

be careful in our consideration of its provisions. We should see to it that we agree to the reference of only those powers that are absolutely necessary for the Commonwealth Government, bearing in mind that powers once surrendered will be relinquished for all time. Many of the powers sought are quite unnecessary. In wartime we cannot avoid the Commonwealth assuming various powers, but there will be no necessity for it to exercise some of them after the five-year period. I instance employment and marketing! In my opinion it is not necessary for the Commonwealth Government to have control of those two matters at any time. I refer, of course, to internal marketing.

Under present-day conditions the Commonwealth Government, under its War Precautions Regulations, has assumed control of various activities that could be much better dealt with by the States. At present, by virtue of those regulations, the Commonwealth has great powers, and we should be mighty careful that we do not surrender control of those powers for exercise by the Commonwealth when the war is over. Whatever is referred to the Commonwealth for five years will be lost to us altogether. I have already made it clear that I am prepared to grant certain powers to the Commonwealth, but we should be careful in agreeing to that course to see that the powers are transferred in a way that will be reasonable from the State's point of view. We should take every precaution to see that authority is vested in the Commonwealth Parliament respecting those matters that the Commonwealth should control and leave to the State the powers that should be exercised by it.

I propose to support the second reading, but I urge every member to scrutinise the measure carefully and not be guided by the interjections or attitude of Mr. Heenan. The hon. member is bound by his Party, which has instructed its members to vote for the Bill irrespective of their own thoughts or experiences. I urge members to exercise their own judgment in this matter. They should be guided by their own experience and should not be influenced by outside bodies. Every member should express his opinions on the measure, consider deeply every amendment that may be proposed, and exercise the greatest possible care in casting his votes. Otherwise, in years to come, he will realise the injury that has been done to

the State by referring these powers to the Commonwealth.

On motion by Hon. H. Seddon, debate adjourned.

ADJOURNMENT—SPECIAL.

THE CHIEF SECRETARY: I move—

That the House at its rising adjourn till 2.15 p.m. tomorrow.

Question put and passed.

House adjourned at 3.52 p.m.

Legislative Council.

Wednesday, 24th March, 1943.

	PAGE
Bills: Coal Mine Workers (Pensions), further recon- reports	2929
Commonwealth Powers, 2A.	2938
Motion: Youthful delinquents, detention conditions, to inquire by Select Committee	2952
Adjournment, Special	2957

The PRESIDENT took the Chair at 2.15 p.m., and read prayers.

BILL—COAL MINE WORKERS (PENSIONS).

Further Recommitment.

On motion by the Chief Secretary, Bill again recommitment for the further consideration of Clause 19.

In Committee.

Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clause 19—Contributions:

THE CHIEF SECRETARY: My desire is to submit to members the position in which we now find ourselves as regards the financial provisions of the Bill. As we have deleted the whole of Subclause (6), the situation at the moment is that contributions to the pensions fund will be provided to the extent of one-quarter by the mine workers, whilst the whole of the balance will be the responsibility of the Government, by virtue of its direct contribution and in consequence of the increased cost of coal, which of course will be passed on by the company to the Government. I believe it was not the intention of the Committee that, if the pensions scheme were agreed to, the mine owners should be

relieved of all obligation in connection with it; but that is the net result of the Committee's previous decision.

There are two points in Subclause (6). The first is that not more than one-half of the contribution of the mine owners shall be passed on to consumers, subject to the limitation that the amount so passed on shall not exceed 2d. per ton. The second point is whether the company shall have the right to pay its contribution to the fund out of the dividends that preference or ordinary shareholders may be entitled to receive. I think the Committee will, upon reconsideration, probably agree that the mineowners should shoulder some responsibility for contributions to a scheme of this kind. On the second point, I think there is quite sufficient to be said in favour of the proposal that the contributions by the mineowners should be made available from shareholders' receipts, if necessary. I trust the Committee will give full consideration to the points I have raised. I may have an opportunity to say something further on the subject; but I feel that, as far as the first point is concerned, we cannot in equity relieve the mineowners of all responsibility for contributions to the pensions fund. I therefore move an amendment—

That Subclause 6 (struck out by a previous Committee) be re-inserted.

Hon. G. W. MILES: I hope the Committee will not agree to the re-insertion of the subclause. The argument adduced by the Chief Secretary is unsound, especially if the conditions under which the coal companies are working are taken into consideration. To my mind, this is the most outrageous scheme that has ever been proposed. The coalmine owners are paid £18,000 by the Government only if they supply coal of a certain calorific value. Consequently, there is no inducement for them to reduce costs by installing modern machinery. That in my opinion is worse than the cost-plus system in vogue in the Commonwealth sphere. If the Government had accepted my suggestion and appointed a Royal Commission to inquire into the industry before a pensions scheme was proposed, it would probably have been found that the industry could be so re-organised as to allow the supply of coal at 2s. or 3s. a ton cheaper than it is today. The contributions which the companies would then make to this proposed fund would come out of those savings and the taxpayer would be so much better off. It is all very well to say

that the Government will pay these contributions, but the companies have not had a fair deal under the Davidson award. That is the most outrageous award I have ever seen. I hold no brief for the coal companies; but, as members know, I want them as well as the miners, to receive justice. I shall vote against the re-insertion of the subclause; indeed, I shall vote against the Bill until the inquiry I mentioned has been made, so that there may be a pensions scheme on proper lines.

The CHIEF SECRETARY: The hon. member is not logical. He said he would like the miners to receive a pension, but under a proper scheme.

Hon. G. W. Miles: Yes.

The CHIEF SECRETARY: The hon. member mentioned a proper scheme. In fairness to everyone concerned, all those engaged in the industry should contribute to the fund out of which the pensions will be paid. So far as the coalminers are concerned, it seems to me to be rather a strange way of giving them justice to say to them, as Mr. Miles says, "You cannot have a pension until certain things have been done with regard to the companies." The miners have no responsibility for the companies.

Hon. G. W. Miles: The Government has.

The CHIEF SECRETARY: The Government has no responsibility.

Hon. G. W. Miles: Have you not fixed this contract?

The CHIEF SECRETARY: I would like the hon. member to withdraw that remark. There has been no fixing at all.

Hon. G. W. Miles: What am I to withdraw?

The CHIEF SECRETARY: You said, "You fixed the contract."

Hon. G. W. Miles: The Government fixed the contract with the company. There is nothing to withdraw. However, if you want me to withdraw, I will do so.

Hon. C. B. Williams: The hon. member does not understand.

The CHAIRMAN: Order! Or get outside.

Hon. C. B. Williams: Is that the right way to speak to an hon. member? You speak properly, too.

The CHAIRMAN: Behave yourself!

Hon. C. B. Williams: You behave yourself! You ask in a proper way. Do not tell me to get outside. That is not your job—to tell me in that way.

The CHAIRMAN: Mr. Miles used the expression, "You fixed the contract."

