which, unfortunately, the people in every part of Australia find themselves. I therefore hope that the Government will afford members ampler opportunities than they have

had in the past to analyse legislation, and that they will not be expected to deal with an avalanche of Bills, the details of which cannot possibly receive adequate consideration. Having regard to the comparative urgency of the legislation that will be placed before us, I trust that the opportunity to consider the contents of the more important measures will be fully availed of. For once I find myself in agreement with the member for Yilgarn-Coolgardie (Mr. Lambert) who drew attention to the undesirability of flooding the Table with piles of regulations from time to time. Those regulations deal with all sorts of matters handled by various departments. When we look into those regulations, we find that many arise from the fact that the Legislature has given insufficient consideration to the legislation, the regulations being required to give more adequate effect to the intentions of the Government. I trust therefore that this session we shall be asked to deal with fewer Bills, so that we may be able to scrutinise them more carefully, and thereby avoid the necessity for the promulgation of regulations, except where they may not be expressly provided for in legislation. Parliament should first give adequate consideration to measures so as to make them reasonably complete and thus obviate the need for the framing of regulation after regulation to give effect to the intentions of legislation. I trust that this session will be fruitful of good for all sections of the community.

On motion by Mr. Holman, debate adjourned.

House adjourned at 8.16 p.m.

Legislative Council,

Wednesday, 16th August, 1939.

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

QUESTION—TAXATION.

Hospital Fund Tax.

Hon. H. SEDDON asked the Chief Secretary: What was the total amount received from Hospital Fund Tax for the year ended 30th June, 1939?

The HONORARY MINISTER (for the Chief Secretary) replied: The total amount received from the hospital tax for the year 1939, was £264,072.

QUESTION—STATE FINANCES.

Hon. H. SEDDON asked the Chief Secretary: What was the revenue and expenditure for the months of June, 1938 and 1939?

The HONORARY MINISTER (for the Chief Secretary) replied: The revenue and expenditure for the month of June, 1938, and June, 1939, were as follows:—Revenue: June, 1938, £1,170,094; June, 1939, £1,092,924. Expenditure: June, 1938, £989,411; June, 1939, £996,127.

QUESTIONS (2)—RAILWAYS.

Diesel Cars.

Hon. H. SEDDON asked the Chief Secretary: What revenue was earned by Diesel cars in each district during the year ended 30th June, 1939?