

ADDRESS-IN-REPLY.

Seventh Day.

Debate resumed from the previous day.

HON. SIR CHARLES NATHAN (Metropolitan-Suburban) [4.35]: In view of the times through which we are passing, one's views regarding the importance and value of proposed legislation disclosed by the Governor's Speech and also by the Press would naturally be based upon the assistance that legislation might render to the return of sound business and prosperity. In reviewing the position from this angle, I should like to refer in passing to the remarks made by Mr. Drew last night, in which he rather chided those who make irresponsible statements about our having turned the corner. Esteeming Mr. Drew as I do, and with no desire to incur his displeasure or rebuke, it may be well briefly to review the conditions of the last two years or so and contrast them with those existing to-day, and so by the comparison arrive at some conclusion in which even the hon. member may find himself able to concur. May I preface my remarks by drawing attention to the fact that economists at the world over—and eminent economists at that—after years of research have definitely classified business cycles as falling into four phases. They are (1) great prosperity, in other words a boom; (2) depression, of more or less intensity; (3) stagnation, accentuating, of course, distress; and (4) steady recovery and healthy business. Accepting that definition as I do, may I review the happenings of the past two years, and in tracing the intervening period arrive at perhaps a more accurate perception of just where we are than would otherwise be the case. I do not propose to deal with the unbroken prosperity which for years was marked by high values and which Australia itself enjoyed. Trade and commerce were buoyant, funds were available from our own resources and overseas for Government activities, for business undertakings, and for everybody's private requirements. Above all there was work for everybody. Closer observation shows that late in 1927 or early in 1928 the boom had reached its zenith. The first indication appeared in the United States, when the heavy financial clouds then gathering spread to Great Britain and, with cyclonic force, overwhelmed the whole world. Australia being a country primarily interested in the prices

overseas for primary products, was one of the first to feel its effects. By the same token I hope it will be one of the first to participate in returning prosperity. The cyclone overwhelmed everyone, and brought in its trail nothing but poverty and distress. Farmers naturally were the first to feel it, and in the alarm created by falling prices, could see nothing but ruin staring them in the face. The business and commercial interests, although very much more restrained, were equally alarmed at the fall in their securities, the depth of which could not be properly appreciated. As the depression became greater and greater, we saw the army of unemployed tramping the streets in search of work they could not find. Adopt the theory of business cycles, is there anyone who would say that commodity prices have not touched bottom? Once the climax is reached, are we not justified in looking for a trend upwards? Looking back over the events of the last few months, are we not justified in believing that at last the downward trend has been stopped? I admit that the improvement is hardly perceptible. Commodity prices have risen and fallen, then risen a little more and fallen again. Looking over the events of the last few months, I think almost everyone realises that at last we have reached the bottom. If perhaps we have not quite turned the corner, we are at least within measurable distance of doing so. It is quite true that the farmer's position is indeed difficult. He has still to face months and perhaps years of reconstruction. Numbers of people are still out of employment and the probability is that the number of workless to-day is greater than ever. That, I think, must be left to the period of reconstruction, which, I believe, is within measurable sight. Once confidence is restored, opportunity will be taken by many people to invest their capital in world's commodities, in which, at the moment, they have no confidence. The international conference at Lausanne, the importance of which, I believe, is hardly recognised, marked a very momentous step indeed, leading as I think it will to the final extinction of the world-war indebtedness. With that gathering of Empire statesmen at Ottawa facing the extraordinarily difficult problems, realising that on a satisfactory solution of them depended the prosperity and happiness of the British Empire, cannot it be seen that from the result of the confer-