Hon. G. W. Miles: The Government did! I will withdraw the remark if it is objectionable.

The CHIEF SECRETARY: We will let it pass. There was something said about fixing the contract, and that implied it was not honest. I resent any suggestion of that kind, either with regard to myself or with regard to the Government.

Hon. G. W. Miles: I did not say it was dishonest.

The CHIEF SECRETARY: The Government has for years stood for arbitration, and the position today is that the mining of coal is fixed by arbitration. When the hon. member says that we or I or the Government fixed the contract he is inferring something he has no right to infer. If there has been any fixing in regard to this contract with the companies it is remarkable that the companies claim that they have not been able to make the amount of profit laid down in the Davidson award. It is one of the strong points the companies make in regard to the necessity for limiting their liability with respect to contributions to the pensions fund. I have pointed out on numerous occasions that until a pensions scheme is provided for the Collie miners this will be the only coal-mining State in the Commonwealth that has not such a scheme for the men employed in the industry.

The miners of this State have the best record of miners in the Commonwealth, and yet this Committee says to them, "We are not prepared to agree that you shall have a pensions scheme on equitable lines." The Government does not desire anything but what is equitable to all parties. It does not mind carrying its responsibility for its share of the contributions, and the mineworkers do not object to carrying their responsibility. Surely there is an obligation on the part of those people who are drawing dividends as a result of the exploitation of the State's assets. There can be no argument against that. I hope that while the Committee may not agree with the provision entirely it will agree that it is necessary to have re-inserted in the Bill something to provide that the mine owners shall carry some liability in regard to contributions to the pensions fund.

Hon. Sir HAL COLEBATCH: While the Chief Secretary seems to be insisting on uniformity with the other States—an argument

that does not appeal to me at all—apparently he overlooks the fact that in the legislation of the other States no provision such as this appears. In the other States mineowners are permitted to pass on the whole of the cost. I would willingly vote for the reinstatement of this subclause without the proviso, which contemplates a monstrous injustice. Under the proviso the coalmine owners would make no contribution whatever towards the pensions fund. For some time past it has not been the practice of the company to pay any dividends at all on its ordinary shares. They are a family concern. Those shareholders have contributed nothing towards the capital of the company and they make their profits. The report of the Royal Commission showed how enormous those profits were. The whole of the capital has been provided by the preference shareholders, who hold something like four-fifths of the shares. Many of them have paid as much as 30s. a share for their interest. They have never received a single report as to the financial position of the company. They have no voice in its management.

When it comes to the appointment of a tribunal in connection with this pensions scheme, those who contributed the whole of the money will have no voice at all. Can we justify a condition of affairs like that: that we should, by legislation, over-ride the articles of association of the company and say that the preference shareholders who have contributed the whole of the money, who have had no voice in the management and have never been allowed to sight a financial statement, shall bear the whole of the cost so far as the company's contributions are concerned? That is what it will amount to. I shall vote against the re-instatement of the subclause. If it is re-inserted I shall ask the Committee to carry out its previous verdict that there is no place in a Bill of this kind for the alterations of the articles of association of a company, irrespective altogether of the very gross injustice contemplated by the proviso to this subclause.

The CHAIRMAN: The hon. member can do what he did previously.

Hon. Sir HAL COLEBATCH: I cannot move to strike out the proviso now.

The CHAIRMAN: Yes.

Hon. Sir HAL COLEBATCH: It is not there; there is nothing to strike out.

The CHAIRMAN: Yes, there is.

Hon. Sir HAL COLEBATCH: I take it that if the subclause is re-inserted I can move to strike out the proviso.

The CHAIRMAN: The hon. member can do it now.

Hon. G. W. Miles: How can he?

The CHAIRMAN: If the hon. member will wait I will tell him. The question is that Subclause (6), struck out by a previous Committee, be re-inserted.

Hon. H. S. W. Parker: It is not in.

The CHAIRMAN: The words it is proposed to re-insert are on pages 26 and 27 of the Bill, beginning with "(6) Notwithstanding" and ending with the words "succeeding year." An amendment can be moved to strike out the proviso beginning in line 30 on page 26.

Hon. Sir HAL COLEBATCH: I move—

That the amendment be amended by striking out the proviso.

The CHAIRMAN: If the Committee agrees to strike out the proviso the question will then be to re-insert the balance of Subclause (6). If it resolves not to strike out those words the whole subclause can be put.

Hon. H. S. W. PARKER: Do I understand that the amendment on the amendment will be put first?

The CHAIRMAN: Yes.

Hon. H. S. W. PARKER: That is to say, you are asking us to strike out words that are not there? Suppose Sir Hal's amendment on the amendment were carried, what would be the effect?

The CHAIRMAN: The question would then be that the subclause (as amended) be re-inserted.

Hon. H. S. W. PARKER: Suppose the amendment on the amendment is not carried, that means that the words would go in?

The CHAIRMAN: No, it does not.

Hon. H. S. W. PARKER: What would be the effect?

The CHAIRMAN: If the amendment on the amendment is not carried, I will put the original question that the whole subclause be re-inserted.

Hon. H. S. W. PARKER: Would it not be better to deal with the first question, and if the subclause is re-inserted Sir Hal could then move his amendment?

The CHAIRMAN: The Standing Orders provide that once a Committee agrees that certain words should stand they cannot be resubmitted in that Committee. The only alternative is to recommit the clause.

The CHIEF SECRETARY: I assume that the objective is to have this matter finalised without the necessity for recommittal. I would not raise any objection to either procedure. All I want is a definite decision. I see no reason why we should not adopt the suggestion of the Chairman. We can in the first place deal with the amendment moved by Sir Hal Colebatch. If members do not agree with his amendment then the whole subclause will be submitted, and if the Committee does not agree to it the subclause will be voted out. I am anxious to make progress with the Bill. This is the only clause outstanding at the present time, and it is a vital one.

Hon. L. B. Bolton: That is why we voted it out. We thought, too, it was vital.

The CHIEF SECRETARY: I want to be sure the hon. member does think that way. He was one of those who thought it should be reinstated and then voted that it should not be reinstated.

Hon. L. B. Bolton: I made that point perfectly clear.

The CHIEF SECRETARY: So long as members recognise that this is a vital subclause I am quite satisfied with whatever decision is made. But the Committee must understand that what it has done so far is to determine that those people who draw dividends from the exploitation of Colliery coal shall be relieved of any obligation to make contributions to the pensions fund. If the Legislative Council is of the opinion that the mine owners, or the coal companies, should not contribute to the pensions fund that is all right, but I want members to understand what they are doing. I would like, for a moment, to deal with the remarks of Sir Hal Colebatch. He said that the mine owners would make no contribution to the fund if this subclause were re-instated. Apparently he is drawing a distinction between the preference shareholders and the ordinary shareholders.

Hon. Sir Hal Colebatch: I am not, but the proviso does. The proviso practically says that the preference shareholders shall pay the lot!

