

living without interfering with the standard of living, it would be a step in the right direction. I agree with Mr. Cornell that we should take a long view and should press ahead with the determination that we are going to surmount our difficulties. Only reproductive works should be undertaken. Regarding Government employees on the goldfields, I hope the Government will attend to the matter as speedily as possible. If the payment is made retrospective to the date when the party took office, the Government will make themselves very popular.

On motion by Hon. V. Hamersley debate adjourned.

ADJOURNMENT—SPECIAL.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [5.56]: I move—

That the House at its rising adjourn till Thursday, 27th July, at 2.45 p.m.

Question put and passed.

House adjourned at 5.57 p.m.

Legislative Assembly,

Wednesday, 26th July, 1933.

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

QUESTION—PRIMARY PRODUCTS, MARKETING.

Mr. FERGUSON asked the Premier: Do the Government intend to introduce during this session a measure for the organisation of the marketing of primary products?

The PREMIER replied: It is not customary for the Government to announce their policy in answer to Parliamentary questions.

QUESTION—GROUP AND SOLDIER SETTLEMENT.

As to Dairying.

Mr. BROCKMAN asked the Premier: Is it his intention to afford the House, during the current session, an opportunity to discuss thoroughly the whole position of group settlement and soldier settlement, particularly with respect to its effect on the dairying industry?

The PREMIER replied: Yes. The Standing Orders provide ample opportunity for the discussion of any subject which any member desires to bring forward.

QUESTION—SITTING HOURS.

Mr. HAWKE asked the Premier: Will he give favourable consideration to the question of commencing the proceedings of the Legislative Assembly at 2.30 p.m. each day, instead of at 4.30 p.m. as is now the rule?

The PREMIER replied: The hours of meeting have already been decided upon by Sessional Orders, but they are subject to alteration, if the House so desires, at any time.

ADDRESS-IN-REPLY.

Fifth Day.

Debate resumed from the previous day.

MR. HAWKE (Northam) [4.35]: By this time, Mr. Speaker, you must be aware that your appointment has met not only with the approval of all members of this House but also with wide public approval throughout the length and breadth of Western Australia. After the exceedingly effective speeches delivered by those who have already taken part in this debate, it is with a good deal of doubt I proceed to contribute my quota of thought. Particularly have the speeches delivered by the new and, if I may say so, the young members been of a high character. One pleasing feature of the composition of this Parliament exists in the fact that there is a much greater proportion of young men than has been the

case, probably, in any previous Parliament. It is something of which we may well be proud. It indicates to me that the young men of Western Australia are at last taking a keen interest in public affairs, and that they have decided that the time has arrived when the young men should take a practical part in shaping the laws of this State and in ordering the future destiny of the people of Western Australia. It is a healthy sign indeed, and I feel sure that this Parliament will be greatly advantaged by virtue of the fact that it numbers in its membership a much greater proportion of youthful men than has previously been the case. And, by the way, I number myself among the youthful men. The Premier and all his Ministers, with the exception of the Minister for Employment (Hon. J. J. Kennally), have had previous experience in controlling the departments and the affairs of State. Therefore it is not necessary to offer them any encouragement, nor is it necessary to tell them their business. Sufficient is it to rely upon them to show during this Parliament the same common sense, the same initiative, and the same wide outlook as they demonstrated during the years from 1924 to 1930. Although the Minister for Employment is, or at the time of assuming office was, unpractised in the art of administrative government, I have sufficient confidence in his general experience and in his ability to offer the prophecy that he will carry out his heavy task in a successful and a statesmanlike manner. Many people have offered the members of the Collier Ministry sympathy because of the difficult circumstances which face them, but I am courageous enough to offer congratulations, because in my opinion times of great difficulty are also times of great opportunity for those in charge of the powers of government in any State or country. The political commentator of the "West Australian", in an article contributed by him to that paper on Saturday last, laid upon my undeserving shoulders the responsibility for the elevation of Sir James Mitchell to the position of Lieut.-Governor. I will deny the soft impeachment, if I may, and refer to the note in question as "the unkindest cut of all." While on this subject it will be expected, I suppose, that I should say something regarding the appointment. I feel that the circumstances are such as to warrant a statement not only from me but from every member of this Chamber. The cir-

cumstances of the appointment of the new Lieut.-Governor in my opinion almost border on the extraordinary. It appears that as soon as the general election was over and as soon as the defeat of Sir James Mitchell had been effected, the previous Lieut.-Governor at once found it impossible, or undesirable, for him to carry on the viceregal duties; and forthwith he resigned, and apparently at the same time recommended the appointment of Sir James Mitchell to the vacant position. When the appointment was first made public and a number of my supporters in Northam came to me demanding an explanation of the action taken, the statement I offered was that it was a highly chivalrous act on the part of a very benevolent Government; and most of those to whom I spoke were inclined to accept my summing-up of the situation. However, we have since found that not only were the present Government not responsible for that appointment, but, indeed, that they were not even paid the courtesy of being consulted in any way with regard to it. I understand that there is no legal or constitutional necessity for a State Government to be consulted in any shape or form on such a matter. Although we may agree that that is the constitutional position, we yet may also contend that the claims of common courtesy require that the Ministers of a State Government should at least be asked whether they had an objection at all to the appointment of the proposed appointee. There was this important point in addition; Sir James Mitchell had been decisively defeated in his own district at the general election. Furthermore, his party and policy had been overwhelmingly rejected by the great majority of the people of Western Australia. I have tried to imagine what would be the result had a Labour leader been appointed to the position in similar circumstances. I am inclined to think that protests would have rolled in, and would still be rolling in, from all parts of the State.

Member: Just as they are to-day.

