

his influence to have it again placed on the Estimates. I know that the Honorary Minister is anxious that some long overdue improvements should be carried out so that we may invite people to reside there with some degree of comfort. The present condition of the building is certainly not in keeping with the surrounding natural beauty. One has only to go to New Zealand to see how the Government in that dominion cater for the tourist. They have risen to the occasion and provided accommodation in such a manner that a person who goes there for a day or two almost invariably stays a week or longer. I wish to say a few words only about the report of the Agricultural Bank Commission. Until we get that document, it is hardly fair that we should criticise it. I can, however, say I am sorry that the Commission, as far as we have been able to gather from the report published in the Press, have dealt with unnecessary severity, with some of those who are alleged to be responsible for the position in which the Bank now stands. The Commissioners no doubt realised that they had a duty to perform, but they might have carried it out in a nicer manner. Another matter to which I wish briefly to refer is the question of street betting. This also is a pet subject of mine. Street betting is even more rampant to-day than it ever has been, and that again is a powerful indictment against our methods of keeping law and order.

Hon. J. Cornell: Governments have been trying to keep it down as long as I can remember.

Hon. W. J. MANN: Governments have never made any real attempt to suppress or control it, and it has now got to the stage where school boys almost can go into alleyways and have their sixpences and shillings on a horse.

Hon. E. H. Angelo: Street betting is a good source of revenue.

Hon. W. J. MANN: Not at all.

Hon. E. H. Angelo: Yes, by way of the fines that are imposed.

Hon. W. J. MANN: The fines have fallen off lately. Perhaps the police have got tired of raiding the betting shops. There was a time when the police apparently thought it their duty to assist in increasing the revenue of the State by raiding betting shops on Saturday afternoon, but latterly the raids have slumped.

Hon. J. Cornell: The police take the shops in turns.

Hon. W. J. MANN: No, one man complained because he was caught again out of his turn. I shall help the Government in any attempt that is made to control shop betting. We cannot stamp it out, so the next best thing is to control it. Considerable revenue is lost by our failure in this direction. Registered bookmakers have to pay a tax, and I am told that the money that passes through their hands is nothing in comparison with that received by the shop bookmakers who do not pay taxation. For that reason alone, we should control shop betting. I support the motion.

On motion by R. G. Moore, debate adjourned.

House adjourned at 7.53 p.m.

Legislative Assembly,

Tuesday, 14th August, 1934.

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

ADDRESS-IN-REPLY.

Fifth Day.

Debate resumed from the 9th August.

HON. N. KEENAN (Nedlands) [4.35]: In common with other members who have already spoken on the Address-in-reply to the Lieut.-Governor's Speech, I also intend to speak only at short length. The outstanding feature of the debate so far as it has progressed has been a reluctance in members to take any part. This is not at all to be wondered at, because there is nothing in the Speech of the Lieut.-Governor to invoke enthusiasm, and very little to warrant any comment at all. As nearly as possible that Speech fills the definition of a line of geometry inasmuch as it has length and nothing

else. If only an utterance of that character can be submitted for the consideration of members of this House and another place, it might well be that the formality should be dispensed with altogether. But of course the Speech need not be a bald and uninteresting narrative such as we have had placed before us; it should be a plain and clear statement of the policy of His Majesty's Ministers to meet and deal with the present difficulties which the people of the State are suffering under. It might be also a plain statement of the legislative and executive acts to which they intend to resort in order to accomplish that desired end. But where in the Speech can we find a single word which would even serve as an index to those intentions? Such legislation as is mentioned in the Speech is only legislation which might nowadays be described as a hardy annual, for in our present circumstances it occurs year in and year out. For the rest of the Speech, it is merely a re-hash of reports and publications of the State Statistician. Yet if ever a time existed when it was the bounden duty of the Government to point out, not only to the House but to the people of the State, the course they intend to pursue, and the remedies for our present ills which they intend to adopt, and the hopes and expectations they have of success, surely such a time is now. Even a candid disclosure of the financial position, how the State will stand in the future in regard to its finances, how that future will be affected by the report of the Federal Grants Commission, or by the policy adumbrated if not adopted by the Loan Council—all that would be matter of infinite importance and transcending interest. Why, Mr. Speaker, the matter that was dealt with by the Premier in his interview with the Press when he returned from the Eastern States was far more important than anything that appears in any part of the Lieut.-Governor's Speech.

The Premier: As a matter of fact, I did not give any interview to the Press when I returned.

Hon. N. KEENAN: Perhaps I should say the interview or statement which was furnished by the Premier.

The Premier: No, none appeared when I returned from the East.

Hon. N. KEENAN: Well, if given the necessary time, I feel sure I can produce

one, which must have been furnished by the Premier or was wholly imaginary. However, I am giving credit to the Premier for a statement both interesting and important, although necessarily somewhat sketchy; certainly infinitely more important than anything which appears in the Lieut.-Governor's Speech which, after all, is the product of the brains of all the Ministers.

The Premier: And so it ought to be better than my statement, if such a statement had appeared.

Hon. N. KEENAN: Yes, presumably, that is so. However, because of this complete lack of matter in His Excellency's Speech, members are not relieved from the duty of dealing with those matters of importance which should have been dealt with in the Speech. It is absolutely necessary to call the attention of members of this House and of the people of the State to the true condition of affairs, the true picture of the future which lies before us. There is a distinct campaign being launched, not to work ourselves out of our troubles, which would be indeed a very commendable course, but to talk ourselves out of our troubles. The Premier himself, notwithstanding utterances to the contrary made by him on certain occasions, lends himself to this propaganda. In a recent issue of the "Financial News," of London, an issue specially dealing with the development of gold mining in Western Australia, on the front cover is a foreword contributed by the Premier, and that foreword emphasises the fact that Western Australia was able to meet and surmount the effects of the depression by the successful development of the gold mining industry. No one for a moment challenges the fact that the gold mining industry has done, and is doing, very much to alleviate the effects of the depression; without the aid of that industry, I think it would be difficult to say to what depths the depression might not have reached in Western Australia. But we are merely living in a fool's paradise if we imagine that the success of that industry has been or ever could be so great as fully to counteract the effects of the depression. What are the facts? The money value of our production, our total national income for the year ended the 30th June, 1929, was £31,611,900. The last year for which it is possible to get returns, namely the year ended on the 30th June, 1933, as

compared with the year 1928-29, showed a shrinkage in the value of our production, apart from the gold mining industry, to the extent of £7,600,000. Most fortunately the gold mining industry showed a wonderful revival in the course of that period to the extent of £2,600,000. Nevertheless, the net decrease, after allowing for that marvellous increase by the gold mining industry, the fall in our national income was £5,000,000, a colossal figure amounting to over £10 per head of every man, woman, and child of the population. The diminution in the number of those receiving sustenance, is referred to in the Speech. As to that being any sign of returning prosperity, undoubtedly it would be so if they had gone off the sustenance roll to be absorbed in industry; but that is far from being the case; they are simply being employed as sustenance workers in doing what is called sustenance work. The work is of every kind and description, and is paid for out of borrowed moneys. It is true the charge against Consolidated Revenue is considerably reduced, but in corresponding degree, the charge against loan moneys is increased. The result therefore, is merely to disguise the evil, and not to cure it.

The Minister for Employment: The hon. member knows that is incorrect.

Hon. N. KEENAN: I know it to be correct.

The Minister for Employment: What rot!

Hon. N. KEENAN: It is no use the Minister interjecting in that fashion. I am saying what I know to be correct. I feel sure members of the House have over and over again asked themselves, as I cannot help asking myself, how long this state of affairs will continue. How long can we go on borrowing huge sums as we are borrowing to-day, not to carry out any great public works, which, if carried out, would be a source of employment on a large scale, both directly and indirectly, but works merely to alleviate the strain on Consolidated Revenue, to take over from Consolidated Revenue the task of maintaining the necessitous in our community, and passing on that task to be borne by loan moneys? It is futile to shut our eyes to the fact that, if not this year or next year, the time must come at no distant date when, not by choice but by compulsion, there will be an end to that policy, and where shall we be then?