The CHIEF SECRETARY: I will deal with that particular point. I am not concerned with the articles of association of the company beyond saying that whatever is done in connection with this, or anything else, should be done in equity. The proviso has been inserted to provide that those who

draw dividends from the exploitation of Collic coal shall at least pay their contribution to the pensions fund.

Hon. Sir Hal Colebatch: Not those who make profits.

The CHIEF SECRETARY: The only profits being made by the coal mines at the present time are being received by the preference shareholders. In fact, the company has not been able to meet that liability in full with the result that, unless this proviso is inserted, automatically, within a year, or two years at the outside, the management of the mines will be changed. It will pass from those who have been controlling the mines for the last few years to representatives of the preference shareholders, and there we have the crux of the whole argument in this Chamber. I want to have nothing to do with any section of those managing or administering the affairs of the Collic coal mines, but I do want to see that we do nothing that is not equitable. The first point is that the coal companies should carry some liability. The Bill stipulates that that liability shall be a certain proportion. If this Committee thinks it should be some different proportion an amendment can be moved to give effect to that desire.

The second point is the one I have just raised, that we must make provision for contributions to this fund, and in view of the unusual nature of the articles of association of Amalgamated Collieries it is necessary that a provision of this kind be inserted. I am advised that we will otherwise be dealing most unfairly with the present management, and in a way which will lead automatically to a change in the management, which is not deserved. There are two sections of shareholders, the preference shareholders and the ordinary shareholders. The preference shareholders receive dividends at the present time but the ordinary shareholders do not. I am told that the position is such that if this Bill is agreed to the probability of the company's meeting its eight per cent. preference dividend is somewhat remote, as its profits will not be sufficient. In that event the articles of association provide that the preference shareholders shall have the right to a say in the management of the company which, in effect, means that the present management will be superseded by representatives of the preference shareholders.

Hon. H. Seddon: Who asked for this scheme—the owners or the men?

The CHIEF SECRETARY: It was asked for in the first place by the men. The suggestion was agreed to by the Government and a Bill was introduced in another place, after which representations were made by both parties in regard to certain aspects of the Bill. I want to get something fair in regard to the mine workers, the mine owners and the Government. I see no reason why we should not arrive at something equitable along the lines of this subclause. If members do not agree with the subclause as it stands they have the opportunity to move amendments.

Hon. V. HAMERSLEY: I cannot get quite clear in my mind why the company with the eight per cent. preference shareholders forms the only theme before the Committee. I speak on behalf of a number of Western Australians who put about £70,000 of hard-earned money into another mine, which has not been able to pay much in the way of dividends. The company wrote down the value of its shares by 5s. and paid a dividend of 3s. or 3s. 6d. The preference shareholders and the question of the agreement between the Government and the companies should not come into the picture at all. How are people who are not now making profits, because taxation swallows up all such returns, to meet this added impost? It will not allow of any chance whatever to secure dividends. Yet under Subclause (6) that section is to carry the additional burden. It is all very well for the Chief Secretary to point out that Western Australia is the only State that has not made provision for pensions for coalminers.

Hon. G. W. Miles: In the Eastern States the companies are allowed to pass on the added costs.

Hon. V. HAMERSLEY: Yes, to the extent of 5d. per ton, but the Collic companies are to be allowed to pass on not more than 2d. a ton. The conditions are quite different. I am surprised that the Chief Secretary should advance that argument in favour of this legislation being passed. I regard Subclause (6) as an abuse and immoral. I cannot understand why so much consideration should be given to it. In my opinion the Committee earlier relegated it to its proper place and I hope it will remain excluded from the Bill.

Hon. H. S. W. PARKER: This particular provision has caused me a great deal of worry in an endeavour to understand what it really means. The greater the production and the greater the number of employees in the coalmines, the greater will be the loss to the companies because the amount of profit to be derived from the operations has been fixed. The position at Collie is in no way comparable with that obtaining in the Eastern States. Everything is entirely different. Another point arises. I always understood that a company was controlled by the shareholders who arrived at decisions at general meetings or, pending the holding of such meetings, by the directors. Now this extraordinary subclause appears in the Bill. It says that the company may in any year deduct from the dividends otherwise payable on its ordinary or preference shares certain amounts for payments to the fund. But it goes further than that and says that the company can do this "notwithstanding any resolution of any meeting of shareholders to the contrary." What does that mean? Surely the shareholders or the directors must decide who is to pay this money, but Subclause (6) sets out that it does not matter what the shareholders may desire. The shareholders will not decide, yet the company will decide. How can it decide? I hope the Committee will not pass legislation in a form that is likely to give rise to litigation.

The **CHAIRMAN:** The same thing arose regarding the Truck Act.

Hon. H. S. W. PARKER: I would not say that, seeing that the Truck Act sets out definitely that one must not pay except in cash.

The **CHAIRMAN:** But it is waived.

Hon. H. S. W. PARKER: Yes, it waives it; but the subclause is framed in the terms I have indicated. It seems to me that the proviso must be re-drafted to give it some intelligent meaning. I think the subclause should be struck out of the Bill.

Hon. E. M. HEENAN: This is undoubtedly one of the most vital subclauses in the Bill. We have apparently got into difficulties through trying to amend a clause that was carefully thought out.

Hon. H. Seddon: Is there not some doubt about that?

Hon. E. M. HEENAN: I commend the lucid remarks of the Chief Secretary, and if members will bear them in mind they will

allow the subclause to stand as it appears in the Bill. One cannot approach the consideration of the clause without some knowledge of the domestic affairs of the principal company. Yet that should not concern any member.

Hon. V. Hamersley: What are we here for?

Hon. E. M. HEENAN: We should see that equity prevails. Apparently at one stage someone lent money to the company and acquired preference shares. It seems to me that in dealing with a Bill, the object of which is to provide pensions for miners, unless we take precautions along the lines of the proviso, the preference shareholders—apparently these resolve themselves into one big individual—will step in and upset the whole apple-cart.

Hon. C. B. Williams: They cannot really do that, you know.

Hon. E. M. HEENAN: Merely because the establishment of a pensions scheme is proposed, the existing position between the management of the mines and Mr. Claude De Bernales who, I understand, represents the preference shareholders, should not be so affected that one side shall receive an advantage to the disadvantage of the other. Let us endeavour to maintain the status quo. As I mentioned previously, the object of the proviso is to maintain the present position. Mr. Craig thought otherwise, but to me it seems clear that the proviso is necessary in order to maintain the status quo. I hope the subclause will stand as drafted.

Hon. H. SEDDON: The Chief Secretary said the pensions scheme was asked for by the coalminers and approved by the Government, and then the owners were consulted regarding the Bill. The amalgamated company has not made a profit for some years, and last year it had to pay the dividends of preference shareholders out of reserves. Under Clause 19, the company was prepared to accept its share of the responsibility, provided the preference shareholders were "slugged" as well. I cannot see anything equitable about that. The preference shareholders provided the money for the development of the mines and the ordinary shareholders came in on the ground floor.