Mr. HAWKE: In addition, I imagine, some at least of our newspapers would still be complaining about the danger and the wickedness of appointing a defeated party leader to a position demanding absolute independence of thought and of action. For my own part, I have no personal feeling whatever against Sir James Mitchell. I am sure he will carry out his easy and light

duties in a manner that will give offence to nobody but satisfaction to all. I am sure he will, in his new position, do what he has always tried to do in the public positions he has previously occupied—try to do his best for this State of Western Australia of which he is a native and which during his long years in State politics he has, according to his lights and his belief, done his best to serve to the highest possible advantage. I am sure, nevertheless, that Sir James Mitchell would feel much more comfortable in his new position if he had the knowledge that his appointment had been approved of by the present Ministers. All I have to add on this question is that I look forward to the time when in this State of Western Australia, and in the other States of the Commonwealth too, this very expensive undertaking of a Governor or a Lieut.-Governor will no longer be considered necessary and the taxpayers of the various States be saved, as a result of the abolition of the position, at least £5,000 every year. There can be no doubt the decision of the people of Western Australia as given at the recent elections was a very severe judgment indeed. If I might offer an opinion, I would say that that severe decision was entirely justified by the facts pertaining to the elections and the administrative and legislative efforts of the previous Government. Politics apart, however, I find it possible to shed a tear over the bodies of those who fell in the contest. Probably my sympathy is aroused because of the fact that six years ago in South Australia I myself suffered the disappointment of political defeat by the narrow margin of nine votes. Although I find it possible to sympathise with those who were defeated at the election in April, I cannot bring myself to hope that all of them will be returned to this Parliament in three years' time; but I can hope that each of them may be successful in finding suitable, permanent and profitable occupation in the civil life of the community, in which case Parliament's loss may possibly be the community's gain. I make the frank admission thus early in my political career in this State that I face the task of representing the people in this Parliament with much misgiving and with grave doubts as to the volume of beneficial work this Parliament may be able to do. It cannot be denied that every party comes into power on a wave of public anticipation which it is nearly always impossible

for the successful party adequately to fulfil. There is no doubt that in some of the statements made yesterday by the member for Nedlands (Hon. N. Keenan) there was some truth; there is no doubt that large numbers of people in Western Australia have a tremendous faith in the change of Government that was effected in April last; there is no doubt many of them hope for, if not miracles, at least something approximating thereto. But when we look at the facts of the situation, when we search into the powers of this Parliament to deal with the problems confronting the State, we find those powers so restricted as to make it very difficult for any Government, no matter how well-intentioned it may be, no matter how capable its Ministers, no matter how enthusiastic its supporters, we find that the restriction of powers I have referred to render it intensely difficult for any great or rapid progress to be made. The members of this Parliament of Western Australia are not in any unique position in that respect, because this principle applies almost without exception to every State Government in Australia. We find that the Government of Western Australia, for instance, have no legal power or constitutional authority to deal with the money question. Yet this problem which confronts our State is the same as the problem confronting every nation in the world, which is undoubtedly at bottom a money crisis. In addition, there is the important fact that the Federal authority has first and in many instances complete power over the main sources of taxation in Australia. By virtue of that fact we find that they grab, if I may use the term, the whole of the Customs and excise revenue, the whole of the sales tax revenue and in addition take great sums of money from the people per medium of the income tax, the land tax, and numerous other taxation imposts which they are permitted to inflict upon the people of Australia. And despite the fact that the Federal authority is empowered to do these things, and despite the fact that it does collect a tremendous amount of taxation from the people annually, we find the services it carries on cannot measure in importance with the services which the various State Governments are expected to carry through. For instance, in Western Australia the Government, like most of the State Governments, are expected to undertake the tremendous responsibility of carrying through

and financing services in connection with health, education, unemployment, railways, land development, police and numerous other services which are both important and costly. And it does appear to me, as it must appear to every member of the House, that the time is long overdue when there should be a drastic rearrangement of the powers and responsibilities of the Federal and State Governments. I am not prepared to embrace the proposal which the people of Western Australia endorsed a few months ago as a solution of this problem. The member for Nedlands painted for us a wonderful picture regarding the tremendous liberty, freedom and prosperity that would be bestowed upon us if only we cut ourselves entirely adrift from the rest of Australia. In my opinion, that would be no release at all, but would be merely a movement out of the frying pan into the fire. Because secession is, first of all, impracticable; in my opinion it is a sham and was only brought forward in this State at the last election for the purpose of attempting the impossible task of saving some of the supporters of the previous Government from political defeat.

Mr. Latham: That is not a very generous statement.

Mr. HAWKE: It is not generous, but it is true, and it is necessary that truth should take precedence over generosity.

Mr. Latham: I say the statement is not true.

Mr. HAWKE: I say it is, and I point out that it failed miserably in its objective: because the only supporters of the previous Government which it saved were the member for Nedlands (Hon. N. Keenan) and the member for Avon (Mr. Griffiths). Conditions in this State are indeed in a parlous position. I am not here to make any alarmist statement, or to indulge in pessimism, but I do say from my experience in this State during the last four years that the business undertakings of Western Australia are faced with extreme difficulty, that our farming industries are struggling along somehow under the tremendous and twin burdens of low prices and heavy interest liabilities, that our workers are struggling under unemployment, either wholly or in part, and that our boys and girls have neither work nor any prospect of obtaining it. In face of these conditions, I think my previous statement, that I accept the responsibility of representing the people in