I have often said I shall be prepared to strain our borrowing powers to the very limit if only the moneys so obtained are spent on some definite plan to establish recovery, if only we had some definite end in view that we might use our last ounce of strength to attain. But what plan are we following; what definite end have we in view? None whatever! It is merely a case of keeping the wheels turning over, marking time in the vain hope that somehow or sometime or other, Providence may come to our aid and show us the way out. We are indulging in the futile hope that somehow we will blunder through, but meanwhile what price are we paying for our blundering? We are mortgaging the future of the State to an irremediable degree. In the course of a speech during the debate, the Leader of the Opposition drew attention to a pregnant fact, which I have mentioned before more than once, namely, that the interest payable on our past borrowings amounts to nearly one-half of our total annual income. And yet we are adding to those borrowings at a rate that equals the most extravagant rate in all our extravagant years in the past. We shall soon be obliged to invade the second half of our annual national income to find the interest on our borrowed moneys. If what is left over of our annual national income, after paying interest on our past borrowings, is wholly insufficient to meet the demands made on it, as is the case to-day, what will our position be when a very much larger amount is taken away from our annual national income to meet the demand of interest on our borrowed money? Surely these are matters which demand urgent and deep attention, and yet, except for a curt reference in the Speech to the necessity for economy, there is not a line in it that has even a distant bearing upon it. Economy! Economy is one of the principal virtues, but standing by itself, leads to nothing. When the historian, in the calm atmosphere of distant years, reviews the policy that is embodied in what is known as the Premiers' Plan, he will unquestionably mark as one of its main defects that it was a policy of economy, and nothing else, and that is possessed no constructive scheme, which, allied to that policy of economy and applied in the proper circumstances, might have led to a real recovery. Whatever the case may be as re-

gards the Premiers' Plan, it does not lie in our mouth to speak of economy; economy, when we are piling up a mortgage debt which our assets will never be able to liquidate unless something abnormally fortunate in our favour occurs. I have dealt with the total absence of any guiding line in the Speech dealing with our financial matters because that is of supreme importance to us. But there are other matters of grave importance to us which are also wholly omitted from the Speech. No one will question the importance of what is to be the political status of Western Australia in the future. Of course, there is naturally a difference of opinion as to what the future political status should be. Whilst a great majority of the people of this State desire that it should return to the position of a self-governing dominion in every sense of that word—always, of course, within the British Empire—a considerable minority object to that policy. How many of that minority are desirous of retaining a State Government in Western Australia as originally designed in the Federal Constitution, and how many are desirous of a complete scheme of unification and centralisation of all Governments of the whole of Australia in one Government? It would be impossible to say to what extent that minority is divided in the matter, how many are in favour of the one and how many are in favour of the other. Most probably the unificationists constitute a good deal less than half of the minority. Whatever the number may be, it is certain that in the future, the not distant future, the only choice will be between the return of this State to the position of a self-governing dominion, or the complete surrender of the State's rights under some scheme for unification.

Mr. Latham: I think the Premier said that.

Hon. N. KEENAN: It is within the knowledge of some of us that there are certain members of the Government who fully appreciate that fact. It is unnecessary for me to examine the forces which will compel that choice. They are patent to any inquirer. Unification is the avowed policy of the political party led by Mr. Scullin. If it is not the avowed policy of the political party led by Mr. Lyons, for all practical purposes it remains the only policy that can eventuate as a result of the attitude of Mr. Lyons and of his party. It is within the knowledge of all of us that Mr. Lyons,

speaking for his party and himself, refused definitely and finally to consider favourably any amendment of the Federal Constitution, which would result in any portion of the sources of revenue now enjoyed by the Federal authority being transferred to the States to enable them to balance their budgets. The result of such a refusal, at any rate so far as Western Australia is concerned, is inevitable. It means that a continuance of our present system of State government will become impossible because we will be unable to get the money with which to carry on. Whilst this is so on the one hand, on the other hand, if, by any freak of fortune, Mr. Scullin were to come back to power—he is the apostle and the high priest of unification—the position must arise at an early date when there will be only the choice between unification and secession for Western Australia. Surely the people of the State have a right to be told that that position is inescapable, and surely it is the duty of the Ministry who act as the guides and leaders of the people to bring that all-important matter within their knowledge! And yet not a word can be found in the Speech to suggest that any such momentous decision stands at our very door; nor is there the smallest inkling of any advice to the people of the State as to which of the two choices would best serve the interests of the State. I confess I find it difficult to understand the attitude that some members of the political Labour Party have taken up. The principle of the referendum is perhaps the most important, and the most sacred and most honoured plank in their political platform. It is the outward and visible declaration of the sovereignty of the people. In effect, it predicates that when the people have once expressed their will, that will must prevail. That is the theoretical meaning to be attached to this declaration of faith. In practice, however, in the case of some members of the Labour Party, it means something quite different. It means that although the people have expressed their will in unmistakable terms, they can disregard it and brush it aside if it does not coincide with their private and personal views. They reserve to themselves the right to say that the people did not understand what they were voting about, or that the people were swayed by some sudden and passing emotion and not by any well-founded conviction or any other plea which

will serve for evasion. Either one excuse or the other will serve with them. Since it is open to them to make use of one or other of these excuses when declining to accept the determination of the people on a matter which has been left to them to determine, it follows that the principle of the referendum does not apply to them and is not accepted by them. They are only prepared to give lip service to it, and nothing further. These thoughts are forcibly brought before one at the present juncture. We are on the eve of being called upon to make a most momentous decision, when the course, which the great majority of the people of the State have by their votes endorsed, is awaiting acceptance at the hands of the Imperial authorities. I do not wish to pursue this matter any further than I have done, because I am still filled with the belief that those who recognise a responsibility to give effect to the decision pronounced by the people will yet, despite the opposition of some associated with them, carry out their intention to do so.

Mr. Sleeman: That is a different view from the one you held some few years ago.

Hon. N. KEENAN: What few years? I think the member for Fremantle (Mr. Sleeman), who is very prolific in his reminiscences, is thinking back too far. Perhaps he is thinking of his babyhood days. Again I must say that we are not here merely to take part in duets or trios, or in any other form of musical entertainment, but to proceed with the matter which I am bringing before the Chamber. I do not propose to say anything about the disclosures which were made in the report of the Royal Commission appointed to inquire into the working and the present position of the Agricultural Bank, because I understand that the Premier has expressed his intention of granting a special occasion on which that subject may be debated. However, it cannot be news to many of us that the Agricultural Bank has been carrying on its books many thousands of pounds which should have been written off long years ago as bad debts. Nor yet can it be news to many of us that the Agricultural Bank has lent money on risks which would never have been accepted by any business man. Still, both these proceedings are matters of policy in which the Agricultural Bank authorities practically received, it is said, instructions from the Ministry in power. Now, whether those Bank authorities were justified in obeying

the instructions they received under those conditions—if the instructions were given—remains a matter that will no doubt be debated when the Premier affords this House an opportunity of dealing with the report. Before resuming my seat I wish to make a few remarks on the administration of the board appointed to control transport in this State. It is said that it is unjust to criticise the board before, so to speak, they have got into their stride. But they are not for one moment criticised from that point of view. It is their avowed expression of what they conceive to be the principle underlying the Act, and also their personal want of knowledge of many matters connected with transport, that are made the subject of criticism. It has been reiterated and emphasised again and again that the board's reading of the Act is that wherever there has been a railway constructed capable of carrying goods and passengers outside the metropolitan area, it is their duty to eliminate all opposition to that railway line. If that is their reading of the principle underlying the Act, then all I can say is that it certainly was not accepted as the principle of that Act when it was a Bill before this House. No desire in the nature of total prohibition in the interests of the railways was for one moment announced when the measure was before us. On the contrary, the point was stressed that the object of the Bill was to co-ordinate, and only to co-ordinate. In effect, the object of the Bill was to eliminate useless, unnecessary and wasteful competition. I think that sometimes a confusion of thought arises between the public interests and the interests of the Railway Department because of the fact that the citizens of Western Australia happen to be the owners of the railways. It is assumed that these interests are identical, which is far from being the case. The day may well come when it will be imperative in the public interest to abolish the railway system altogether and substitute some other form for the carriage of passengers and goods. I am personally convinced that in no part of the world has such a development yet taken place. I am personally convinced that nowhere in the world, and least of all in Western Australia, would it be possible to carry on industrial life without the existence and assistance of railways. Therefore I candidly confess that the railways, in order that they may continue to operate, must receive some consideration suf-

ficient to enable them to continue. But that proposition is entirely a different one from total prohibition. The proper procedure would have been to create such conditions as would make the competition equal for all parties. But if a policy of total prohibition is to be indulged in, then it is indefensible to indulge in such prohibition without compensation to those who are lawfully engaged in the business of carriers, and who by reason of such prohibition find their capital thrown away and themselves cast on the serapheap.

Mr. Lambert: You would not surely suggest duplication of services?

Hon. N. KEENAN: It is not as if these people were law-breakers. They have not been law-breakers at all, but have been carrying on a perfectly lawful occupation. The worst alleged against them to-day is that they work too hard. Now, in a world that had almost forgotten how to work it is a very dangerous step for any Government to blame any of their citizens for working too hard.

Ministerial Member: And too long.

Hon. N. KEENAN: In that case the matter could be controlled. There is no difficulty in that respect. And the wages can be controlled too, by awards. But let me assume that these people have worked excessive hours, and therefore too hard. Are they for that reason to be deprived of all compensation when their means of livelihood is taken away from them and when they are prevented from pursuing any further what was, until this statute became law, a lawful occupation?

Mr. Raphael: They knew years ago what was coming.

Hon. N. KEENAN: An Act which means that, is an affront to our basic conception of justice, and the statute-book on which it is inscribed is insulted by the inscription. I do not care what may be the manner or the method of compensation that is given, provided it be equitable. It may be by allowing for a limited period of time, competition to continue under limited conditions, or it may be by taking over the plant of those who are refused a license further to continue their occupation, or it may be by any other equitable means within the conception of man. But to adopt the attitude that is being adopted now is without a shadow of excuse or a shadow of apology. I do not wish to detain the House by attempting to deal with many other mat-

ters of importance which have been entirely omitted from the Speech. No doubt other occasions will arise, and more appropriate occasions, when those matters may be discussed from the floor of this Chamber. We are living in most perilous days, despite the promise of a rise in the price of wool. No one hopes more sincerely than I do that that rise will continue, and that it will remain in force for years to come; but it would be foolish in the extreme to build too far on that hope. When wool climbed 18 months ago in almost the same spectacular manner, I was told, and I feel sure many members of this House were told, that because the wool in Australia had all been sold, because the wool markets were bare of wool, and because South Africa was unable to look forward to any great production of wool, the price was absolutely safe and was bound to remain at the figure it had reached.