Hon. E. M. Heenan: The preference shareholders have been receiving dividends of 8 per cent.

Hon. H. S. W. Parker: But are they the original preference shareholders?

Hon. H. SEDDON: Apparently not! There is an obligation to give the preference shareholders protection, and this protection is that, as soon as the company ceases to pay their dividends, they can step in and take a hand in the management. The proposed subclause would practically nullify that by allowing the company to charge the preference shareholders with the cost of the pensions. That is entirely wrong. I think Subclause (3) will meet the position. It provides that the miners shall pay one-third and the mine owners two-thirds of the balance, namely, three-fourths, of the money. If we amend the subclause as suggested by Sir Hal Colebatch, we shall be limiting the companies to an increase of 2d. per ton in the price of coal. This may not be sufficient to enable the pensions contribution to be paid, and thus the companies may be squeezed in that way. We could leave the matter open by permitting an increase in the price of coal equal to the cost of the pensions contribution, or we could agree to Sir Hal Colebatch's amendment, which would allow the companies to pay part of the cost and pass on the rest. I think the best plan would be to allow the matter to go to arbitration to determine the amount to be passed on to the general public and the amount to be paid by the companies.

Hon. L. B. BOLTON: I desire to make my position clear regarding my promise to vote for the reinstatement of the proviso. When I made that promise, the rest of Subclause (6) was still in the Bill. In my opinion, the subclause would be useless without the proviso. I spoke and voted against the Bill on the second reading and am still opposed to it. As I consider that the subclause, without the proviso, will be useless, I shall vote against Sir Hal Colebatch's amendment and will feel that I shall not be breaking my word by opposing the re-insertion of Subclause (6). If the subclause is re-inserted, the proviso should be included.

Hon. G. W. MILES: I hope Sir Hal Colebatch will withdraw his amendment on the amendment and allow the issue to be decided, as it was previously, on the whole subclause. His proposal merely complicates the position. Superannuation funds have been instituted by various firms and the cost is included in the working expenses of the business. If we insist on the deletion of Subclause (6), the companies will provide two-thirds of three-quarters of the contri-

bution and pass on the cost to consumers, as is done in other States. To include the provision covering preference shareholders would alter the articles of association and would be equivalent to the action of the Commonwealth Government in tacking social welfare proposals on to a rates Bill. The Senate objected to this being done, and the House of Representatives agreed to the amendment. We are asked to tack on to a pensions Bill a provision that will alter the company's articles of association. Rejection of the subclause will merely mean that the companies will be able to pass on their proportion of the cost. Another inquiry should be made into the whole of the ramifications of the industry. The owners say certain things, and the miners say something else.

Hon. A. Thomson: And the Chief Secretary said something about exploitation.

Hon. G. W. MILES: Yes. Under the existing award, there is no incentive for the companies to reduce their prices to the Government. We have been told that one mine is producing coal of a higher calorific value than that of the Co-operative Mine, and yet, under the award, receives a price of 2d. per ton less. This matter should be inquired into. This other company has to foot the Bill in connection with the pensions scheme, in the same way as the larger company. I hope that in equity and fairness Sir Hal will withdraw his amendment on the amendment, and that the Committee will insist on keeping Subclause (6) out of the Bill, as by 14 votes to 6 it originally did.

Hon. Sir HAL COLEBATCH: I am inclined to agree with Mr. Miles that the simpler course is the better course; and on the understanding that, in the event of my withdrawing the amendment on the amendment, I shall still have a right to move to amend the subclause as a whole, I am prepared to ask for leave to withdraw.

The CHAIRMAN: There is absolutely no danger whatever. All members who are opposed to the re-insertion of Subclause (6) can with impunity vote for Sir Hal's amendment on the amendment.

Members: No, No!

The CHAIRMAN: Members can vote that way with impunity. If the amendment on the amendment is carried, the next question will be the amendment as amended, and members can then vote against it, and can vote out the lot.

Hon. Sir HAL COLEBATCH: In the event of my withdrawing the amendment on the amendment now, would it be competent for me, in the event of the Chief Secretary's amendment being carried, to move a further amendment?

The CHAIRMAN: Not in this Committee.

Hon. V. Hamersley: The Bill would have to be recommitted.

The CHAIRMAN: There is no danger whatever. If there is a sufficient number of this Committee desiring to put the lot out, such members can with impunity vote for Sir Hal's proposal and then turn round and vote the lot out.

Hon. G. W. MILES: That is complicating the issue. The matter has been debated. The proviso was deleted at one stage, and the balance of the subclause was put and was also taken out. The whole of Subclause (6) is out, and the Chief Secretary has now moved to reinstate it. I hope Sir Hal will withdraw his amendment on the amendment, and that the Committee will thereupon decide as it decided previously regarding the whole of Subclause (6).

The CHAIRMAN: That is what the Committee would do on Sir Hal's amendment on the amendment. The only difference is that on the first occasion the words were in and somebody moved to strike out the whole of Subclause (6). Sir Hal moved to strike out the proviso. That was carried, and the balance of the subclause was left in the Bill. Subsequently the whole of the subclause was struck out. If Sir Hal can obtain the leave of the Committee, he can withdraw his amendment on the amendment.

Hon. L. B. BOLTON: I appeal to Sir Hal to withdraw his proposal. Otherwise we shall have the same position as we have had before. If Sir Hal had not moved the deletion of the proviso, the whole of Subclause (6) would have been deleted, as was done a day or two later. When the Committee voted on the question of deleting the proviso, some members were under the impression that they were voting on the striking-out of the whole subclause.

Hon. Sir HAL COLEBATCH: I am willing to withdraw my amendment on the amendment, but upon the understanding that I shall be a liberty afterwards to move that the whole subclause be struck out.

Amendment, on amendment, by leave withdrawn.

The CHAIRMAN: The question now is the reinstatement of Subclause (6) in its entirety.

The CHIEF SECRETARY: While I do not complain about Sir Hal's withdrawing his amendment, it does appear to me that the position is made a little more complicated from the aspect of the argument which I submitted in the first place; for there are two points involved in the subclause. Some members favour one point, but oppose the second point. On account of the procedure now being adopted, those people who were so pleased to exercise their authority at the previous Committee and deleted what was left of the subclause, find themselves in the same position again. In effect, they are forcing this Committee to a decision which will be that the coal owners shall be relieved of all liability for contributions to the pensions fund. As long as the Committee is agreed on that—

Hon. G. W. Miles: The coal owners are similarly relieved in the Eastern States.

The CHIEF SECRETARY: That brings me to another point which I have mentioned on previous occasions, though not today—that there is a big difference between the position of coal companies in Western Australia and those in eastern Australia. This is the only State of the Commonwealth where the coal companies' production is absorbed 100 per cent. by the Government, and will continue to be so absorbed.

Hon. G. W. Miles: Surely the public are getting coal!