this Parliament with a good deal of misgiving, is entirely justified. Now, if the members of this Parliament have not the legislative power to deal with the existing problem as it should be dealt with, and if, through the operations of the Federal authority in the field of taxation this Government find it difficult to raise the taxation necessary to improve the conditions of the people generally, what can the members of this Parliament do to justify their existence? That, to my thinking, is a question that goes to the very root of the existing situation, and on present appearances it would seem that the members of this Parliament will find it almost as difficult to justify their existence as did the members of the previous Parliament. That is not an ungenerous statement, either, but merely a statement of self-evident truth. Although there are numerous and varied difficulties in the way of our Government legislatively, although we may be handcuffed to a great extent, although the taxation field may be closed against us, yet I feel that the members of this Parliament, if they co-operate if they bring their individual and collective experiences to bear upon the difficulties facing the State, they will be able to do something at any rate to bring about an improved condition in the affairs of the community and thus justify their existence and justify the influence they exert on the financial resources of the State as a whole. When the member for North-East Fremantle (Mr. Tonkin) suggested that we ought to consider our position more from the local aspect, that we should give less consideration to what was happening in other countries and more consideration to what was happening in our own, when he suggested that we should attempt the organisation of our own resources in such a way as to ensure better conditions for our own people, the Leader of the Opposition felt justified in mildly rebuking the hon. member for his suggestion, and the member for Nedlands felt justified in very severely rebuking him for the statements he had made in that regard. For my part, I congratulate the member for North-East Fremantle for having had the courage to declare that we might, by a reorganisation of the affairs of the State, do a great deal in the direction of bringing about an improvement in the general conditions.

Hon. W. D. Johnson: If we cannot, the position is hopeless.

Mr. HAWKE: If we find it impossible to reorganise the affairs of the community, if we find it impossible to establish a more solid basis for the productive industries of Western Australia, then it will be impossible for the members of this Parliament to justify their existence, and the sooner Parliament is shut down and the taxpayers saved the responsibility of providing for its upkeep, the better it will be for all concerned. It is useless for members of this Parliament to say that, although conditions are bad in this State, they are equally bad in every country in the world. That is merely a coward's way of dodging responsibility. It is useless also for some members to say as has been said, that as the World Conference did not succeed in finding a way out of the depressed conditions that confront us, it cannot be expected that we, the humble members of a small State Parliament, can solve those difficulties and overcome the problem. The only answer I can make to a contention of that kind is that the World Conference very appropriately conducted its deliberations in one of the museums in England. I know of no more appropriate place in which the deliberations could have been carried on, except it were a morgue or cemetery or some place of that kind. We have a situation in the world, including Australia and this State, that is full of terrible contradictions. It is unnecessary to say perhaps that never in the history of this State, never in the history of the Commonwealth and never in the history of the world were conditions more favourable from the point of view of the production of goods and the supplying of services for a higher standard of living for the people than is the case to-day. It is almost superfluous to point out that men, with the aid of machinery, during the last few years have produced an abundance of those commodities necessary for the material welfare and comfort of human beings. Yet despite the tremendous progress in the fields of production, never before in the history of the world has there been a worse set of conditions than now exists. May I be permitted to draw the attention of members of this House to some of the statements issued to the people here and in other parts of Australia not so many years ago. Even in my short existence, I can remember leaders of political thought, leaders of financial thought, and leaders of the various newspapers in Australia carrying on a

deliberate and widespread campaign to encourage the people to work harder, to work longer, and to produce more. About six or seven years ago Mr. Bruce, then Prime Minister of Australia, led a very vigorous campaign of that kind. When some of the leaders of the working-class organisations asked what benefit was likely to arise for working people from working harder and longer and producing more, they were told that obviously improved conditions would follow the increased production of goods. They were told that as production increased so the standard of living would automatically improve, and as a result everything in the garden of Australia would be lovely for the people of Australia. Not only the industrial workers but the farmers responded magnificently to the campaign carried on at that time, with the result that the production of goods of every variety increased at an amazing rate. At the same time similar campaigns were being carried on in every other country of the world. But instead of the social conditions of the people improving as an outcome of the increased production of wealth, instead of people receiving better wages, instead of their receiving better industrial conditions, instead of everything improving automatically with the increased production of goods, we found that after a few years the markets of the world began to be glutted, that prices began ruinously to fall, that the depression began its world-wide sweep, and that unemployment and misery were the reward that the people of the world reaped from the additional effort they provided in increasing the production of every conceivable class of commodity. The people were told that there was no need to worry about the money side of the situation. They were told it was a natural law that the increased production of goods would bring into existence an increased volume of money necessary for the regular and rapid distribution of the goods so produced. The people were led to believe it was a natural law that automatically operated. Since then the people have come to understand that no such thing has happened. They have seen the production of goods increasing tremendously and the volume of money in circulation decreasing with the result that the decreased volume of money throughout the world has been expected to carry on the distribution of a tremendously increased volume of goods. Inevitably such a contradiction as that was

impossible of achieving the promised results, and the whole capitalistic system seems to be crashing to its doom. Until the problem is tackled from that viewpoint, until the volume of money is given a reasonably accurate relationship to the volume of production carried on and the volume of services to be exchanged, it will be impossible to find a complete solution of the difficulty in any country. The Leader of the Opposition, in his speech a few afternoons ago, admitted the truth of this assertion, without actually realising that he was doing so. That is a very generous statement towards the Leader of the Opposition. In a somewhat despairing fashion he declared that this State was rich in real wealth but poor in money. That is the position. That is a very accurate and striking summing-up of the position. Yet, when it is suggested that steps be taken to bring about a relationship between real wealth and the volume of money, the Leader of the Opposition and others who think with him hold up their hands in holy horror and declare that, if anything of the kind is done, it will bring absolute ruin and chaos. The Leader of the Opposition proceeded to make another rather striking and valuable admission. He said the inflation practised in Australia during the last three years had assisted in the carrying on of the affairs of this country.

Mr. Latham: I said something else as well.

Mr. HAWKE: If the Leader of the Opposition will prompt me with what else he said, I will include it.

Mr. Latham: I said we had to pay our debts overseas with a deflated currency.