Mr. Ferguson: A figure very little above the cost of production even then.

Hon. N. KEENAN: It was said that the price of wool would never fall; but it has fallen, and fallen disastrously. Therefore, it would be foolish to build too much on the present rise in the price of wheat. Nevertheless, we all welcome the prospects, before the wheatgrowing industry. After years of unparalleled sufferings the wheatgrowing industry will require the fullest realisation of present prospects in order to regain strength and vigour. It will be imperative to see that the industry does regain its full vigour, and that it is not sucked dry by importunate creditors, for, of course, the fact that wheat has once more become a marketable commodity, at a fair price for the moment, will undoubtedly lead to importunate creditors asserting their rights. I do not think the great mass of creditors will do so. I believe they will be quite prepared to assist the farmer in getting on his feet; but there will be some who will seek to serve merely their own selfish ends, and care must be taken to prevent that highly undesirable result taking place. Lastly may I once more express a belief which I hold most profoundly, that at the present juncture there is no room for sectional differences between the people of this State, if ever there was. We are all of us in the same boat. The artisan in the town, the business man in the town, the professional man in the town, knows only

too well that if the country fails, then he too must fail.

Mr. F. C. L. Smith: We will all join the Dominion League!

Hon. N. KEENAN: I was emphasising a point which is very near to my heart, and that is that at the present juncture there is no room for sectional differences. We are all of us, as I have said, in the same boat; and only by united effort, only by standing together and doing everything, in our own persons, that it is possible to do, is success at all probable or even possible. In the sad school of adversity we have learned that lesson. We have learned that only by united effort will it be possible to achieve any measure of success. Therefore it is that we who sit here in Opposition are only too willing and only too anxious to do, on our part, whatever it is possible to do to assist the Government to bring the welfare of the people back again.

MR. NEEDHAM (Perth) [5.15]: I congratulate the Leader of the National Party in this Chamber, the member for Nedlands (Hon. N. Keenan), on the quality of his speech, although naturally I disagree with many of his statement. He was not sparing in his condemnation of the Government with reference to their employment policy, and he had not one word of commendation for the improvement that has undoubtedly taken place as the result of the Government's operations. For my part, I congratulate the Government on the improvement that has been manifest during the past 12 months as the result of their employment policy. Even those in our midst who are opposed politically to the Government, will readily admit that a step forward has been taken and that the position regarding unemployment is vastly different from that which existed 12 months ago. The very fact that there were over 6,000 men drawing sustenance at the beginning of the present financial year, and that to-day slightly over 1,000 only are in that position, indicates that the operations of the Government policy have resulted in good.

Mr. Ferguson: But the Government have had a lot more money to spend.

The Minister for Mines: Not very much more than you had during the last year you were in office.

MR. NEEDHAM: Naturally I shall not be entirely satisfied that we have reached the goal we set out to attain, while there are

men in receipt of sustenance. We shall not be satisfied until the time arrives when every man is back at his normal employment in receipt of a full week's wages for a full week's work. Considering the undeniable fact that we are still suffering from the effects of the economic blizzard that has been raging for years past, the reduction of the number of men in receipt of sustenance from 6,000 to 1,000 is evidence, on the part of the Government, of something attempted, something done. The member for Irwin-Moore (Mr. Ferguson) interjected that the Government had had more money available than the previous Government. A similar statement was made by his colleague, the Leader of the Opposition, during the progress of the debate last week. The Government may have had the advantage of a little more money than their predecessors in office, but the outstanding fact remains that the present Ministers have a far better idea of the manner in which the problem should be attacked, that did members of the previous Government.

Mr. Thorn: And that, of course, is a quite unbiassed expression of opinion.

Mr. Raphael: It is the opinion of the people of the State as well.

MR. NEEDHAM: Apparently, the member for Toodyay (Mr. Thorn) is willing, as also is the member for York (Mr. Latham), that the State shall remain in the winter of its discontent and will not attempt to assist in achieving the content of a glorious summer. I repeat my statement that the present Government have indicated a better idea of tackling the problem than did their predecessors in office.

Mr. Latham: The fact remains, too, that there are many more in receipt of sustenance than the Minister for Employment has indicated.

MR. NEEDHAM: The previous Government should have prevented the wastage of money that continued during the time of their administration. During their regime, we had the spectacle of local governing bodies getting their work done at sustenance rates, and men were simply working in return for their sustenance payments and were engaged on local governmental jobs, although actually the work was done at the expense of the State. The present Government recognised that the policy was wasteful and determined to alter it. They did so immediately they assumed office. To indicate to the Leader of the Opposition where

he and his Government slipped in that direction, and also for the information of members generally, it may be as well to present a few figures relating to this very important phase of the employment policy of the present Government, a phase that was neglected until they took office. When the present Government assumed control, 1,580 men were employed by local governing authorities at sustenance rates. In some instances, the rates paid were slightly above sustenance payments. During 2½ years, the State paid £406,000 in accordance with that policy, to which has to be added an amount of £44,000 that was made available by the local authorities. That means that for an expenditure of £44,000, the local authorities had performed for them work to the value of £450,000. The withdrawal of the men from that form of employment had exceedingly beneficial results inasmuch as many of them were subsequently engaged by the local authorities on a full-time payment basis and the remainder of the men, in their turn, were employed by the Government on relief works at the ordinary standard of wages. It might be as well to read the circular that was sent by the Minister for Employment's Department to the local governing authorities with reference to this matter. The circular, which was dated the 3rd August, 1933, read as follows:—

As you are aware, the practice of making sustenance men available for work performed by local governing bodies has been operating for some time. Under this system the local governing bodies have, in some cases, been simply providing the material and, in other cases, paying a few shillings in addition, but, generally speaking, the position has been that the Government has been responsible for the whole of the expense insofar as the sustenance workers themselves were concerned. In very many cases this has resulted in men being deprived of the opportunity of working under the ordinary wage standard system.

Being convinced that the position insofar as the workless people of this community is concerned will not improve until such time as a complete wage basis has been restored, it has been decided that this system of employment of men shall cease as from the 19th inst. The department is fully appreciative of all efforts made to assist in the absorption of the unemployed, and trusts that the co-operation of all those who are desirous of assisting Western Australia to be one of the first States to emerge from the depressed period, will be freely given in order that, per medium of the restoration of a wage standard, we may enable people to secure the employment for which they have been waiting so long.

I feel sure your council will realise the necessity for taking the step indicated above, and

that the Government will receive the co-operation of all local governing bodies towards the restoration of the standard so necessary if the success at which we aim is to be achieved.

Members will see from that circular that there had been an opportunity for the previous Government to improve their employment policy, to have prevented the wastage of money from the State exchequer, and to have compelled the local governing authorities to have carried out work in a proper manner, in justice to the ratepayers, and in justice to the people who had been employed to do the work. The member for Nedlands complained very bitterly about the continuance of the system of borrowing in order to obtain money to provide employment. Borrowing at all time is reprehensible, unless the money be secured for reproductive work. The member for Nedlands cannot correctly say that all the work that has been carried out, and is still being undertaken by the men on sustenance, is of a non-reproductive description. As a matter of fact, most of it is of a reproductive character. Although the hon. member castigated the Government for continuing to borrow money in order to provide employment and condemned the practice lock, stock and barrel, he forgot to tell us that he was a member of a previous Administration that did practically the same thing. We did not hear his voice ring through this Chamber or anywhere else protesting against the practice. When he was a responsible Minister of the Crown, he could not get enough money, borrowed or otherwise. There was another feature about his criticism. While he condemned strenuously the policy of the Government in dealing with the unemployed, he had nothing to offer the House as a substitute for the Government policy. He did not suggest how more men could be employed, or how they could be kept at work with the benefit of a larger remuneration. He did not suggest how it could be done by any method other than borrowing. The hon. member might at least have attempted to be constructive in his criticism and not have rested content with merely destructive references.

The Minister for Employment: He might have mentioned what he did himself when he was in a previous Government.

Mr. Latham: Have you been letting secrets out?

Mr. NEEDHAM: I repeat that there did not come from him, or from any member of his Government, results anything like approaching what have been secured by the present Administration. Regarding the employment position, we realise we must go further afield, in our attempt to deal with the problem, than mere relief work. We must go beyond this State in dealing with the question of employment. We must delve deeper down for the roots of the trouble. Unless our monetary system is altered, or until we have some international arrangement that will considerably shorten the hours of labour, we will not make much advance along the road that leads to the solution of the problem. Last night the people of the Commonwealth were entertained by a most momentous utterance by the Prime Minister of the Commonwealth. Those who did not listen-in to the speech, had the pleasure of reading the report in the "West Australian" this morning.

Mr. Latham: You missed some interjections if you did not listen-in.

Mr. Withers: Interjections that the Press did not publish.