The CHIEF SECRETARY: I want the Committee to understand that at the present time, owing to priorities, the Government is the sole purchaser of Collie coal.

Hon. V. Hamersley: Under war conditions!

The CHIEF SECRETARY: Of course on account of the war, and it is for that reason I say the argument can be used.

Hon. V. Hamersley: On a point of order, Mr. Chairman, I regret having to interrupt the Chief Secretary, but the mine I referred to is supplying coal to the Midland Railway Company.

The CHAIRMAN: There is no reason to rise to a point of order on that. We are in Committee, and Mr. Hamersley can follow the Chief Secretary and state his case.

The CHIEF SECRETARY: I hope there will be no contradiction of the statement that the Government purchases 90 per cent.

of Collie coal under normal conditions. At the present time the Government is purchasing 100 per cent. of the production. That position obtains in no other Australian State. Companies in eastern Australia in some cases supply coal to private customers to a greater extent than they supply the Government. That is the great difference. If the companies are allowed to pass on the whole of the cost of the pensions scheme to consumers, it means that in Western Australia the Government, being the main consumer, will have to pay. That is not right.

All we desire to do by this subclause is to provide that those who receive remuneration or some other reward for the investment of their capital in the exploitation of Collie coal, shall bear their proportion of the cost of the pensions scheme. I have used the word "exploitation" again in spite of Mr. Thomson's objection; but I do not use it in the meaning he attaches to it. We have allowed the Collie companies to exploit a national asset, and undoubtedly they have done very well indeed. For many years they exploited it in more ways than one, but not in the way in which I use the word at the moment. At the present time they have a right to exploit the Collie coalfields, and the Government is purchasing 90 per cent., and even 100 per cent., of their production. Yet some members are prepared to maintain that those who receive whatever reward is to be derived from the exploitation of the Collie coalfields shall be relieved of the responsibility in regard to the pension fund. I think the Committee understands the position; as I see it, it is clear-cut. The question is whether the coal companies shall carry any liability for the pensions scheme for the Collie coalminers. If the Committee disagrees with that, of course it will vote against the inclusion of the subclause; but if it agrees that the coal-owners shall pay some contribution towards the pensions fund, I take it the Committee will vote for the re-insertion of the subclause.

Hon. H. S. W. PARKER: The conditions in the coalmining industry in this State are not comparable to those in the Eastern States. In the Eastern States the whole of the production of the coalmines is not taken by the Governments; in this State it is. As I pointed out when speaking to the second reading, we are virtually asking the public

to pay these pensions, because it is the public that is buying the coal. In one way, that does not matter, because the cost of pension schemes is invariably passed on. I have no shares in any of our coal companies, nor do I know of any friend who holds shares.

The Chief Secretary: Have you not heard one or two members refer to the fact that they hold shares?

Hon. H. S. W. PARKER: I did not know.

Hon. G. B. Wood: Perhaps they are not personal friends!

Hon. H. S. W. PARKER: I have no axe to grind, but we must be fair and reasonable. At present, preference shares in the Amalgamated Collieries carry a dividend of eight per cent., but that does not mean that the present holders are getting eight per cent. Of course, some may be, but they have hung on to their shares for a long while. In any case, they took a risk as to whether or not they would get eight per cent. when they invested their money. We find that the persons who floated the company did not put any capital into it, but they are certainly not getting any dividends. However, that has nothing to do with this scheme. We are asked by this measure to give pensions to coalminers and we say to the State, "You shall pay them." At the same time, we say to the company, "You shall not make more than a certain amount—not percentage—but a fixed definite sum per annum profit, and that profit should be sufficient to pay eight per cent. to the preference shareholders and 5½ per cent. to the ordinary shareholders. If you do not make that amount of money, then you do not get dividends. You are limited to that amount of profit and that is all you can get, good, bad or indifferent management: good, bad or indifferent coal." We are solemnly asking the Committee to say to this company that it shall pay an amount of its limited profits, but the more coal it produces the greater will be its number of workers and the greater will be the amount eventually to be paid in pensions. Consequently, it will only be a matter of time when the company will have a deficit.

We must not forget that there is a provision in this Bill under which the Governor shall fix the amount of the reserve. He may fix the whole £18,000 and thus settle the companies in one hit. I venture the

opinion that this Bill is the first step towards the seizure of the coalmines by the Government. Do not let us do that in this way. Let us do it by a direct Bill. This measure, if passed, may force the company into liquidation. We have the same old bugbear brought forward—national asset! What is the cement company doing? The raw material which it digs out of the ground is a national asset. What about the tile company? The clay is a national asset. What about copper? That again is a national asset. What about our goldfields? Once more we have a national asset. We have had much absurd talk about our national assets. But why settle the coal companies in this way? They are anxious to help in the development of a national asset. In many respects, it would have been better for Western Australia had coal never been discovered at Collie. The railways would have been run very much cheaper. Now, having nursed the industry to this extent, we will by this measure prevent the coal companies from reaping the fruits of their past developments. I sincerely trust that Subclause (6) will be left out of the Bill.

Amendment put and a division taken with the following result:—

Ayes	8
Noes	16
Majority against	8

AYES.

Hon. J. M. Drew
Hon. E. H. Gray
Hon. E. M. Heenan
Hon. W. H. Kitson

Hon. W. J. Maun
Hon. H. L. Roche
Hon. C. B. Williams
Hon. W. R. Hall
(Teller.)

NOES.

Hon. C. F. Baxter
Hon. L. B. Bolton
Hon. Sir Hal Colebatch
Hon. L. Craig
Hon. J. A. Dimmitt
Hon. E. H. Hall
Hon. V. Hamersley
Hon. J. G. Hiehop

Hon. G. W. Miles
Hon. H. S. W. Parker
Hon. H. Seddon
Hon. A. Thomson
Hon. H. Tuckey
Hon. F. R. Welsh
Hon. G. B. Wood
Hon. F. E. Gibson
(Teller.)

PAIR.

AYE.	NO.
Hon. T. Moore	Hon. H. V. Plesse

Amendment thus negatived.

Clause, as previously amended, agreed to.

The CHAIRMAN: There are some consequential alterations necessary to certain sub-clauses, and these will be made by the Clerk.

Bill again reported without further amendment, and the reports adopted.

BILL—COMMONWEALTH POWERS.

Second Reading.

Debate resumed from the previous day.

HON. H. SEDDON (North-East) [3.35]: The more I consider this Bill and the circumstances associated with it, the more, from a personal standpoint, would I be inclined to vote against it. But there are factors associated with the real objectives that incline me to feel that it should pass the second reading with a view to a certain amount of amendment, and with a view to giving consideration to what is after all the most important question we shall have to deal with, namely that of enabling the Commonwealth to get on to a basis on which we will be able to establish a reasonable standard of comfort for our people. It is from that angle that I wish to discuss the Bill. The circumstances associated with the measure prior to its introduction are such as would lead one to oppose it. The Bill is only part of a plan. That plan was carried out by definite steps.