Mr. HAWKE: That is counterbalanced by the inflated prices which the producers of Australia receive for the products sent overseas, and so used for the payment of overseas debts. I would go further than the Leader of the Opposition and say that the policy of inflation, as very cautiously practised during the last three years, has not only assisted in the carrying-on of the affairs of this State, but it has saved the people and industries of this State and the people and industries of every other State of Australia. There can be no denial of that statement. If the volume of inflation practised during the last three years has been beneficial to that extent, if the artificial increase in money supplies and money circulation has achieved such great good for the people and for the industries of Aus-

tralia, what is wrong with a further development of that policy? Some of the more orthodox members of this Parliament might say that, if we pursued such a policy any further, it would lead to ruinous inflation, money would lose its value and it would be no longer possible to purchase with money goods of any description. On that point I have only this to say, that during the present financial year the Government of this State will have approximately 2¾ millions of loan money to provide employment and carry on other activities of the State. The question I wish to ask is what possible danger could arise if that sum were doubled? Is there any member who would suggest that, if this State had five or six millions this financial year, any danger of run-mad inflation would come to pass? Obviously the answer must be in the negative. I say the time has arrived in Australia when the people should become united in demanding a more scientific operation of this policy. The Leader of the Opposition mentioned that the Premier was only one man in six at Loan Council meetings and Premiers' Conferences, and therefore he could not achieve anything.

Mr. Latham: I did not say he could not achieve anything. I said his position was more difficult.

Mr. HAWKE: I shall be generous and allow the Leader of the Opposition to have his way. It has always been the one-man in six, or the one man in fifty or the one man in a thousand who has achieved the greatest good for any community. If we go back through history and study the tremendous changes and movements throughout the world we find it has been the courage and initiative of one man that has been mainly responsible for them. So it will be in the present stage of the world's history. So it will be, I believe, in all future periods of history. In the world to-day there is only one man genuinely and courageously attempting to overcome the tragedy of the present crisis. That man is the President of the United States, Mr. Roosevelt. Whilst the World Conference was sitting I was amused to see how certain interested parties in England were manipulating the cables in such a way as to endeavour to place upon Mr. Roosevelt's shoulders all the discredit that might come about from the failure of the World Conference, which was certain to happen even at that stage. I compliment Mr. Roosevelt on being shrewd enough

not to be caught in the net of the leaders of the deflationist countries represented at the conference. There can be no doubt that several of the leaders of the World Conference wanted not only to continue the present deflation policy, which has done so much damage to the people of the world, but that they desired to intensify the progress of that policy. Because Mr. Roosevelt was courageous and shrewd enough to refuse to be caught by that method, he had heaped upon him all the abuse and vilification that these other leaders could possibly produce. Mr. Roosevelt has tackled the problem from the right angle. He takes the view that there is no hope for his country, or any other country, until a drastic alteration is made in the monetary policy of his country and others. The United States has always had the reputation of being an individualistic country, a country where any suggestion of Government control was impossible of achievement because the people would not stand it. But they had seen their individualistic policy hopelessly crushed into ruin. When Mr. Roosevelt came to deal with the crisis at its very worst stage, he saw that an absolute reversal of policy was essential. He did not hesitate to take the steps he believed to be necessary in order that the people and the industries of the United States might have a chance of escaping from the crisis. People may wonder why I emphasise this point. I do so because believe the President of the United States is giving a lead to the world, which in due course will have to be followed by every country before this dreadful depression is swept away. It was my hope that Australia would be the first country to get on the upward track of recovery. I believe that, by the application of a modernised monetary policy in Australia, we could have led the world in that respect. Unfortunately, the people of this nation two or three years ago were not educated to the extent they ought to have been in order to take the lead. Although the Premier of this State is one individual in six at the Premiers' conference and Loan Council meetings, he may be able to do a great deal to bring about the practice of a more liberal monetary policy in Australia. As a matter of fact, there will be two amongst six, because fortunately there is another Labour Premier represented at these meetings. In addition, there is behind the idea of a more liberal monetary

policy in Australia, a tremendous weight of influential opinion. The general manager of the Bank of New South Wales, which I understand is the biggest private bank in Australia, is behind such a policy. If one studies the monthly bulletins issued by that institution, one will be convinced that Mr. Davidson, the general manager, is favourable to a more liberal monetary policy. I admit that if we read the bulletins issued by that bank two or three years ago, and compare them with those issued now, we will find them entirely contradictory. Two or three years ago the bulletins were urging deflation. They were urging the same out-of-date policy that the member for Nedlands (Hon. N. Keenan) advocated yesterday, namely, that the only hope for us was to drive down the production costs of this nation to such a level as would enable our primary products to be marketed profitably in other countries even at the low prices now existing. Mr. Davidson advocated that policy two or three years ago. The only difference between him and the member for Nedlands is that the general manager of the bank has made more progress with the passing of time. The Leader of the Opposition suggested that we could not create prosperity by artificial means. That statement requires a lot of explanation. It is one of those statements that the President of the Senate, Senator Lynch, would describe as "a heap of meaningless jargon." I do not know what the hon. member means by the expression, nor do I know whether he himself knows what it means. How was the depression created? Ninety-nine out of a hundred thinking men will say it was created artificially. If that is so, surely prosperity can be created by the same means. In every country natural conditions exist for prosperity to be brought about. There can be no denial of that statement. What are the essentials for prosperity? The essentials are that the people of a country shall be able to produce sufficient of the material needs of life for themselves, and meet whatever liabilities may fall upon them. Such conditions do exist. If the natural laws were to operate, if the volume of production had a definite relationship to the condition of the people, prosperity would exist to-day as it has never existed before. I say we would have prosperity to-day without question except for the fact

that there has been an artificial manipulation in order that the natural laws may be defeated. A member opposite wanted to know where the manipulation came in. Those who have followed the coming of the depression and its duration must know that there was a tremendous artificial manipulation of the monetary system, and that this was responsible for the depression. They must know that from 1925 onwards most of the nations of the world moved back on to the gold standard, with the result that there was a tremendous restriction of money supplies in every country. Whilst this deliberate policy of manipulation was going on, and money supplies were being drastically reduced, men, with the aid of machines, were producing an ever-increasing volume of goods. It was because the volume of goods was increasing, and the volume of money in circulation was decreasing, that the world depression took the acute form in which we find it to-day. I put it to hon. members that if it is possible for money supplies deliberately to be manipulated downwards, it is equally possible for money supplies to be manipulated upwards. If that, in the opinion of the Leader of the Opposition, amounts to restoring prosperity by artificial means, I am in favour of prosperity being restored by that means at the earliest opportunity. I am very interested in the graphs which the Leader of the Opposition has presented to Parliament. Whenever I see a graph, my suspicions are aroused and the little anger that is in me is stirred up. Graphs can be made to prove anything, if one chooses the right things to compare. For instance, it would be possible for me to produce a graph, and donate it to the Speaker to be hung on the wall, to show that the salaries of members of Parliament ought to be reduced another 30 per cent.