Mr. NEEDHAM: During the course of his speech, the Prime Minister announced the policy of the Federal Government upon which they will go to the country at the forthcoming elections. During the course of his remarks, he made some belated references to the unemployment problem. I presume these references were made by the Prime Minister on his political death-bed, or at any rate, they represented his death-bed repentance, because I believe that, after the 15th September next, he will be relieved of his responsibilities. It is most remarkable that the Prime Minister of the Commonwealth and his Government should have been so indifferent to this problem of unemployment as they have been during the past 2½ years. It is strange that the head of the Government that has been wallowing in affluence during the past three or four years—it reminds me of the nursery rhyme of the old woman who lived in a shoe; he had so much money he did not know what to do—and has been embarrassed by the surpluses of the past three or four years and, in order to get rid of them, has distributed it here, there and everywhere by way of largesse

and in the reduction of taxation to big taxpayers, has all that time remained callously indifferent to the unemployment problem and to the difficulties that the States were experiencing in trying to cope with the problem. Little he cared that the Treasurers of the various States were handicapped by deficits; little he cared that the Treasurers of the States had to go once or twice a year, cap in hand, to the Loan Council to get a few pounds with which to carry on the services of the State. Now, after all this time has elapsed and though he knew perfectly well the difficulties being encountered by the States, he has put into his political shop window a reference to unemployment. When we analyse his proposal, what does it amount to? He is going to have a consultation with the States; he is going to help them with the payment of interest on the money that may be lent to the States, but the sum total of his proposal is devoid of anything of a constructive nature. There is only one solid thing in it and that is the intention to follow the example of the Western Australian Government and detail one of his Ministers to handle the question of unemployment, provided he is returned to power. There has been a distinct improvement in employment in this State and the Government should be complimented upon it. Another question on which the Government, and particularly the Minister for Employment and Industrial Development should be congratulated is the ability and zeal he has brought to bear on the movement for supporting local products and his continuous endeavour to impress upon the people the necessity for using local products. I know of no one who has been so enthusiastic as the Minister has been, and he has received the backing of an energetic Government. Night after night, in various centres, he has pointed out the necessity for encouraging local production. He has pointed out the suicidal policy of having to send annually to the Eastern States millions of money for commodities which we ourselves could produce in the State. I regret to say that, notwithstanding the splendid efforts of the Minister and of the Government, according to figures published in the Press, there has been an increase in the value of imports from the Eastern States. It is amazing that, despite the efforts of the Government and the activities of the Economic Council, the imports from the

Eastern States have increased. The report stated—

The Western Australian trade returns for the year ended 30th June last, which were issued yesterday (10th August) by the Deputy Government Statistician (Mr. W. Morrison) show a further increase in the value of imports from the Eastern States, the total of £9,276,956 being £906,843 in excess of that for the previous year and one of the highest totals on record. In 1931-32 imports from the other States amounted to £7,926,858.

I sincerely regret that increase.

Mr. Thorn: As a matter of fact, the Eastern States are dumping more goods here than they did previously. They are really dumping the stuff here now.

Mr. NEEDHAM: Latterly there has been an improvement. The report continues—

It is pleasing to note, however, that in respect of commodities such as butter, packet tea, boots and shoes and matches, imports are definitely on the decline, and that an appreciable advance is being made by local manufacturers.

It is useless for us to talk of secession or to complain about the treatment meted out to us by the Commonwealth Government—I admit that in many instances our complaints have been well-founded—unless we try to put our own house in order and instil into the minds of our people the imperative necessity for buying everything locally. If a commodity cannot be produced in this State, then we should give our fellow Australians in the Eastern States the next preference, and after that the Empire.

Mr. Thorn: The Eastern States are dumping stuff into this State at less than cost, and at a much cheaper rate than it can be produced here.

Mr. SPEAKER: Order!

Mr. NEEDHAM: In view of the campaign to encourage preference for local goods, instead of imports decreasing, they increased during the 12 months, and no member can regard that fact with any degree of equanimity or enthusiasm. This fact has an important bearing on the unemployment problem. If one-half of the £9,000,000 had been spent in this State, how many more men would have been in employment to-day? While the Government have been doing everything possible to encourage local production, private people have not been using local goods to the extent they should. Reference has been made to the increased price of wheat. The rise in price is indeed pleasant news and has caused a better feeling

throughout the community. Whether the enhanced price will be maintained is a matter for the future. Welcome though the increase is, there will be many farmers who will receive little benefit, because much of the money represented by the increased price will have to be spent in making up the arrears of the last four years. The building trade figures for the metropolitan area show an improvement. The building trade has been fairly brisk during the last few months and now we have notification of proposals to expend more than half a million pounds in the city itself. If I said that this not only shows great confidence in the State but also confidence in the Labour Government, some of my friends opposite might not treat the remark seriously. Some members on the front Opposition bench would have the temerity to question the statement.

Mr. Latham: There would be no need to question it.

Mr. NEEDHAM: I maintain that the decision to spend that money not only shows confidence in the State, but also shows considerable confidence in the Government. Another question of importance to the people of Western Australia is the report of the Commonwealth Grants Commission and the very paltry amount allotted to this State. It was a remarkable report by a most remarkable commission. When I read the report and noted the amount recommended for Western Australia, namely £600,000, I was not surprised because, as other members have said, right from the start the chairman of the commission showed that he was biassed and prejudiced. The chairman is a trained man—a legal gentleman—but is entirely devoid of any judicial qualities. Throughout the hearing of the case in this State, he was continually making statements from the chair that were not only critical and antagonistic, but absolutely biassed and prejudiced. No man holding such a position as chairman of the commission inquiring into a matter of that nature should have been guilty of uttering such statements as he made from the chair. It destroyed any faith in him to possess judicial capacity good, bad or indifferent. A paltry sum of £600,000 has been allotted to this State, and when from that we deduct what we are paying for the enhanced cost of sugar and the expense of the North-West, the real grant in aid will amount to about £40,000. The more I hear of special grants, the more I realise that we made a fatal mistake in voting for

he must remain over there to give a hand to fight the elections in the other five States, and entirely ignore his own State where he could have been well questioned on many important subjects. I regret the cavalier treatment that has been meted out to Western Australia by the Royal Commission, which proved itself biased. Again I say that had we been able to retain the per capita system of payment, we would have had a great deal more money to spend on urgent public works which, under existing conditions, cannot possibly be carried out at the present time. For instance, there is the all-important question of additions to the Perth Hospital. There is a work crying aloud to Heaven for consideration. During the past few days we have seen published statements, including one from you, Sir, drawing attention to the crowded state of the wards and the conditions under which the nursing staff have to work and live and sleep, conditions which in no way are helpful to them or to the sick. We realise that the Government of the day would readily accede to the request to provide increased accommodation if funds were available. But where is the money to come from? The member for Irwin-Moore has said that the inclusion of the Financial Agreement in the Constitution was a step towards unification. Not long ago, during the regime of the Government with which my friend was associated, he and his party took a step towards unification. There was a secession Ministry, and they brought down a secession Bill.

Mr. Latham: We did not.

Mr. Ferguson: You mean we brought down the Referendum Bill.

Mr. NEEDHAM: Yes, I meant the Referendum Bill. They took another step towards unification when they handed over the State Savings Bank to the Commonwealth.

Mr. Latham: We did that to protect the depositors.

Mr. NEEDHAM: The hon. member's party handed over the State Savings Bank to the Commonwealth Government. On the one hand they were calling out for the State to secede from the Commonwealth and at the same time they handed over to the Commonwealth the very institution that would have kept them away from unification. I know the hon. member's party had to do it; they were forced to do it, and at about the same time they were loud in their condemnation of the Premier of New South Wales because he had to allow the savings

bank of that State to go to the Commonwealth.

Mr. Latham: We did nothing of the sort.

Mr. NEEDHAM: Let me tell the hon. member the facts. Mr. Lang was forced into that position by a rush on the bank, purposely made to discredit him and his administration; there is no mistake about that. Mr. Lang was not able to stop that run because of the conspiracy to oust him and his Government.

Mr. Latham: I will take the first opportunity to correct your statement.

Mr. NEEDHAM: That was the position in New South Wales. I do not hold any brief for Mr. Lang, but merely wish to point out the difference between what happened in New South Wales and in Western Australia. In the one case the individual was compelled by the action of his opponents to close the doors of the bank, and in the other case the Government, without letting anyone know, handed over the savings bank to the tender mercies of the Commonwealth. I claim that that was a step towards unification. Of course we all know why the Government of Western Australia had to do it. Unconsciously the Leader of the Opposition has told us that it had to be done to protect the depositors. The Government knew they had reached the end of their tether, financially, and they had to have recourse to that method so as to get protection for the people who had placed their savings in the State bank. I have no more to say at this stage. I had proposed to make reference to one or two other questions, particularly to the improvement in the employment position which, I trust, will go on. I hope that the economic outlook will continue to improve and that we in this State, together with the rest of the people in Australia, will hasten along the road to prosperity and forget the dark days we are passing through.

MR. TONKIN (North-East Fremantle) [5.57]: The member for Nedlands remarked upon the reluctance of members to speak on the motion for the adoption of the Address-in-reply, and he said that the reason for that reluctance was that there was insufficient in the Speech to justify any remarks from hon. members. As a matter of fact, the hon. member himself is responsible for a good deal of the reluctance because we, the lesser lights, believe that the leaders of the parties, if they have anything

to say, ought to say it and give us the opportunity to gather any crumbs which might fall from their table of wisdom. It was because the hon. member himself refused to get up and say something, that a number of us were reluctant to make a commencement.