The first step was the passing of the Uniform Taxation Bill which very effectively undermined any chance of the States retaining their sovereignty except at the will of the Commonwealth Government. Although there was a certain amount of protest and although a case was taken to the High Court, I contend that the matter should have been clarified by being taken further, because obviously it did attack the sovereignty of the States, this State amongst the others. The people who were behind that plan then took the next step. In order to make sure that from their standpoint there should be no attempt to restore the position, they passed certain sections of the Statute of Westminster which effectively prevented the States from carrying the matter further than the High Court of Australia. Having thus further consolidated their position they then brought forward this scheme which, as Mr. Baxter pointed out, and as the majority of the people of Australia believe, will bring about unification. If unification were the end of it, the position would not be quite so bad, but my contention is that there is a further objective and that objective is one we should all be aware of.

The Chief Secretary: What is the further objective?

HON. H. SEDDON: The further objective in my opinion is the socialisation of

Australia. There are other points to be noted in connection with the introduction of this Bill. It was first of all introduced into the Federal House. The reception it received there caused the Attorney General to consider his steps and ultimately to call a convention. The make-up of that Convention is open to serious question. It consisted of certain members of the Commonwealth Parliament and the Premiers and Leaders of the Opposition of the six States. Those gentlemen were called upon to consider, not the question of the most effective administration of Australia, but the question of this Bill. Furthermore, that Convention when it met was presented with an entirely different Bill from the one previously submitted. Consequently it found itself called upon to debate a measure materially different in many respects from the one first presented. That was Bill No. 2.

After the Convention—which, by the way, sat for seven days—had had a kind of second reading debate on the Bill presented, a committee was appointed to go into the question of amending the Bill. After that committee had sat for some 2½ days it presented its report in the form of a Bill—Bill No. 3. The circumstances associated with the formation of that committee, and the way in which it carried out its work, should be commented upon because the members who formed that committee consisted of the two Federal representatives, both of whom are unificationists, and the six Premiers of the States of the Commonwealth, five of whom are Labour men. That was the committee which drew up Bill No. 3. The remainder of the Convention was presented with Bill No. 3 on the very day that the Convention had decided to conclude. The members of the Convention were asked to consider the new Bill for 2½ hours, and to commit themselves to its passing. Naturally, certain members took exception to that, and a reading of the full report of this Convention shows that those gentlemen felt they were being placed in a very invidious position. They were asked to agree to the report of this committee without having given full consideration to the third Bill.

On the suggestion of Dr. Evatt, this Bill was then taken, as it were, into Committee, and dealt with, clause by clause. The Leader of the Opposition of this State made his position very clear. He pointed out that he

failed to agree with certain clauses; with respect to others he wanted more information; and was prepared to oppose still others. When he returned to Western Australia, he dealt with the Bill in that way. He pointed out to the Legislative Assembly that there were certain parts of the third Bill with which he could not agree.

These circumstances should cause the people of Australia to think. When they realise that right through the whole of this business there has been again and again an attempt to rush and bounce the people into accepting these provisions, they will find still further cause to think and give consideration to the position that will be created. When one remembers that this is being brought on at a time when the Commonwealth is engaged in a struggle for its very existence, one would think that at any rate there must have been some very urgent reason, first of all, for attempting to rush these provisions through, and secondly, with regard to occupying the attention of the people at such a time with a Bill of this description.

The remarkable feature of the relationship between the Commonwealth and the State Governments right down the years has been the tendency more and more to adopt the position of working on co-operative lines. Again and again requests have been made for a convention, but no convention has been held until this one, and I take very strong exception to its constitution. It seems to me that certain spheres fall more peculiarly within the ambit of the State Governments; other spheres come within the operations of the Commonwealth Government, and still others are common to both, and the best administrative results have been achieved by co-operation between the two Governments. But if there is one thing in this Bill which is definitely the set-up, it is that the Commonwealth Government must be the master and the State Governments the servants. Any question of the sovereignty of the States being maintained has certainly been seriously menaced, and will be still further prejudiced by the carrying out of the provisions contained in this measure.

My contention is that if the same spirit had been maintained between the Commonwealth and the State Governments as has obtained in previous years, the question of a convention—if a convention was found to be necessary—could have been approached

along the lines that the States would have been asked to appoint representatives to such a convention and the Commonwealth Government would have appointed its representatives, and the whole field of operations as affecting the State and the Commonwealth would have been gone into. Those questions which experience has shown would be better handled by one or other authority would have been defined, and those common to both would have been laid down, and a basis arrived at on which the two Governments could help one another. But this Convention was presented with a Bill which laid down certain things that the Commonwealth Government considered necessary. Those matters were introduced and discussed. From that point of view, the whole thing is absolutely suspect. The people of Australia, in their own interests, would be well advised, if these matters come before them at a referendum, vigorously and strenuously to oppose them. The question that impresses one is this: Why the urgency? The answer that presents itself to me is that there is a very definite attempt by the Federation to usurp and absorb all the powers of government. In that connection I contend that the opportunity of the war is being taken to bounce and dragoon the people of this country into accepting a state of affairs that they would never have tolerated had they been free to give full consideration to them.

In support of that contention, I want to make two quotations. One is from the "Letters of Junius," which were written at a time in English history when a similar state of affairs existed as exists in the Commonwealth today. That country had been engaged in an exhausting war, and the authorities had taken unto themselves, because of the urgency of the war, certain powers, and were using them to a certain extent beyond the point which they were intended to be used. "Junius" was a man who indulged in a series of letters. They were so apposite and definite in their attacks upon the authorities that everyone was trying to discover who he was. The whole of the people of England were taking heed of this man's allegations, which had a definite effect on the actions of the authorities. "Junius" wrote—

We can never be really in danger until the forms of Parliament are made use of to destroy the substance of our civil and political liberties; until Parliament itself betrays its trust by contributing to established new principles of government.

Anyone who has followed the actions of the Commonwealth Government must realise how apposite that quotation is, because that Government has taken, and is still taking, under the guise of war, powers that in ordinary circumstances would never be vested in it. Those powers, if the Bill now before the House is passed in its present form, will be perpetuated and cemented with regard to the people of Australia. While it may be said that the people will always have the right to vote and to set aside those to whom these powers have been granted, no one can say in these days of change and the usurpation of powers, whether the people will retain that right in the form they possess it today. I shall now make a further quotation from a statement by Mr. Atlee in the House of Commons in 1937—

In the necessities of modern warfare there is at once a great danger and a great opportunity. There is a danger lest under the excuse of organising the nation for defence and security liberty may be destroyed and the corporate States introduced. The greater the danger, the greater the opportunity of persuading the people to accept all kinds of restrictions.