ence this feeling of confidence emerges and will, I believe, grow? Satisfactory as the result to the British nation must be, to me there is one great feeling of satisfaction in that the decisions reached at Ottawa do not in any way interfere with that friendly relationship, that exchange of business, with other nations which is so necessary if the world itself, as a whole, is to get out of its difficulties. Indeed, I believe that the lead given by Great Britain at that conference will help to restore sanity throughout the world, and will materially assist in the re-establishment of that confidence which we all desire. Turning to the consideration of our own domestic affairs, we must all recognise, over the last two years or even longer, the full responsibility which the Government have had to shoulder and the wretched times they undoubtedly have had. In the hurly burly of party politics we have perhaps, or shall I say many of us have perhaps, been a little unfair to those who have had to carry the responsibility. There is no question that Mr. Bruce, very early in the proceedings, saw what was ahead of Australia; but the people, being in the full flush of prosperity, failed to recognise the lead that he attempted to give them, and so he went out. I would also like to take this opportunity of saying that in my opinion scant justice has been done to Mr. Scullin, particularly as applied to certain actions of his in connection with the tariff. I am strongly of the opinion that the embargo which has been criticised by many, and the very high tariff which Mr. Scullin's Administration saw fit to impose, did indeed much to preserve the solvency of Australia.

Hon. J. Cornell: It did more than a lot of people seem to think.

Hon. Sir CHARLES NATHAN: Very much more. As regards the present Federal Administration, also, we are too close alongside its daily acts to appreciate properly their importance in assisting to re-establish the solvency and the prosperity of Australia. In Western Australia the Premier, for the past two years, has had a most wretched job, with his financial problems, with the endeavours to balance the Budget, with the full burden of exchange, and with the extraordinary demands made upon the State for unemployment relief. The position might have been eased had further emergency legislation been enacted, and additional taxation levied, more in

keeping with the taxation of the other States. I am glad to see that in the Government's proposals, which we shall have an opportunity of hearing in detail later, it is suggested that taxation shall be increased. I hope the additional taxation may be so designed as to reduce the exemptions, create a flat rate which will be applied to all, and, by collection at the source, relieve many people of the embarrassment of having to pay taxes in larger sums at more or less longer intervals.

Hon. J. Cornell: It is an unfortunate time for additional taxation.

Hon. Sir CHARLES NATHAN: All taxation is liable to be regarded as unfortunate. While I consider economy is still necessary, I do not think—and I am sure that neither the Administration nor hon. members think—that the Government's responsibility ends with the balancing of the Budget. I have no wish that hon. members should misunderstand what I am going to say; but I do believe that economies which possibly foreshadow a further shrinkage in the avenues of employment should be discouraged by everyone. In my opinion, the surest way to help this State to return to prosperity is not entirely by economies, essential as they may be, but by the wise expenditure of money on the part of the Government and of traders generally in an endeavour to set the wheels of industry going again.

Hon. Sir Edward Wittenoom: But where will they get the money from?

Hon. J. Cornell: There is plenty of money.

Hon. Sir Edward Wittenoom: The Government have not got it.

Hon. J. Cornell: Somebody has got it.

Hon. Sir CHARLES NATHAN: May I now for a moment touch upon what I believe to be the greatest problem of all—and I think everyone of us shares that opinion—the problem of unemployment. I have already referred to the extraordinarily difficult position in which the farmers find themselves. I do not think that any Government, or any body of people as a whole, have not within the limits of their financial capacity done everything possible up to now to try to assist the farmers over the stile. Without in any way attempting to belittle the importance of the farming industry to the State, or to minimise the difficult and distressful times which those engaged in the industry have experienced, may I say that at least the farmer has had a roof over his head; and that at least he has been able to do a day's