Mr. McDonald: Then should not you wait for the Premier to speak?

Mr. TONKIN: No, he replies to the debate. However, that objection has now been removed, and so I suppose the debate will go merrily on for some considerable time. As in the opening speech at the beginning of the first session of this Parliament, the Speech which His Excellency has delivered to us, emphasises the gravity of the financial position and the need for continued rigid economy. Economy we all agree with in principle, but we reserve the freest right to differ about its application. There is truth in the adage that a stitch in time saves nine. It is not economy, but waste, to neglect necessary repairs, as the previous Government did. Also it is false economy to give worn-out or obsolete tools to workers and expect them to work with maximum efficiency. It is the same as expecting a motorist to attain top speed with the brake on. Again, there is the unfortunate practice which has obtained, and I believe still obtains, of handing over departmental Estimates to a Treasury official who, in nine cases out of ten, has not the remotest idea of the requirements of the department, and who in arbitrary fashion cuts down the Estimate by a certain percentage and hands it back to the head of the department to do the best he can with it. That was the method adopted by the previous Government, and I am afraid it is still in operation.

Hon. W. D. Johnson: And has been for generations.

Mr. TONKIN: It is never too late to mend, and I hope the Government will alter this practice for something much sounder. How can we expect a Treasury official to be able to calculate the real requirements of another department? It is a ridiculous system. Now I will pass to the all-important subject mentioned in the Speech, namely unemployment. Every other subject falls into insignificance alongside this one, and we could neglect the rest if we could but make any headway with the remedy for unemployment. I endorse that passage in the

Speech which reads: "The serious consideration of Ministers at all times has been given to the problem," and I can add that much improvement in the position has been effected, although the position even now is woeful. Nothing more than alleviation is possible under the existing system of private competitive business financed or, in some instances, unfinanced, by voracious private banks. Modern industry and trade are entirely different from what they used to be. Firstly we have the productive capacity of the machine, and secondly we have the extension of manufacture to other lands. A few years ago Great Britain and one or two other nations had practically the whole trade of manufactured articles to themselves, and consequently they had a very wide market. But certain factors have since changed all that. Now the nations that were previously buyers of commodities are themselves sellers. It is easy to understand the reason for that. In a number of instances patent rights over machinery, which were held by the leading manufacturing nations have expired, with the result that that machinery has been introduced throughout the world. Other countries have taken up the machinery and begun to manufacture for themselves. To hasten that on we have the investment in those other countries of the surplus capital of the men who made their money in the original manufacturing countries. For example, Great Britain was years ahead of America and held patent rights for various classes of machines of tremendous productive capacity. The goods were sold to other countries, and so large credits were there built up. But it was not always possible to have that money paid, and so it was invested in those countries. Thus industries similar to those in England grew up in those foreign countries, and they became trade competitors. That is one of the reasons why the principal markets are not now available. Certain countries still possess some manufacturing advantages. Only yesterday it was brought to my notice that in the manufacture of boots and shoes, so small an item as the eyelets cannot be produced in every manufacturing country, and that Belgium and the United States specialise in the production of those eyelets. Similarly, in the manufacture of watches and clocks, Switzerland still possesses the largest proportion of the trade, although it may not always be so. One might think that the elastic placed in

the sides of certain boots would be manufactured in almost every manufacturing country. Actually certain countries specialise in that commodity, principally Great Britain and Japan. The Japanese article is considerably cheaper than that of British manufacture, but in a factory which I visited yesterday, I am pleased to say they use the British article. The point is that even now we have certain special articles being manufactured only by certain countries. Gradually even those will disappear, and we shall find the manufacture of them practically universal. I can visualise the time when the only advantage a manufacturing country will possess will be that of having a certain commodity which cannot, by reason of certain physical conditions, be manufactured elsewhere. The influences which previously hampered the extension of manufacture are now passing away. Of those influences the existence of patent rights was one of the most important. Increased competition is, I suppose, the main reason for the present unemployment in industry. In order fully to understand the position we should give consideration to local trade, interstate trade and international trade. In local trade there are manufacturers who all the time are endeavouring to capture the local market, one manufacturer seeking to place his goods on the market to the exclusion of the goods of another manufacturer. That is going on all the time, and I suppose if the position were analysed it would be found that any one manufacturer could easily supply the full requirements of the local market. The same thing goes on in interstate trade. The Minister for Employment is now carrying on an intensive campaign for local products. He is to be commended for that. But it has to be remembered that when we induce people to buy and use local products, we displace some products from the other States of Australia and from Great Britain and elsewhere. So while we succeed in placing more of our own people in employment, we throw out of employment a similar number in other States and countries. For instance, if we succeed in getting people here to use exclusively Western Australian boots and shoes, we shall put a larger number of men and women into the industry, but we shall also displace a corresponding number in Victoria and New South Wales.

Mr. Ferguson: But we shall be using our own leather in addition.

Mr. TONKIN: Not always. If we throw men and women out of work in New South Wales and Victoria we reduce the purchasing power there, and so possibly some of the goods we export to them will be left unsold.

Mr. J. MacCallum Smith: They would not buy two pennyworth from Western Australia.

Mr. TONKIN: That is not true. The same thing obtains in the international sphere. Some time ago I read that the Canadian Government had fixed up a trade agreement with New Zealand, under which New Zealand was to be able to send dairy produce to Canada at a preferential rate as against Australian dairy produce.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. TONKIN: I was pointing out before tea that some years ago Canada and New Zealand had a trade agreement whereby preferential treatment was afforded to New Zealand for her dairy produce against that of other countries, and that this agreement acted harshly against Australia, and had the effect of causing considerable damage to the trade of Australian dairy farmers. Immediately that treaty lapsed the Government of Australia hastened to conclude a treaty with Canada on behalf of Australia. The result of that treaty was that Australia was afforded a preference against New Zealand dairy produce, and the butter, cheese and cream from that Dominion was cut out and Australia recaptured the market. So it goes on, one country pushing out another, taking the trade for the time being and later on, in turn, itself being pushed out, with consequent unemployment going around in a cycle. I am reminded of the boy with a box of blocks. He had 11 blocks, but the box had room only for 10, with a small space remaining. The boy placed the ten blocks in the box and endeavoured to put the eleventh block with the other ten. He tried to put the eleventh block in at one end, in the small space there, and after a struggle he got it in, but pushed another block out at the other end. He endeavoured to force in the block that was pushed out and in the endeavour forced another block out. I am also reminded of a man trying to purchase a ticket at a box office outside the theatre. He was pushing away, endeavouring to get to the opening, but as he pushed in, somebody else was pushed out of his position. That is how

it goes on with international trade: one nation pushing out another with consequent unemployment for the time being to the nation that has been displaced. That will continue under our present system of business. The private competitive system is a complete failure. I can prove that by quoting the trade and other figures of Australia for the last four or five years. I take my figures from the Commonwealth Year Book up to 1932. This shows that our trade for 1927 annually until 1932 was as follows: Imports for 1927-28 amounted to £148,000,000 in round figures. In 1928-29 there was a decrease of £4,300,000; in 1929-30 there was a decrease on the previous year of £12,600,000; in 1930-31 there was a further decrease on the previous year of £70,000,000; and in 1931-32 there was a further decrease on the previous year of £16,200,000. Throughout those years the figures have decreased by tremendous leaps. I now take the exports. In 1927-28 the total exports of Australia amounted to £143,000,000; in 1928-29 there was a slight increase of £1,600,000 on the previous year; in 1929-30 there was a decrease on the previous year of £19,700,000; in 1930-31 there was a further decrease of £20,800,000; and in 1931-32 a further decrease of £3,600,000. It is the nation's aggregate trade which gives employment to our people, and yet there has been this tremendous falling away right up to the present.

Mr. Thorn: The falling away of the export trade was due to the price collapse, was it not?

Mr. TONKIN: Not entirely. Whilst that falling off in trade was taking place the profits of the banks continued steadily. The Commonwealth Bank trades in a limited field. It has withdrawn from certain activities, leaving the profits on them to private institutions. The Commonwealth Bank is a fair indication of the profits that are to be made out of the banking business, despite the losses in other businesses. In 1928 the accumulated profits of the Commonwealth Bank amounted to £6,766,415. These profits increased regularly by £800,000 per annum, until in 1932 the total accumulated profits of this institution amounted to £10,054,017. I am unable to give the yearly profits of the private banks and have only the complete figures for 1931 and 1932. In 1931 the private banks made a profit of £3,346,728, equal to a return of 8½ per cent. on the

paid up capital. After setting aside a fund for reserve the return in dividends was 8½ per cent. In 1932 the total profits of the private banks amounted to £2,014,798, and after making provision for reserves and a certain amount of undistributed profit they had sufficient to pay a 5¼ per cent. dividend. Banks never pay out the whole of their yearly profits in dividends. During the short time they have been in existence in Australia they have amassed by way of reserves out of earned profits no less a sum than £30,602,500, an amount equal almost to their paid up capital, which is £35,000,000 or £39,000,000. This steady accumulation of funds has gone on despite the falling away in exports and imports, and despite the tremendous falling off in the volume of Australia's trade.

Mr. Seward: That is what saved Australia.