How true that is today! So I say that the objective behind the Bill is to obtain, and retain, powers in the hands of those who are using them today. They are using those powers from the standpoint of what they consider is in the best interests of Australia. There are a great many people who regard the use of those powers today as having a diametrically opposite effect. I have carefully studied the literature published in connection with the Bill. I have read the report of the Convention, and also the publication issued by Dr. Evatt in support of the measure. The objective, which is supposed to be the underlying factor governing the introduction of the Bill, is the reconstruction of Australia after the war. The first point that arises in my mind is this: The war is not yet over. Members had the opportunity the other day to hear the speech delivered by Mr. Churchill. That statesman was very definite. He said that the carrying on of the war involved first of all the destruction of the Axis forces in Europe and then attention to Japan.

I ask the House to consider the position that exists in the north of Australia today. While Japan over-ran tremendous areas and has occupied that territory for over 12 months, the extent of invaded country that has been recovered from occupation is ridi-

culously small. If we are to take that as any criterion of the length of the war we are engaged in, it will take a remarkably long time before Japan is effectively beaten. During the past 12 or 15 months Japan has not been idle. A report in the Press within the last two or three days has revealed that Rabaul has now become a formidable fortress, and from that we must realise that what has been done there has probably been accomplished in other parts of the recently acquired extensions of the Japanese Empire. Those who were inclined to discount the prowess of the Japanese as fighters have had their opinions rudely shaken. Those who are inclined to discount the Nipponese as organisers have a still more rude awakening ahead of them. We have a very formidable job to cope with before we shall be in a position to say that Japan has been definitely driven out of the war.

There is every indication that Australia is engaged in a long and exhausting war, and it will be a very long time before we shall be able to say that this country is reasonably safe from aggression. When we assert that, what we have to ask ourselves is this: What will Australia be like when the war is ended? Are we prepared for a long war? Are we organised for it? On the other hand, have we made our preparations with the idea that the war will be ended at a comparatively early date? There is one phase that indicates the possibility of a long war, quite apart from the progress already made by Japan. Again and again it has been emphasised that the current war is a conflict of ideals. As such it stands apart from the ordinary commercial wars that have taken place from time to time.

A conflict that takes place between ideals is one fought to a finish. One has only to peruse the records of past wars in Europe to realise what I mean. Members will remember the long sequence of exhausting wars that have taken place in Europe on the question of religion. We had the Thirty Years War and also the Eighty Years War. Then again they will remember the long wars that were waged in the days of Napoleon. There again it was a question of the conflict of ideals that arose directly out of the French Revolution. The fact that liberty was won by the French people shook every throne in Europe, and that caused the United Nations to attack France in the belief that those thrones were in dire peril.

That was what gave birth to the rise of Napoleon and enabled that military genius to embark upon his various victorious campaigns.

The Chief Secretary: And there was the Hundred Years War.

Hon. H. SEDDON: That also was a war of ideals. The present conflict is one of ideals. On one hand we have people who are desirous of maintaining autocracy and the enslavement and repression of ordinary citizens. On the other hand, we have the democracies whose ideal is that the ordinary man is entitled to liberty, some comfort and a reasonable degree of security. These ideals are being fought for to a finish, and one or the other must triumph. I say definitely that Australia was not prepared to defend herself when Japan entered the present world war. The long accumulation of neglect regarding the defence of this country suddenly came to a head and we found ourselves confronted with a state of affairs never previously contemplated. The result was that to the desire to place ourselves in a position enabling us to fight under reasonable conditions for defence, the activity of the past 12 months is directly attributable. The whole of the activity as regards the recruiting of men, the tremendous volume of work carried out in preparing our defensive position and the re-organising of our factories, has been with the object of defending this country, and in fact that was the only objective for which we prosecuted our war effort.

When we realise the tremendous strides we have made with our defence efforts and the disturbance that has taken place throughout the whole community by not only men being drawn into the Forces or munition works or civil construction operations, but by the large numbers of women who have been conscripted in order to carry on war work, we must realise that Australia has been shaken to its foundations. On top of that there has been the financial aspect. People have found themselves hard pressed to support the loans that have been deemed to be necessary in order to finance the war. These loans have been on a scale that a few years ago we would have thought impossible for the people to meet. Many men are today facing a position where it is hardly possible for them to meet their obligations.

There has been created in this country a bureaucracy against which everyone feels

resentful but which most people accept, because they believe it necessary in order that the war may be carried on efficiently. Dr. Evatt felt very much concerned about the criticism of bureaucracy and thought it wise to make a statement explaining to the people exactly what it means. He said that bureaucracy is simply a number of Government servants engaged in departments to carry on the work of the war. But the word "bureaucracy" means quite a lot more than that. It means that in time of war there are necessarily created certain departments to carry on the war. In Australia departments have been created for the purpose of restricting the activities of large sections of the community, presumably in the interests of the war effort. My contention is that there is no necessity for a lot of those departments. All that need have been done was to tighten up the taxation laws to catch those people whom the departments have been created to deal with. Had the laws been revised to catch those people, there would not have been any need to establish those departments. As it is there is a feeling in the community that one of these departments might well be described as the department for the restriction of trade.

This Bill is not only premature but, in my opinion, it is also mischievous. It is premature because, if this country is going to wage the war over a series of years, who can say what the condition of the people will be in a few years, particularly if mistakes are made similar to those that have been made in the past? As I have already pointed out, the productive capacity of this country has been materially interfered with; in fact it has been interfered with to such an extent that the Governments have had to consider the question of making adequate provision for the maintenance of our food supplies, and this in a primary producing country. This Bill has the effect of turning the thoughts of the people from the stern realities of war and leads them aside into the realms of wishful thinking. From a publication issued by Dr. Evatt in support of the Bill, people have gathered the idea that the Government will be able to do wonderful things for them as soon as the war is over. The war may not be over in the lifetime of many members of this Chamber. Yet we are contemplating the problems indicated as being vital and important. So they are, but the method

of approach to them, to my way of thinking, leaves much to be desired. It was ill-advised to introduce them at the present time, when, on the one hand we are appealing to the people to subscribe every possible penny to the war loans and, on the other hand holding out visions of a paradise that is going to be created for them when the war is over.

The Bill is having another effect. The propaganda behind it, in my opinion, is encouraging a spirit of unrest amongst the workers. If there is one aspect of Australian war effort that is causing serious concern, it is the irresponsible attitude of many of the workers to their duty, especially their actions in neglecting to continue production. Many of the efforts put forward by our troops in the Middle East were seriously handicapped because our men did not have the necessary equipment. The truth of this has been revealed to us in recent reports. Again and again our men were harassed and handicapped and in some instances defeated because they did not have the requisite equipment with which to carry out their operations. This spirit of irresponsibility is still at work amongst these people, and it is being encouraged by the production of legislation of this kind and by the fact that the Commonwealth Government, although stressing the fact that the war is a matter of life and death, is extending welfare provisions which are very desirable in themselves but which, at this time, cannot square with the contention that the whole of the wealth of Australia is required to carry the war to a successful conclusion.