work—perhaps not with a great deal of heart, but after all there is nothing like work to clear a man's mind, at least temporarily. On the other hand, there are many thousands of men and women who are not so fortunately circumstanced—people without roofs over their heads, people only able to get meals thanks to the Government, and seeing no hope ahead of them. It seems to have been a peculiar phase of these cycles to which economists refer, that while the first to feel them is the farmer, or shall I say the primary producer, so the primary producer is the first to feel the advantage when the wave of depression has passed. While the wave of unemployment at the beginning may not be so marked, it gathers in strength as it goes, and the lag that takes place in that is also, as I see it, found when the turn is reached. It takes some time afterwards before the whole of the unemployed can be found avenues in which they may work. There is considerable criticism of the Government as to how much more they might have done; but, after all, the relief which the Government have been able to afford has been entirely limited by their capacity to finance. During the last 12 months, if I am correct, the Government have spent approximately £600,000 in unemployment relief. This year they have already allotted from Loan funds a sum of approximately £500,000 towards relief works, besides which they have allotted a sum of £300,000, part of which represents a contribution from the Federal Government. It is estimated that, as a result, for the next four or five months at any rate, when the whole of these works are in operation, approximately 11,000 people will be employed on part-time work. May I just at the moment break into my theme by referring to a misunderstanding—may I put it that way—which is apparently in the minds of a number of hon. members regarding the Federal Government's attitude in connection with the grant they have made to this State. Hon. members in this House and in another place have, with all the vigour they possess, fiercely challenged the action of the Federal Government as another dastardly broaching of State rights. I am not called upon, nor do I think it necessary, to enter the lists in defence of the Federal Government, and of their actions, which, many claim, have in the past been entirely opposed to the Constitution. The gentlemen who make these charges are very much

better able to speak of them than I am. But in this particular instance, having acted in another capacity, I can perhaps acquaint hon. members with the true position, by expressing the hope that the charges made in the past may at least have been based upon sounder ground than this one is. Under the Commonwealth Loan Unemployment Relief Works Act the Commonwealth granted, *inter alia*, to Western Australia a sum of £145,000—

Hon. G. W. Miles: As a gift.

Hon. Sir CHARLES NATHAN:—and appointed two men—bailiffs I have heard them called—to approve of the works on which the State Government utilised that money. The Commonwealth Act also provided that the State should subsidise that amount pound for pound. It requires, I think, a distorted vision to see in that a possible encroachment on State rights; and I feel sure that if those hon. members had taken the trouble to read the Federal statute in question—

Hon. J. M. Drew: They relied on the public statement of the Premier.

Hon. Sir CHARLES NATHAN: I have yet to learn that members of this House or any other place are justified in basing any charges they may make, on mere hearsay, no matter from what source it is derived.

Hon. W. H. Kitson: Surely we must take the Premier as an authority on the subject.

Hon. Sir CHARLES NATHAN: That may be the hon. member's method. For my part, within the limits of my capacity I endeavour to acquaint myself of the actual state of affairs before I am prepared to make a public statement. In both Federal Houses we have great champions of State rights, and in the debate that took place in the House of Representatives it is interesting to learn that one of our sturdiest advocates, Mr. Gregory, spoke in support of the Bill. There was never a word of criticism raised, and all the Western Australian members except Mr. Green, who appears to have been absent, voted for its passing. In the Senate there was an attempt made by Senator Lynch to introduce an amendment which was designed to see that the Federal Government would direct that at least 50 per cent. of the money should be spent in the country areas. It is interesting to learn that the Minister in charge of the Bill, Senator Pearce, suggested that Senator Lynch

should make his recommendations to either the State Employment Council in Western Australia or to the Western Australian Government, and he said that the recommendations would be in better grace if they came from the hon. member than from the Commonwealth Government, for in the latter case it might be thought that the Commonwealth was directing the State Government as to how the money should be spent. He expressed sympathy with the object underlying the amendment and added, "Why should this Parliament assume superiority over the State Parliaments?" Later he added, "We could give many directions to the States, but in so doing we would be assuming a superiority over them which is not warranted." When we find that the Senate passed the measure without division, we must feel, at any rate in this particular instance, that the Federal Government have been unduly criticised. I trust I have not delayed the House too long on that particular point. Charges have been so frequently made and so often have been widespread that I thought it was fair I should make the explanation. When considering the future prosperity of the State it would be criminal to disregard the lessons we have learned. When prosperity returns, as I hope it will before long, the development of Western Australia must and will proceed, but it must be conceded that the time for large expenditure of borrowed money from abroad for developmental purposes has passed, and for future development we must depend largely upon our own resources. I can see no danger in borrowing to a reasonable extent within Australia, but that borrowing will be entirely inadequate unless there is associated with it private enterprise and capital. This has been stressed for quite a long time by a very great number of men who are more capable of judging the position than I am, and in this respect I should like to read the remarks made by Lord Luke, managing director of Bovril, Ltd., in addressing the 26th annual general meeting of his company. He said—