Mr. TONKIN: This very much resembles the man in charge of a game of pin pool. The players put in so much for each game, and the keeper of the game takes out a shilling or two shillings from the pool. There may be six players. Each one may start with £1, and if they played for several hours most of them would have lost their money. The keeper of the game would gradually have obtained money from them all. After a while he would lend some of his money to the players who had lost, and eventually he would have all the money, and the others would be mortgaged to him for a long time to come. That is how it is with banking. The banks never lose. It is a case of take out all the time. Their dividends are regular, as is shown by the figures. They work on a big margin of security. We all know the saying, "as safe as a bank." The margin of safety is very great. They are working on other people's money, and if any loss is made it is not the bank's loss. Whilst the banks were making these profits and trade was falling away, the incomes of the working people also decreased. Wages represent the income of the working man. In 1928 the weighted average of wage for an adult male in Australia was 100s. 5d.; in 1929 there was a slight increase to 101s. 2d.; in 1930 there was a fall to 96s. 9d.; in 1931 a further fall to £86. 10d.; and in 1932 the weighted average was down to 81s. 10d.

Mr. Latham: Was that not governed by the purchasing power of money?

the embodiment of the Financial Agreement in the Commonwealth Constitution.

Mr. THORN: I thought you were going to say "in entering Federation."

Mr. NEEDHAM: I do not think the State made a mistake there. I admit there are many wrongs that ought to be righted, but I think they could be remedied from within the union rather than from without. I say it was a fatal mistake for the State to approve of the Financial Agreement and particularly to its embodiment in the Commonwealth Constitution.

Mr. FERGUSON: It was the first step towards unification.

Mr. NEEDHAM: I agree with the hon. member that as soon as the Financial Agreement became embodied in the Commonwealth Constitution, we started on the way to unification, because we handed over the power of the purse to the very authority who so many of my friends opposite condemn.

Mr. LATHAM: There can be nothing wrong with that policy because it is your policy.

Mr. NEEDHAM: The hon. member is not correctly informed. Every member of the Federal Labour Party in the Commonwealth Parliament opposed the inclusion of the Financial Agreement in the Constitution. If my friend will read the debate on the State Grants Bill, he will find that every Labour member opposed it.

Mr. LATHAM: I said it will lead to unification, which is your policy.

Mr. NEEDHAM: The hon. member made the statement that the embodying of the Financial Agreement in the Constitution would lead to unification. The members of the Federal Parliament who voted for the inclusion of the Agreement in the Constitution were members of the party to which my friend belongs. I remember on one occasion during last session the Leader of the Opposition admitted that he then was a wiser man.

Mr. LATHAM: It was a candid admission to make.

Mr. NEEDHAM: He did advocate the inclusion of the Agreement in the Constitution, and he has now lived to regret it. We are suffering from that and will continue to suffer. We have the greatest area and the smallest population, and we stood to gain by the continuance of the per capita payments. It was pointed out to me that the State debts would be taken over under the Financial Agreement, but I would have preferred to shoulder the responsibility of paying the State debts and continuing the per

capita payments. We should certainly have been very much better off. As I just said, we have the greatest area and the smallest population, and to-day we have the largest area in the Commonwealth of unalienated land. I admit that as a result of the embargo on migration since 1929, the per capita payments would not have been as great as was forecast when this question was being discussed, but I venture to say, even with the cessation of migration, had the per capita system been in operation, we would have had more this year from that source than we are getting through the Financial Agreement. Here again I point out that the gentleman who for a considerable time has been a Senator representing Western Australia and has been a member of various Ministries, supported the inclusion of the Financial Agreement in the Constitution. He did not attempt to point out the danger Western Australia was running by adopting that course. He has also been silent with regard to the grant to this State of £600,000. He is aware what a splendid case was put up by the representatives of this State before the Royal Commission; yet he sat silently, did not utter a word of protest against the miserable sum allotted to us, a sum that is nothing less than an insult to the people. One would have thought, when the Royal Commission was being appointed, the Rt. hon. gentleman to whom I refer, and who must have some influence in the Cabinet, would have used that influence in the direction of seeing that a representative of Western Australia was included in the personnel of the commission. But no! I do not know whether that was attempted; if it was, it failed, and therefore in that particular instance the Senator in question failed this State. I was hoping we might have had a chance of hearing him on this question during the progress of the approaching Federal elections, but from what we have read in the Press we are not going to have him with us. We are told that because there is not a Victorian Minister in the Federal Cabinet, he must remain in Victoria and take charge of the campaign there. That is a most remarkable attitude, after having been 33 years a Senator representing Western Australia, and 22 years a Minister of the Crown! Whether or not that means that he does not again intend to seek the suffrage of the people I am not prepared to say, but it is idle for him to declare, as he has been reported, that

Mr. TONKIN: The profits of the banks are governed by the purchasing power of money.

Mr. Latham: Let us have the profits.

Mr. TONKIN: I have taken figure for figure. Does the hon. member want to distinguish between the nominal and real value of wages, in which case he must distinguish between the nominal and the real value of the bank profits?

Mr. Latham: Let us have them.

Mr. TONKIN: I have given the nominal value of the bank's profits, and have also given a fair comparison when I quote the nominal value of wages. If the hon. member wants to compare the real value of the bank's profits with the real value of wages, he can work out the sum for himself, when he will discover that the example I am quoting is all the more in favour of the working man. Not only has the income of the working man fallen away, but the working man is losing his capital every year that he lives. A man at the age of 40 is likely to be retired at 65, and has therefore, normally, 25 years of working life ahead of him. After working a year at this wage he finds he has used up one year of his capital, having only 24 working years of life ahead of him. In the following year he uses up another year of capital. By the time he reaches 65 his capital will have gone. He will no longer be fitted for industry and will be turned out. His capital will be finished and he has only the old-age pension to look to. But we find in the case of the banks that not only does income increase year by year, but that reserves of capital go on increasing just the same. At the end of 25 years—or whatever term may be taken—whereas the working man's capital is gone, the bank's capital has increased doubly or trebly, with a consequent increase in income. Clearly, the banks will very soon own the country, and the whole of the nation will be mortgaged to them, if such is not the case even now. I can well understand what prompted a statement made by Dr. Walter Leaf, manager of one of the banks known as "The Big Five" in Great Britain—

A banker is the universal arbiter of the world's economy.

We know that to be true. The banker calls the tune all the time. He con-

stantly uses public credit for private gain. That is quite in accordance with the dictum of the United Australia Party. Last night I listened-in to the speech of the Prime Minister of Australia, who had the astounding audacity to make, under the heading of "A Vigorous Policy of Works," the following statement:—

I have, however, mentioned only some of the directions in which examination may disclose opportunities in which the public credit may be utilised, either directly, or in support of private institutions, to provide opportunities for employment over a wider area.

Very nice at the first glance! However, what the Prime Minister means is to provide opportunities for profit primarily, and for employment only as an incidental. It is wrong that public credit should be used for private profit. Let private credit be used for private profit, but let public credit be used for community profit. The interests of any community should be paramount. Wherever private interests are incompatible with public welfare, private interests must give way to community interests. In point of fact, hon. members opposite agree with that statement, though they would not admit it. Already it is recognised in numerous cases. With regard to electricity supply we say: "The community should control that." We would not think of leaving water supply in the hands of private persons to run for their own profit. We say: "It is too dangerous a thing to tamper with; the community must control water supply." Then there is the question of fire protection. One would not think of licensing half-a-dozen companies to take charge of the fire protection of the State. We say: "We will put fire protection under the control of municipalities and the Government, as the people ought to have a say in the matter of protection against fire." I have merely suggested an extension of that principle. I believe that a permanent cure for unemployment lies in that direction alone. Public credit should be controlled by the people for the benefit of the people. In Great Britain the depression has been acute for 14 or 15 years. I remember reading in 1926, eight years ago, that prominent business men of Great Britain said they saw the silver lining, the signs of recovery. They are still seeing signs of recovery, the same signs; and for years to come they

will continue to see signs of recovery, but not recovery itself, for that is impossible under the existing capitalistic system. I admit that a State Government is unable to do what I contend is necessary. In its sphere a State Government can merely alleviate the unemployment trouble by judicious spending. It is the general view—the member for Perth (Mr. Needham) expressed it earlier in this sitting—that if a Government is going to expend money by way of relief, it should expend that money on works which will be reproductive. That is the accepted view. I suppose 99 persons in 100 would say that that is what a Government should do if it is going to use money for unemployment relief, that it should expend the money on reproductive works. I may be out of step, but I hold that view to be wrong. Spending money reproductively means, I take it, that a Government should spend on, for example, land settlement. The land which is cleared as a result of the expenditure is settled, stuff is produced and then marketed on an already glutted market, forcing prices down further, with the result that the second state is worse than the first. If the money is spent on a drainage system, the same position results. The wages of the workers engaged for the time will be used in purchasing commodities on the market, but when the drained land comes into use there is simply additional produce thrown on an already glutted market, and down go prices further.

Mr. Doney: But that condition is not permanent.

Mr. TONKIN: We have no proof of that.

Mr. Doney: We have no proof of the opposite, either.