Mr. Withers: Oh, shame!

Mr. Latham: Then put it up.

Mr. HAWKE: I do not propose to put it up. Graphs only tell half the story, and sometimes not even half. I could produce a graph to show that the price of farm products has fallen 80 per cent. I could produce another line on the graph to show that the salaries of members of Parliament have only fallen 20 per cent., and that logically these salaries should be forced down another 50 or 60 per cent. in order that the fall in parliamentary salaries may equal the fall in the price of primary products. The graph

presented by the Leader of the Opposition for our study shows that the price of farm products has fallen so much, and that the price of industrial commodities has risen so much. The graph is correct in what it shows, but it tells only half the story. Why has the price of farm products fallen to the extent it has, and why have the products of our factories risen to the extent they have? That is the vital question to determine. I do not know whether the Leader of the Opposition can answer both these questions.

Mr. Latham: You answer them for me.

Mr. HAWKE: I will be generous and believe that he can. Everyone knows why the price of farm products has fallen. I have already indicated why that came to pass. I propose now to show why the price of manufactured commodities has risen. Probably my opinion will not coincide with that of members opposite.

Mr. Latham: Why anticipate that?

MR. HAWKE: I am trying to be generous to the Leader of the Opposition and those associated with him. The Governments of Australia, Federal and State, have raised in taxation about £160,000,000 a year. The amount of taxation raised has become heavier during recent years for reasons that are obvious and need not be stressed.

Mr. Latham: It will be still further increased if your policy is carried out.

Mr. HAWKE: The Leader of the Opposition does not, I am afraid, display a very clear conception of my policy. When the prices of farm products were high those engaged in the farming industries were able to pay a very large amount in taxation of one kind and another. As a matter of fact, I find that the member for Swan in the Federal Parliament, Mr. H. Gregory, is trying to make capital out of this matter in an entirely contrary direction. He is touring the country with a graph showing that during the last twelve months or two years, the farming industries of Australia have had a very small amount of assessable income for taxation purposes, while every other section has enjoyed an assessable income for taxation purposes of from fifty to a hundred times as much. I suggest one of the main reasons why the prices of those things that are produced in the factories of Australia have not fallen is because of the fact that the tremendous burden of taxation formerly borne by the producers of Australia has had to be transferred to the shoulders of the manufacturers

and business men and commercial undertakings of Australia. There can be no denial of that statement, and, therefore, we are greatly indebted to the Leader of the Opposition for having presented this graph to us, seeing that it does not tell more than half of the story.

Mr. Latham: It tells all the story.

Mr. HAWKE: It does not explain the position as it should be explained. Some may say that although my views may be correct, the farmers, in the long run, will pay the whole of the taxation. They may do so.

Mr. Latham: You said they did, on one occasion. I can produce the report of your statement.

Mr. HAWKE: Of course I would not deny having said so. At the moment I am saying that the farmers may pay it in the long run, but that does not disprove the fact that the main reason why the industrial products of Australia have not fallen in price is because of the transference of a tremendous amount of taxation, formerly paid direct by the farmers and primary industries, to business and commercial undertakings throughout Australia. There is only one way by which those in control of business and commercial undertakings can recover possession of what has been paid to Governments and that is by incorporating the taxation paid in the price of the goods they have to sell. Thus it comes about that the red line on the graph has not moved down correspondingly with the other line. We all regret the disparity, and realise that it hinders the successful operations of the farming industry. If anyone can show how the taxation can be transferred again to some other activity then, of course, to the extent that the load is transferred from the business and commercial enterprises of the nation, it may be possible for the red line, which shows the price for industrial products, to take a sudden drop down. I will next deal with the problem of tariffs. Although the State Parliament has no power to deal with the tariff problem, that question received considerable attention by members who have spoken during the course of this debate. It is a tremendously important matter and it has to be admitted that in many respects the control and administration of the tariff has been unscientific. On the other hand, some of the charges made against the tariff cannot, in my judgment be substantiated. I find that members of

the parties sitting in opposition to the Labour Government have been traversing the country districts ascribing to the tariff all possible harmful effects. I have heard speakers even blame the tariff for physical ailments, let alone economic disabilities.

Mr. Latham: It can be blamed for our mental worries.

Mr. Lambert: That would not be urged in your case!

Mr. HAWKE: The tariff has been blamed for almost all our troubles. The most unjustifiable charge against the operations of the tariff is the assertion that it has been responsible for making it impossible for the primary products of Western Australia to be sold overseas. To those who have foolishly, even if earnestly and sincerely, made that assertion, I would ask: How much wheat did we have for sale overseas last year that we were unable to sell, and how much wool that was available for disposal overseas were we unable to sell in that way?

Mr. Latham: We had to sell those products at any price that was offered.

Mr. HAWKE: Those products were sold at the world's parity price, just as the producers in other parts of the world had to sell on that basis. Irrespective of whether the tariff operating was high or low, the prices of wheat and wool last year would have been just the same.

Mr. Stubbs: Will you deny that thirty years ago a harvester could be bought for £75 and today, for the same type of machine, £150 has to be paid.