The Australian interests have been our weakest string, but I believe that the devastating time through which Australia is passing will bring home to politicians of all shades the necessity for making it worth the while of capitalists to develop their properties. Ministers must realise as never before that money borrowed by a State for the purpose of de-

velopment has in due time to be paid back, and that interest has to be paid all the time, whether the utilisation of the money has been profitable to the borrowing State or not. The State which is lucky enough to be developed by overseas capitalists is fortunate indeed; they only take interest out by way of dividends when profits are earned—that is, at the time of prosperity—and very probably the capital is never removed from the country at all. At any rate, the capitalist cannot take away the development he has produced. If the depression under which Australia now labours results in a clearer understanding on the part of those who rule, of its basic principles and a keener appreciation of their importance, at least some good may come out of their present evils.

Bovril, Ltd., hold large estates in the North and therefore are intensely interested in the development of that part of the State. That brings me to a consideration of what our national policy should be regarding this enormous territory. Whilst I have no desire in any way to attempt to anticipate the decisions of the committee that is now investigating the position of the North-West, I should like to say, having given some little study to the question, that we will set ourselves an impossible task if we endeavour to develop the North-West with our own State resources. I believe the future of the North-West is wrapped up completely with the development of the Northern Territory, and one has only to look at the map to realise that that is the position. Wyndham's influence on the surrounding country cannot fail to be recognised, and the immensity of the problem can best be gauged by the fact that there are between 40,000 and 50,000 square miles of territory, and probably more, that come within the influence of that port. I well remember having been associated some years ago with negotiations that took place between the Commonwealth and the State Government regarding the future of the North. If my memory serves me rightly, a proposal was placed before the State Government, in effect that the Commonwealth should assume responsibility over that area north of the 26th parallel. That, I think, was afterwards amended so as to bring in the country only to the north of the 20th parallel. I know that those proposals were not considered satisfactory by the State. There were many considerations involved, principally political, but I do feel that in view of the importance

of the settlement of the matter that the offer might at least have been taken as a basis for discussion in the hope of solving the problem. May I also point out that the years that are following will only make the position more difficult. To my mind Wyndham must be the key to the development of East Kimberley and the Northern Territory. From day to day one sees the influence of the associated interests of Darwin growing, and unless the question is settled fairly soon the problems will become more insurmountable. I should like to say something more on this subject, but in view of the investigations that are being carried out by the committee, it is perhaps as well not to do so. Another important reason why the development of our northern territory should be considered beyond the possibility of the State is that we shall require the whole of our resources if we are to develop the southern portion. Despite the millions that have been spent in the wheat areas and on group settlements and the railways, there is still much to be done. In view of the limited resources that are likely to be at the disposal of the State for some time, it is not likely that any aggressive policy can be pursued. There are, however, large areas adjacent to railways, including many that are privately owned which, in my opinion, should be cultivated to their maximum, even if that should mean resumption, before new areas are opened up. When we consider that already £26,000,000 has been spent on railways, can we view with equanimity any great addition to the system, and particularly when we know that for many years to come many existing lines will not pay even axle grease. In considering this aspect, closer attention should be given to the possibility of road transport. As far back as 1927 Great Britain recognised the likelihood of the development of road transport in the opening up of areas in the Dominions and Colonies. In that year an Overseas Mechanical Transport Council was formed in Great Britain. In 1928 I had the pleasure of going into close conference with members of that council and I had the opportunity of seeing a great deal of the work that was being done at Tidsworth by the Mechanised Brigade under General Collins. I also had the opportunity of watching practical demonstrations in the development of mechanical transport in