Mr. TONKIN: My view is that it is far better to spend money on parks and roads and buildings. If a number of men are engaged on road-making, the whole of their wages can come in as purchasing power, so helping to clear goods already on the market. The road need not be purchased by anybody subsequently; it does not come on the market to glut the market. The same thing applies to buildings. All the money spent in wages for the construction of buildings goes to buy products already existent, and there is no further produce thrown on the market as the result of the expenditure. This was exemplified in France some years ago. Just after the war the French Gov-

ernment had a good deal of money. To quote only two sources from which the French Government received that money, let me say that the Government made a big profit on the operation of the Bank of France and also received large amounts from tourists who flocked into the country to visit the battlefields. The French Government used those funds not in any reproductive way but to reconstruct devastated areas and to re-erect buildings which had been torn down or destroyed. All that additional money, paid in wages, helped to clear produce off the French markets, with the result that manufacturers extended their businesses and needed additional employees, who came in from foreign countries because there were not sufficient workers available in France to fill the positions. That state of things continued for some time, but the fillip thus given to French business caused manufacturers to extend their plant so tremendously that very soon when the money gave out the original policy could not be continued. The markets becoming glutted, France had the same unemployment trouble as other countries. However, as hon. members will recollect, France was some years later than other nations in falling into a state of depression. I dare say the member for Nedlands (Hon. N. Keenan), if he were in his seat, would say, as he said last year, that I was showing remarkable originality of thought; and probably the hon. member would go on to say now, as he said last year, that in the search for originality it was possible to run riot with the rules of common sense. I suppose the hon. member, had he lived in the time of Columbus, would have been found among those who told Columbus that his originality was running riot with the rules of common sense in saying that the world was round whereas scientists said it was flat. Again, I suppose that if someone had said to the hon. member 30 years ago that the time would come when persons would be able to speak across a continent or even around the world in less time than the hon. member took to adjust his monocle, the hon. member would have replied, "That is allowing originality to run riot with the rules of common sense." My view is that the hon. member is unable to get out of the rut. An illustration of that occurred in his speech of this afternoon. He cannot appreciate the altered conditions of the modern world. I do not doubt his sincerity: he believes what he says, but he is

out of date. I hope he will concede my sincerity. However, our views are in direct conflict, and time alone will show who is right. For the present, nevertheless, I think we can both subscribe to what Robert Browning expressed in the following lines, with which I shall conclude my speech:—

The common problem—yours, mine, every one's—

Is, not to fancy what were fair in life
Provided it could be; but, finding first
What may be, then find how to make it fair
Up to our means; a very different thing!
No abstract, intellectual plan of life,
Quite irrespective of life's plainest laws,
But one a man, who is a man, and nothing
more,
May lead . . .

The member for Nedlands might, with me, subscribe to those sentiments, even though our views are opposite. Indeed, they are sentiments to which I believe every member of this Chamber can truly subscribe.

MR. McLARTY (Murray-Wellington) [8.0]: One thing that has struck me during the debate is that Ministerial members are quite satisfied the unemployment position is improving. It may be true that there are fewer men in receipt of sustenance now than there were 12 months ago, but I am afraid that has resulted because more men are employed on Government relief works. I would be only too delighted to give the Minister for Employment credit for what he has been able to do to reduce the number of men out of work in this State, but I notice from to-day's "West Australian" that the Prime Minister of the Commonwealth claims that the Federal Government are responsible for the decreased unemployment throughout Australia.

The Premier: We are both at it—"me and the Prime Minister."

Mr. McLARTY: I do not know that the men who are unemployed will worry as to who is responsible, so long as they secure work. No doubt the Minister for Employment and the Prime Minister will discuss this matter during the next few weeks. It is good, and undoubtedly wise, for members to endeavour to create a feeling of optimism in these days, and I hope they will succeed. One of the best things that has happened since we met last has been the improvement in connection with wheat. Although I represent an agricultural constituency, I have no wheat-growers in my electorate. Nevertheless, all who reside outside the wheat

areas are delighted to know that wheat prices are improving and that, in consequence, the farmers growing that commodity will have some hope for the future.

Mr. Wilson: The price is down again to-day.

Mr. Patrick: That is not permanent.

Mr. McLARTY: I realise that the price is fluctuating, but the indications are that the farmers are in for a better time than they have experienced for some years past. I regret that wool is not in as correspondingly a satisfactory position as wheat, but if what the experts tell us is true—and in these days we have to listen to expert advice—the statistical position of wool is sound, even though the European political situation is somewhat mixed. I feel, therefore, that there is hope for the woolgrowers as well. To my mind, one of the greatest drawbacks from which Australia is suffering to-day is the uncertainty of the political situation. There is no doubt that that uncertainty has created a tremendous amount of uneasiness.

Mr. Hegney: Surely you are not worrying about this State.

Mr. Lambert: Do you think we are becoming Bolshevik.

Mr. McLARTY: In reply to the member for Middle Swan (Mr. Hegney), I believe Western Australia has less to fear politically than the rest of Australia.

The Premier: The people here are well served.

Mr. McLARTY: I should have said that the position in Western Australia is not so bad as that of some other parts of the Commonwealth.

The Minister for Justice: You had better leave it at your original statement.

Mr. McLARTY: Throughout Australia there is a feeling of uncertainty, and I do not know how the difficulty can be overcome. I believe that the system of three-year Parliaments has something to do with it. Under that system, there is not sufficient continuity of policy and continuously, in some part or another of the Commonwealth, we find elections in progress, with candidates promising the people what they will do. To my mind, the time has come when we could do with fewer elections and also with fewer politicians.

Mr. Sleeman: We could do with 30 less here.

Mr. McLARTY: I do not agree with the hon. member. We are still talking a great

deal about the return to prosperity and to normal conditions. In that regard, I cannot agree with the remarks of the member for North-East Fremantle (Mr. Tonkin). I believe the only possible hope of returning to prosperity is by raising the price levels of our primary products. How can that be done? Only by the organisation of our primary producers.

Mr. Lambert: Taking in each other's washing.

The Minister for Justice: Governments will have a word to say about that, too.

Mr. McLARTY: Something of the sort is necessary. Those primary industries that are organised or have received Government help, are in a better position than those without organisation.

Mr. J. MacCallum Smith: Wool is up, too.

Mr. McLARTY: It may be inquired why Governments should be asked to help in the organisation of primary producers. We know from experience that producers are unable to present a united front or to organise properly, without Government aid.

Mr. Lambert: Would you advocate cutting out the middleman and allowing the primary producers to have the full product of their labour?

Mr. McLARTY: As far as possible, yes.

Mr. Lambert: Would you cut out the trading banks, which are the biggest offenders?

Mr. McLARTY: I do not desire to enter into a discussion with the hon. member.

*Mr. Lambert: You know you are—

Member: Kite-flying!

Mr. SPEAKER: Order! These interjections are distinctly out of order.

Mr. McLARTY: My views would not coincide with those of the member for Yilgarn-Coolgardie (Mr. Lambert). The time has arrived when a large section of the primary producers should have the right to ask for organised marketing, and the producer should have the right to determine what legislation should prevail. It is the duty of Governments, both State and Federal, to do all that is possible to help the producers to find markets for their products.

Mr. J. H. Smith: Would you favour "organised marketing"?

Mr. McLARTY: Yes.

Mr. J. H. Smith: Will you explain that term?

Mr. McLARTY: There is still a great deal of talk about Imperial preference, both in the Motherland and in Australia. I am certain that in the near future we shall hear considerably more about Imperial preference. That being so, it is necessary for us to ascertain what England will require most, and our primary producers should be encouraged to grow those commodities in order to supply the market. In my opinion, it may be advisable to establish trade commissioners in other lands. The South Australian Trade Commissioner, Mr. McCann, has done excellent work in England for his State. With the possibility of markets for us in the Near East and in other parts, we would be well advised to appoint trade commissioners ourselves. I notice that the tone of the Lieut.-Governor's Speech was quite optimistic regarding the dairying industry, and I hope His Excellency's prophecies will prove correct. That section of our primary producers will, in the near future, have the right to say whether they will accept the all-Australian agreement, which will give them an opportunity to organise their industry. I am sure the producers will agree to accept the scheme. If they do not, the industry will be in a chaotic condition and one authority, I note, prophecies that our producers will not receive more than 6d. per lb. for their butter fat, if the agreement be not accepted. I wish to refer for a moment to people who are going on the land at the present juncture. There are still quite a number who desire to go on the land and it is essential that the Government take some action to advise those people as to what they should grow. Only recently we had the spectacle of the Commonwealth Government providing £10,000 in order to subsidise mandarin growers so that they could grub out trees. Some of the Governments in the Eastern States also intended subsidising growers. There are still people who desire to grow fruit and other products for which there is to-day but little demand. That emphasises the necessity for organisation, and those persons to whom I have referred should be advised as to what they should grow. I am sorry that experimental farms have not been established in the irrigation areas. During next summer, thousands of acres of fresh country will come under irrigation conditions. Most of the settlers concerned have not yet had any experience in connection with irrigation matters, and the delay in the establishment of an irrigation experimental