Mr. HAWKE: The interjection is not relevant to the point I am stressing, but I will be generous and reply to it.

Mr. Griffiths: There is a lot of generosity about the hon. member.

Mr. HAWKE: Perhaps the hon. member will realise that in the year he mentioned, 1901 or thereabouts, the interest bill was about £2,000,000, whereas to-day it is £60,000,000. I put the point to him again that the incidence of taxation caused through the rising public indebtedness and interest bill has been responsible largely for the increases in price for the vehicle to which he made reference.

Mr. Latham: That is so.

Mr. HAWKE: Let me revert to the point I was making when I was diverted from it by the enthusiasm of the member for Wagin (Mr. Stubbs). I claim that Australia did

not suffer at all with regard to the sale of its primary products overseas because of the operations of the tariff, and the fact that we were able to dispose each year of the whole of our surplus primary production furnishes absolute proof of my statement. When I speak of our surplus production, I must add that not only during the last three years have we exported our surplus production, but, to our discredit and disgrace, we have exported a fairly large volume of commodities that should have been retained in Australia for the purpose of properly feeding and clothing our own people.

Members: Hear, hear!

Mr. HAWKE: With regard to the tariff, it has been said that France, Italy and Germany have shut out Australian products. It is true that they have done so, but I submit that, to the extent that they shut out our products and took products from other countries, that made available for Australian products, markets that were formerly supplied by those countries from which France, Germany and Italy drew their supplies. Thus, in the final analysis, the transactions balanced themselves. There is also the point that France, Germany and Italy have imposed a high tariff not only against Australian wheat but against wheat from other countries of the world. I understand that France and Italy have placed what amounts practically to an embargo against the admission of any foreign-grown wheat.

Hon. W. D. Johnson: The same applies to Germany to a great extent.

Mr. HAWKE: It is much the same there. Why have those countries taken that action? Is it because other countries of the world have done the same as Australia regarding their tariffs, or is it because the War taught Germany, France and Italy that the best means of defence in times of war is for a country to be as self-contained as possible regarding her food supplies.

Mr. Latham: Nothing of the sort; it was because they formerly paid for the products with other goods and then they were forced to pay for it in gold.

Mr. HAWKE: I think France has sufficient gold to pay for all the wheat that country will require during the next million years.

Mr. Latham: France is not going to let it go.

Mr. HAWKE: France may be pleased to let it go one of these days and the sooner the better it will be for the world.

Mr. Latham: The same applies to America

Mr. HAWKE: That may be so, but I am emphasising the point that the policy of France, Germany and Italy with regard to the development of their own respective national wheat production has been inspired by the lessons learnt during the Great War. That experience taught the nations that the best means of defence in time of war is for a country engaged in hostilities to be in a position to produce as much of the food required by the nation from the soil by their nationals.

Mr. Latham: At 10s. a bushel.

Mr. HAWKE: Money does not matter in war time. It does not matter that 10s. or more has to be paid for a bushel of wheat because that money is paid to the nation's own farmers and is circulated among their own people, finally coming back to the Government.

Mr. Latham: You said that the Australian people could not pay for the primary products because they had not the money. You now suggest that they could pay three or four times the amount for the goods.

Mr. HAWKE: I do not say they could buy.

The Premier: The member for Northam was pointing out that the nations could produce the goods at the price.

Mr. HAWKE: The producers in France could produce wheat at 10s. a bushel provided the Government had a scheme in operation that enabled that amount to be paid, although 4s. or 5s. more per bushel might be paid for that wheat than would have to be paid by the Government for grain imported from foreign countries. That serves to indicate that in the final analysis it pays the countries I have mentioned to take such action, in order to have greater security respecting food supplies in time of war than they had during the progress of the last international conflict. I find it necessary with some regret to make reference to an incident that occurred in connection with the election in the Northam district. The Country Party endorsed a candidate for that election and a Country Party Minister in the previous Government came into the election contest on two occasions, and on both he barracked for the Nationalist candidate and against his own Country Party nominee.

Mr. Latham: What is your grievance about that?

Mr. HAWKE: I will be generous with the Leader of the Opposition by replying in this way, that if any leader of the Labour movement went into any district to barrack against a Labour candidate and in favour of the candidate of some other party, I would be the first to move for his immediate expulsion. I am sorry that the Leader of the Opposition should have asked that question because it shows me that principle is not very highly valued in the affairs of the party which he has the privilege temporarily to lead.

Mr. Latham: You know very well that I was not that Minister.

The Premier: It was the Country Party support of a Nationalist that put them where they are.

Mr. HAWKE: The interjection of the Leader of the Opposition brings to my mind the point that he may feel that the members of this Parliament believe that I am alluding to him.

Mr. Latham: You left that impression.

Mr. HAWKE: I did not mention the name of the Minister because I wanted to continue my policy of being generous.

Mr. Latham: I am afraid your generosity is wearing itself out.

Mr. HAWKE: I am afraid my friend's good humour is wearing itself out, too. In order that there may be no doubt at all as to who the person was, I shall mention that it was the honourable, the very honourable C. F. Baxter, a Legislative Council representative of, I think, the East Province. The question of oversea debts is of great importance. We have in our Agent-General in London a very distinguished person in Sir Hal Colebatch. I remember reading an article contributed to the "West Australian" newspaper by Sir Hal Colebatch some two years ago. The article dealt with the relationship of creditors and debtors, and the problem was handled in a brilliant way. It explained the difficulty between the individual debtor and the individual creditor, and the national debtor and the national creditor, and Sir Hal, in this article, pointed out that the debtor section of the community and the debtor nations were having their charges doubled upon them, that that was entirely against every sense of justice, and that every possible effort should be made to see that that injustice was rectified. I make the suggestion that the Premier might