the works of important engineering concerns. In the investigations, the basis of which were laid in 1928, it was considered that it would take at least five years to produce the first experimental unit. This unit is now actually in operation and is undergoing its first trial of 5,000 miles. The tests will be of a most severe nature, after which it will be despatched overseas so that the unit may be tried out under actual working conditions in one of the Crown colonies. No State could be more suitable for such an experiment than Western Australia. I strongly urge upon the Government the desirability of creating a small permanent transport committee to deal exclusively with this particular subject, and by close co-operation with the Commonwealth and British authorities endeavour to assist Western Australia in what I consider is one of the major problems confronting us. There should be no reason why Western Australia cannot advance definite claims to the continuance of this experiment, in a territory that is so eminently suitable for the purpose. There is one phase of Government activity which, had time permitted, I should have liked to touch upon, but it has already been ably dealt with by Mr. Thomson. I propose to leave that question to a more opportune time. I do wish, however, that Governments could be made to realise the extent to which their finances could be eased, and the infinitely better results which could be obtained by reducing their own activities and allowing statutory bodies to control certain undertakings. This would permit of the provision of better financial facilities and bring about greater efficiency. Ottawa has shown us what a conference of British statesmen can do when, irrespective of everything else, they have determined if possible to solve problems of the British Empire. If the Premiers of the States of Australia and the Commonwealth authorities would approach the many problems which confront them in the same spirit as those statesmen did at Ottawa a great deal could be done. By working shoulder to shoulder, they would be the better enabled to overcome many of the disabilities from which we are at pre-

sent suffering, and help to put Australia as a whole on the road to prosperity. I support the motion.

On motion by Hon. H. J. Yelland, debate adjourned.

House adjourned at 5.20 p.m.

Legislative Assembly,

Thursday, 8th September, 1932.

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

QUESTION—MINING, WILUNA ARSENIC PLANT.

Mr. MARSHALL asked the Premier: 1, Have Leggo & Co., of Wiluna, endeavoured to secure cover at the State Insurance Office for their employees on the arsenic plant at Wiluna? 2, If so, why was cover not granted?

The PREMIER replied: The State Insurance Office was asked by Leggo & Company to quote a rate for the insurance of the workers employed on their Wiluna plant under the Workers' Compensation Act. The Government Actuary replied asking for particulars in regard to the company's experience. This information has not been supplied to date.

RETURN—RAILWAY COAL SUPPLIES.

On motion by Mr. Wilson, ordered: That a return be laid upon the Table of the House showing:—1. The weekly coal orders (tonnage) by the Railway Department to each

of the following mines (separately)—Proprietary, Co-operative, Cardiff, Stockton, and Griffen, and the supplies received from the above-mentioned mines (separately) from 1st January to 30th June, 1932. 2, The weekly tonnage rate (separately) of Newcastle coal and the price paid for each department as from 1st January, to 30th June, 1932. 3, The tonnage shipments (separately) of Newcastle coal and the price paid for each shipment (separately) in truck at Fremantle as from 1st January to 30th June, 1932.

BILL—MAIN ROADS ACT AMENDMENT.

Second Reading.

THE MINISTER FOR WORKS (Hon. J. Lindsay—Mt. Marshall) [4.37] in moving the second reading said: The introduction of this Bill has been made possible by the amendment of the Federal Aid Roads Agreement passed last year by this and the Federal Parliament. When the agreement was amended the restrictions placed on this State as to the expenditure of money on roads were removed. It has been possible since to use Federal aid roads money on the maintenance or construction of roads or anything else the Government agree to. Under the previous Act it was necessary for the State, to get the money, to maintain roads from the traffic fees. That necessity no longer exists. The Bill deals with the collection of traffic fees. Under the Main Roads Act passed in 1929, it was laid down that local governing bodies outside the metropolitan area should pay into a trust account a percentage of the traffic fees, ranging from 22½ to 10 per cent., and also that out of the metropolitan trust account 22½ per cent. of the traffic fees should be paid into the main roads trust account for the maintenance of country roads.

Hon. J. C. Willecock: Would they be cleared main roads?

The MINISTER FOR WORKS: Yes.

Hon. J. C. Willecock: Not any road?

The MINISTER FOR WORKS: No. The money could only be spent on main roads, as they were affected by the expenditure from the traffic fees.

Hon. J. C. Willecock: That will not be altered in the future?

The MINISTER FOR WORKS: No. It is laid down in the Main Roads Act that