farm will be a distinct loss to those individuals. It is admitted that considerable losses are entailed through farmers having to gain their experience, particularly in this new form of farming. All the irrigation districts in the Eastern States have experimental farms where settlers can go to ascertain how water is used, how the crops are grown, how rotational cropping is conducted, and so forth. In this State we have had no such experience to work on and it would pay the Government handsomely to borrow the services of some experimental officer from the Eastern States. I feel sure advice of that description could be obtained easily. They have thousands of acres under cultivation; they have their agrostologists, and they have gained an immense amount of experience. It may not be generally recognised that one of the greatest losses in irrigation areas was the result of over-watering. It is necessary for the Minister to keep a very close eye on what is happening now in the irrigation areas. I agree with the Leader of the Opposition in his statement that the present chairman of the Irrigation Board (Mr. Munt) has too much to do. He has plenty of ability, but he is under Secretary for Works, Chairman of the Transport Board and Chairman of the Irrigation Board. Now is the time when the Irrigation Board should keep closely in touch with the settlers in the areas they control. I would like to see the Minister convene a conference at an early date of representatives of the settlers and members of the Irrigation Board in order that he might learn exactly the position that obtains in those areas. Such a conference would be of considerable advantage to the districts concerned. We have heard a good deal lately about the farming conditions in this State. I do not propose to enter into a discourse upon that subject to-night, for the Premier has promised that we shall have an opportunity to discuss the report of the Royal Commission on the Agricultural Bank at a later date, and so I will leave anything I have to say until then. But I do think the time has arrived when there should be a national stocktaking of our farmers. I cannot help feeling that things are not as they should be. Under present conditions, a great number of our farmers are unable to give of their best. For this I do not lay the blame at the door of any particular Government, for that would be unjust, but I hope that in the near future the farmers

will know how they stand, and that some definite plan will be evolved for their assistance. I am sorry to hear that the proposed secession delegation is to be sent to the Old Country without a Minister of the Crown. I had hoped that a strong delegation, representative of all parties in the House, would be sent. I know it is difficult for the Premier to leave the State for any length of time, but if it is not possible for the Premier to lead this delegation, I hope he will send one of his Ministers. Some members smile, but it must be remembered that an overwhelming majority of the electors have expressed an opinion. That opinion should be respected, and to show proper respect we should send the strongest possible delegation to present the Case to the Imperial Parliament. In my view, no delegation would be properly representative unless accompanied by the Premier or some other Minister of the Crown.

Mr. Tonkin: Which Minister do you wish to get rid of?

Mr. McLARTY: Not any in particular, and I would offer no objection to any Minister detailed to accompany this delegation. There is considerable sympathy for Western Australia throughout the Commonwealth. Many people in Australia do not regard this as a joke, but are wondering what is to come out of it. I feel certain that unless something does come out of it, unification will be brought about. The Leader of the Nationalist Party to-night showed us that already half our income is earmarked for interest payments. If that be so, it is easy for anyone to foresee the stranglehold of the Commonwealth upon Western Australia becoming greater and greater. It is the fixed intention of certain people to bring about unification, which would mean the end of Western Australia as a self-governing State. All of us, irrespective of party, should be grateful to the Minister for Industries for the way in which he is pushing the local products campaign. He has rightly told the people that if only they will purchase local products to the fullest, there will be no unemployment in this State and that it will very largely help us over our difficulties. It is not easy to understand why our people should require so much urging, and I hope that as a result of the Minister's persistent campaign people will agree to purchase and so support our local products.

MR. CLOTHIER (Maylands) [S.20]: Twelve months ago, as a new member I listened attentively to His Excellency's opening speech. I did so again on the 2nd of this month, and was duly impressed with the recital of the progress made during the 12 months, and particularly with the references to mining, the wheat and flour industry, education, sewerage and metropolitan public works. In the mining industry at present there are over 2,000 young men trying to gain a livelihood independently of outside assistance. At Broad Arrow recently I went to see some of my constituents, having heard that they were drinking and not carrying out their duties.

Mr. Thorn: They get only water to drink up there.

Mr. CLOTHIER: Yes, that is so. However, on going amongst them I found that they were doing quite well and behaving themselves in every respect. Too much praise cannot be given to the Minister for Mines for his very fine scheme in providing employment for so many young fellows. Certainly no member of the Opposition ever thought of doing the same when that party were in office. As for the wheat prices, we are all delighted with the improvement shown, and I hope that wheat will be up to 4s. before the end of the year. However, I do object when I find that as soon as there is a rise in the price of wheat, the master bakers get together with the result that it goes the price of bread. It is an unjust state of affairs, especially when we know that some of the master bakers have to-day at least 100 tons of flour in their stores. In those circumstances, it is entirely wrong to increase the price of bread. I see that something is to be done about education and the University. Touching the University, one matter that should be brought forward here is the training of medical practitioners. At present a young man wishing to undergo that training has to transfer himself to the Eastern States for the necessary education. Over there he gets his training for two or three years, and then has to come back here to practise. We have a University second to none in the Commonwealth. Yet our future doctors have to go to the Eastern States for their learning before taking up practice in this State. I am glad to see the progress made in sewerage works in various centres. Conditions at some of the schools at Maylands and Mt. Lawley are disgraceful. How-

ever, I do not desire any alteration to be made there, because I understand the sewerage is coming, which will save a lot of expense. If I thought the sewerage was not coming, I would fight hard for septic tanks at our schools in the interests of the children's health. The appointment of the Minister for Employment was well warranted, and I am sure that gentleman is carrying out his job excellently. When he took on that position, £7,127 per week was being spent on sustenance, as against £1,787 at the present time. Also the number of persons then receiving sustenance was 6,265, whereas to-day that number has been reduced to 1,196. Most of those still on the list are men in C grade, quite unfit for heavy work. The idea of the Minister, I understand, is to get back the previous standard of living, which was the natural heritage of our men, women and children. Another thing the Minister has at heart is the advancement of local industry. However, other members have spoken on this, and it is no use my going over the ground again, but I may be permitted to state it as my conviction that one cannot buy better boots than those made in Western Australia, which are second to none in the Commonwealth. I am told that the children in the schools are not taught the importance of buying local products. The teachers ought to be instructed by the Minister for Education that at certain times each week every child should be impressed with the advantage of buying only those things which are locally made. It would be one way of assisting the campaign. Sooner or later it will have to be done. If the children were taught this at school, they would go home and shame their parents into carrying out that very sound policy.

Mr. Hegney: That is being done in some of the schools.

Mr. CLOTHIER: Presently we shall have the Minister going back to the principle of one man, one job, which would give a much better chance to our young men.

Mr. Thorn: That is not carried out to-day.

Mr. CLOTHIER: Yes it is, with me at any rate. I am told that to-day the timber mills are all working. That goes to show that we are gaining some ground. One thing I would congratulate the Minister upon is the consideration he has shown to sustenance men receiving pensions, but sub-

ject to disabilities. Their cases are all being attended to. Accusations have been hurled at the Government on the score of the Transport Board. In my view it is a pity that board was not created many years ago, and I hope that in 12 months' time the people will be perfectly satisfied with the work of that board. Another matter, a rather ticklish question never introduced in Western Australia before, has been mentioned to me by a man from Queensland, who informs me that in that State the local authorities give to expectant mothers the wives of men on sustenance, a little extra cash to help them over their time of trial. In my view, the same principle should be introduced here, because children born of indigent parents, cannot get sufficient nourishment, and so develop into absolute weeds.

The Minister for Employment: We are providing extra sustenance work for the husbands of expectant mothers.

Mr. CLOTHIER: I congratulate the Government upon the work they have done in my electorate during the past 12 months. The member for Subiaco remarked upon a drain which he said was in Maylands.

Mr. Hegney: That is in Middle Swan.

Mr. CLOTHIER: Yes, but the hon. member said it was in Maylands. Work on that project has ceased two or three times, but the Government are now carrying on the drain, although the section which is in Middle Swan will not return much revenue because there are very few houses to be served. However, the next section will be in a thickly populated part of Maylands.

Mr. Hegney interjected.

Mr. CLOTHIER: The interjection of the member for Middle Swan reminds me that I wish to refer to the new bridge at Garratt-road. This matter was mentioned when Mr. R. T. Robinson was a member of the House, and I believe that it was also mentioned by Mr. Scaddan. The peninsula where the aerodrome is located suffers from lack of transport facilities. People coming from the aerodrome have to walk one and a half miles or two miles to the tram and two and a half miles to the train. In the event of the bridge being constructed, a bus service could be carried through Belmont and across the bridge to carry all that traffic. I intend to appeal to the Perth Road Board and the Bayswater Road Board to undertake reclamation of some of the land in the vicinity and enable that traffic to be catered for. There

is a thickly populated area containing some 300 or 400 houses, and the traffic those residents would provide, together with the traffic to the aerodrome, would, I believe, make the service a payable proposition. I am pleased that the Government have appointed inspectors to ensure that the awards of the Arbitration Court are observed, and to carry out other official duties. It is gratifying to find that the people of Perth are perfectly satisfied with the State's prospects. I have in mind particularly the increased activity in the building trade. People must have considerable faith in our city and State or they would not have committed themselves to such large expenditure on buildings.

On motion by Mr. Brockman, debate adjourned.

House adjourned at 8.32 p.m.

Legislative Council.

Wednesday, 15th August, 1934.

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

QUESTION—HOSPITAL FUND (CONTRIBUTIONS) ACT.

Hon. H. SEDDON asked the Chief Secretary: What was the total amount received under "The Hospital Fund (Contributions) Act, 1930," for the years ended 30th June, 1933 and 1934, respectively?

The CHIEF SECRETARY replied: The total amount for the Hospital Fund (Contributions) Act was: Year ended 30th June, 1933, £146,042 10s. 4d.; year ended 30th June, 1934, £154,228 5s. 11d.