well give consideration to taking up this question with our Agent-General so that the Agent-General, if he has not already done so, might carry on negotiations in London with those who represent our creditors. It is true that two years ago, when it was suggested that Australia should seek some relief in regard to its oversea indebtedness, there appeared inspired cables from England. I might say that in 99 cases out of a hundred all cables are inspired. Those particular cables set out that it was utterly impossible for any reduction to be brought about because of the fact that there were tens of thousands of people in that country holding Australian securities, and that it would be impossible to get them all together. Consequently, it was said, nothing could be done. It is not so long ago that the British Government showed how the thing could be achieved. I feel sure that if sufficient time is given to the problem, if sufficient pressure is brought to bear, if the undoubted ability of the Agent-General is brought into play in regard to this problem, we might secure what we desire and very much more quickly than by the slow methods being adopted at present by Mr. Bruce in London. The debtor section are the working men—the producer section—and it is indeed a crime against those people that they should have been forced to carry for so long the appalling burden of debt and interest liability that the deflation of prices has imposed upon them. As a representative of an electorate that is partly industrial and partly farming, it is right I should say something about the farming industry. Great efforts were made during the election campaign in my district to scare farmers into the belief that my election as the representative of that district would be a tragedy for them. A great deal of literature from the York electorate was spread throughout mine. It pointed out what a terrible man Mr. Collier was, and also exhorted the electors to give their number 1 vote to Mr. Latham, the Country Party candidate for York. This literature had no effect except to increase my vote in the farming areas, and so to that extent I am indebted to the Leader of the Opposition for his action; that is, if he was responsible.

Mr. Latham: I was not responsible.

Mr. HAWKE: If he was not responsible, I will have to withdraw my thanks to him. The farming industries in this State are

indeed in a difficult position. Whether they are in a more difficult position than the farming industries of the other States I am not in a position to say. I think they would be, because the farming areas of Western Australia are more recently developed than are those of the other States. In addition, a large percentage of the farmers of Western Australia did not have many years to get on their feet before the price crash came along. Indeed, a large number of our farmers in Western Australia only had their first crop in the first year of the depression, and so it may be, and probably is, that the farming industries of Western Australia are in a more precarious position than are the farming industries of the Eastern States. That is not another argument for secession; it is merely a point made so that members here may realise the situation. The member for Mt. Marshall (Mr. Warner) showed last night that the position is indeed desperate, and I think we all realise now, if we did not realise it before, that in this State the farming industries are indeed the basis of our existence. It has often been urged that members of the Labour Party are not concerned with the farming industry at all. Even if we were not, from the point of view of intelligently understanding the situation, I think we would, from a selfish viewpoint, be very much interested. It must be understood by all that unless the farming industries are able to carry on with some degree of success, every section of the community must suffer. The previous Government, in my opinion, did their best to preserve the farming industries as far as they could be preserved according to the outlook of those who constituted that Government, but the fact that they did their best is not to say that they did everything that was possible. Where I think the previous Government failed was in regard to the fact that they spent too much time and too much money in trying to commence new farming development schemes, and spent too little time and too little money in maintaining in production those farmers already on the land. The point I make is this: that during the last three years between 900 and 1,000 farmers were driven from their holdings, and at the same time a number of potential farmers were put upon new farms that were developed under the policy of the previous Gov-

ernment. It is futile to operate a policy that allows old-established farmers to be driven off and at the same time put a few new farmers on new properties. It does not profit the State to put one new farmer on the land and at the same time allow five or ten old-established farmers to be driven off. That is not only futile, but suicidal. This is not a time, in my judgment, for proceeding with a policy of new land development; this is a time when we should consolidate and strengthen the position of those men already established. The time for the development of new land and establishing new farmers will come when the marketing conditions of the world are improved to such an extent that they will allow of the more profitable disposal of primary products. I hope, therefore, that the members of the present Government will carry out the common-sense policy of consolidation along the lines I have indicated. Knowing the Government as I do, and having read some of the statements made by the Minister for Lands that have already been published, I feel confident in the belief that there will be a common-sense alteration in the land policy of the State in the near future, if it has not already been inaugurated. I am of opinion that this Parliament at the earliest possible opportunity should be given a chance of having a debate upon the question of unemployment. I believe that opportunity might be provided. The subject of unemployment merits a special discussion. The Ministry would not be doing anything for which it would not be given credit if it decided to set aside six sitting days for a special debate on this question. I am hopeful that in addition to a special discussion on this matter, there will be a special discussion on money and banking. I understand that the member for Claremont (Mr. North), who strangely enough is in the ranks of the Nationalist Party, will give members an opportunity, provided the Government are agreeable, to debate these questions later in the session. I should be very pleased to assist him. I desire to place before the House some suggestions, but because the hour is getting late I will merely mention them in a general way, and refrain from giving any elaborate details concerning them. First of all I desire to suggest that the Government should give early consideration to reorganising entirely the civil service as we find it in the

city. I understand that already something is being done in respect to a rearrangement of the Government offices. That is long overdue, and the Government are to be congratulated upon the steps they are taking. I hope that will assist in the direction I have indicated. It has often been stated by those opposed to Labour that the party does not believe in economy, that it believes rather in extravagance, and in the willy-nilly expenditure of public money without any consideration for the results that may be achieved by the outlay. That is an entirely erroneous statement. For my own part I favour all possible economies provided they are true and real economies in every sense of the word. I have the idea that if some special reorganisation of the public service in the city were attempted, many beneficial results would accrue to the people of the State as a whole. I am not suggesting a wholesale sacking campaign, nor am I suggesting that the services of anyone should necessarily be dispensed with. I do suggest, however, that much benefit would arise if some special investigating officer, preferably a reasonably young man with up-to-date ideas of organisation, were given authority to carry out a thorough and complete inquiry into all our public departments, in the hope that there might be brought about a greater measure of co-ordination and co-operation than have existed in the past.

Mr. Lambert: You will not do that with the Public Service Act as it is.

Mr. HAWKE: If after such an investigation has been made, and the report is presented to Parliament, and is regarded as sound and worthy of adoption, I submit that members of the House would not be justified in laying it aside simply because the Act would not permit it to be put into operation. If it can be shown to members that an amendment of the Act is necessary, in order that the public service may be modernised, and more scientific methods adopted in the conduct of public business, I am sure they would not hesitate to make whatever amendments to the Act were necessary. The Minister for Works told me the other day that his predecessor had boasted of the manner in which he had reorganised the Public Works Department. The opinion of the Minister, however, is that that gentleman reorganised it almost out of existence, with the result that when the present administration took it over he found it in a

hopeless situation bordering almost on chaos. We may, therefore, congratulate the new member for Mt. Marshall (Mr. Warner) upon having made it impossible for the previous occupant of the position to fill it any longer. I wish also to refer to the electoral rolls. Some members may think these are small matters, but taken in the aggregate they are very important. Even if only a small measure of economy can be effected here and there, members should not refuse to adopt it simply because it does not happen to involve the saving of a million or half a million pounds. If true and sensible economies can be practised, any proposal, if it means the saving of only £10, £20, or £100 a year, should be put into operation with the least possible delay. In this State we have the ridiculous position of a Commonwealth and State Electoral Department side by side, as well as a separate electoral roll for the State and the Commonwealth. This is a costly procedure for the taxpayers, and leads to a great deal of confusion on the part of the public generally. An attempt should be made, this session for preference, to bring about a complete amalgamation of the Federal and State Electoral Departments, as well as one of the State and Federal rolls. I would prefer the amalgamation to be effected in such a way as to give the State the control and management of the department. I understand the Collier Government four years ago endeavoured to effect this common-sense change.

The Premier: We tried it three times.

Mr. HAWKE: I understand that members of another place voted against the change, simply as a matter of habit, and that the Collier Government were unsuccessful in their efforts.

Mr. Latham: It had a nasty relation attached to it.

The Minister for Justice: It contained nothing else but an amalgamation of the rolls.

The Minister for Mines: There was nothing else in the Bill but that.

Mr. HAWKE: I suggest that whatever may have happened in the past, the Premier and his Ministers might seriously consider the question of reintroducing that proposal at the earliest possible moment. A great deal of economy could be achieved in respect to Parliamentary elections. In April of this year the general elections were held, and these cost the taxpayers upwards of £8,000.

Mr. Thorn: Do not have them so often.

Mr. HAWKE: I am prepared to confer with the hon. member on that question. In May of next year the Legislative Council elections will be held, and will probably cost the taxpayers about £5,000.

The Minister for Justice: More, nearly £6,000.

Mr. HAWKE: The time has arrived when common-sense should be applied to this procedure. What objection could there be to holding the Legislative Council and the Legislative Assembly elections on the same day? I should say no member of Parliament would be opposed to such a procedure and yet apparently nothing has been attempted to bring this about. Although in prosperous times this State may have been able to afford the luxury of separate elections for the two Houses, in these days, when the taxpayers are overburdened, there is no longer any justification for the continuance of that system.

Mr. Lambert: There is an opportunity to stand for one election if you miss in the case of another.

Mr. HAWKE: When the budding politician has had one opportunity and failed, he should never have the nerve to stand again.

Mr. Latham: The hon. member had better be careful.

Mr. HAWKE: That does not apply to me, because in my first attempt I was successful.

Mr. Latham: But on the second occasion your were unsuccessful.

Mr. HAWKE: Only just.

Mr. Latham: That was near enough.

Mr. HAWKE: Members of another place are elected for a term of six years, whereas in the case of this House the term is only three years. Why such a distinction has been made is difficult to understand, and I have never heard a satisfactory explanation offered. If the Government made some attempt to hold the elections on the same day they should also attempt to so alter the Constitution as to give members of this House and those of another place the same term of office. As a compromise I would suggest five years in both cases. There are many other questions I desired to deal with, but I think I have trespassed long enough on the patience and generosity of members. I feel that we will, irrespective of party, work together and earnestly strive to do the best we can for this State during the pre-

sent Parliament. Contentious questions are bound to arise, and there may be bitter differences of opinion between members on both sides; but generally speaking, in cases where measures are intended to safeguard the welfare of the State, and to do the best thing possible for all sections of the community, I feel sure that we can come together on a common ground each and every one of us, and give a fair measure of unselfish service so that the affairs of State may be safeguarded from further harm, and the people may look forward with some degree of hope to an improvement in the situation at large before this Parliament has run its course.

Sitting suspended from 6.15 to 7.30 p.m.

MR. McLARTY (Murray-Wellington) [7.33]: First I wish to offer to you, Mr. Speaker, my congratulations on your attaining your high office. Ever since entering this House I have looked upon you as an authority on parliamentary procedure; and, further, I am indeed glad to see the Chair of this Assembly occupied by one who rendered service to his country when that service was needed most urgently. I desire also to congratulate the Premier and his Ministers on again occupying the Treasury bench. I agree with the member for Northam (Mr. Hawke) that it is a good thing at a time like this to have Ministers with previous administrative experience. True, of course, the Minister for Employment has not had that previous experience, but he has had a lengthy parliamentary experience and has been a keen student of the political and economic affairs of Western Australia. I have always looked upon the Minister for Employment as one of the strongest party men known to me, and I trust that he will not allow party politics to cloud his vision. Certainly I wish him every success in his new sphere, and anything I can do to help him in that direction will gladly be done. Unquestionably the Government have a large majority behind them—just a little too large, I think. Amongst his majority the Premier has some young and highly enthusiastic supporters. They, I hope, will be guided by the Premier along the safe path of moderation. Naturally I regret that my own party suffered so severely at the general election. I do not think they suffered because they had not rendered good service to the people and to the country; I think they suffered merely