There is another feature to which I wish to refer. The Bill indicates to a very marked extent the wide gap that exists between Australian thought and world thought with regard to reconstruction. In support of this contention I ask members to read the excellent article written by Professor Mauldon that appeared in Friday's issue of "The West Australian." If there is anything in the article which impresses one, it is the wide divergence between the accepted thought amongst workers in this country and the principles that are laid down as the principles of reconstruction to make the world one in which it will be safe to live and in which the ordinary citizen may expect to continue to exist in reasonable security. It is quite clear—this has been shown to the world for many years—that Australia is definitely isolationist in its attitude to international affairs and

definitely isolationist in its policy. The whole conflict in Australia for many years past has been the conflict between the primary industries which have to depend upon overseas markets, and the secondary industries and services which find their markets in the internal economy of this country.

The disabilities which the farmers are suffering are very largely if not entirely due to the Federal policy of concentrating on the development of secondary industries to such an extent as to interfere very materially with the success of primary industries. If there is going to be an attempt to create a world founded on the Atlantic Charter, one thing that will have to be accomplished is a change in the thought of the average Australian. I have already referred to the article written by Professor Mauldon. I now wish to quote an extract from the publication by Dr. Evatt on post-war reconstruction—the paragraph dealing with the Atlantic Charter. Here are certain items connected with the Atlantic Charter—

First, their countries seek no aggrandisement, territorial or other; second, they desire to see no territorial changes that do not accord with the freely expressed wishes of the peoples concerned; third, they respect the right of all peoples to choose the form of government under which they will live; and they wish to see sovereign rights and self-government restored to those who have been forcibly deprived of them; fourth, they will endeavour, with due respect for their existing obligations, to further the enjoyment by all States, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity; fifth, they desire to bring about the fullest collaboration between all nations in the economic field with the object of securing, for all, improved labour standards, economic advancement, and social security; six, after the final destruction of the Nazi tyranny, they hope to see established a peace which will afford to all nations the means of dwelling in safety within their own boundaries, and which will afford assurance that all the men in all the lands may live out their lives in freedom from fear and want . . .

I maintain that if Australia is to carry out and adhere to the idea that it can stand aside as a national entity entailing a standard based on its own conceptions, a standard which, unfortunately, is unsoundly based economically, then there is a great awakening coming to Australia, and for this reason, that she is so far out of step with the rest of the world that it will be necessary for her to revise her point of view or remain en-

tirely isolated. We had the experience of depression in 1930. That depression was very largely brought about by the fall in prices of our agricultural commodities. First there was the fall in the price of wool, and then the fall in the price of wheat. That depression would only be a circumstance to the depression that would come over Australia when reconstruction is upon her, when she finds herself face to face with the question of reconstruction after being weakened by war and after her financial and commercial systems have been destroyed. So I say that the alternative of isolation under those conditions would be far worse, and Australia would be far less capable of facing it than of facing the depression of 1930 which in large measure, as I said, was due to the fall in the prices of our export commodities.

I have quoted three aspects of our war activity which show the extent to which the whole of our social structure is being affected. On a previous occasion attention was drawn to the fact that Australia's economy has been for many years out of balance. That was driven home by Sir Otto Niemeyer when he visited Australia. It has been accentuated since, because, although we have been drifting along from year to year, we have been borrowing every penny we could get from the thrifty to keep this unstable economy of ours in operation. Then the war came and we had to find money, not with the objective of keeping our people in employment, but with the aim of keeping this country free. Now, as I have said, our approach to this war was made with the idea that it was going to be a short war. All the indications today are that it is going to be a long war. In considering post-war reconstructions we need to be sure that there is something to construct with and on. When the war started, the difficulties associated with Australia's structure were naturally being accentuated. It is interesting to note the extent to which those weaknesses have increased during the years of war.

Let me deal first of all with the financial side, pointing out the effect, as far as notes in circulation are concerned.

	1939.	£
Notes in circulation	..	49,000,000
In the hands of the public	..	35,000,000
	1940.	
Notes in circulation	..	58,000,000
In the hands of the public	..	44,000,000

1941.

Notes in circulation	68,000,000
In the hands of the public ..	54,000,000

In October of 1941 there was a change of Government, with the result—

	£
Note issue	73,000,000
In the hands of the public ..	59,000,000

In December of 1941 the note issue had increased to £80,000,000, of which £65,000,000 were in the hands of the public. In October of 1942 the note issue had risen to £113,000,000, of which £98,000,000 were in the hands of the public. In December of 1942 there was a note distribution of £119,000,000. In Western Australia, in February of 1943, the note issue was quoted as £126,000,000. According to figures published in this morning's "West Australian," the note issue at this date of March amounted to £127,000,000, with a reserve of 25.68 per cent. The £127,000,000 of notes had a reserve of £23,000,000 odd—not in gold, but in paper. That is one other aspect of the subject.

Treasury bills represent another method of Government financing. They are supposed to be a temporary method of finance. The intention in a sound commercial and financial community is that Treasury bills shall be issued to meet, temporarily, excess expenditure, and that they shall be replaced, at the earliest possible convenient moment, by stock having a long-term character. Treasury bills and Commonwealth securities held in the Commonwealth Bank were as follows:—

1939	99 million
1940	91 "
1941	105 "
1941, October	125 "
1941, December	139 "
1942, October	232 "
1942, December	256 "

Reference has been made to this by Mr. W. M. Hughes, who points out the way in which this increase is taking place week by week. In the course of his remarks, he mentioned that issues of Treasury bills comprised £26,000,000 in January of this year, £36,000,000 in February, and £8,000,000 in the first two weeks of March. Those figures show the extent to which our monetary system is being inflated. I have some further figures here, and my authority for them is a circular issued by the Commonwealth Bank. In that circular, reference is made to the deposits and Government securities and commercial advances granted by the trading

banks. The details have been arranged in the following table:—

	Trading Banks De- posits.	Securities.		War De- posits.	Ad- vances.
		Treasury Bills.	Government.		
	millions.	millions.	millions.	millions.	millions.
1939	321	23	22	...	201
1940	350	41	40	...	283
1941	367	41	61	...	280
1942—					
June	388	40	56	36	270
Sept.	390	45	57	40	268
Nov.	418	60	60	55	249
	97*	37*	38*	55†	42*

* Increase. † Decrease.

There has been a big increase in the deposits with the trading banks, but a decrease in the advances made by them. The Commonwealth Government has been taking advantage of those increased deposits, using them for war purposes.

The PRESIDENT: The hon. member will resume his seat. I am loath to interrupt the hon. member in his very interesting speech, but I would like him to connect his remarks with the Bill before the House.

Hon. H. SEDDON: Yes, Sir. I am producing these figures and making these remarks because the State is asked to hand over certain powers to the Commonwealth. I am showing the kind of administration to which the powers will be handed over. I take it that we, as citizens of Western Australia, are concerned, together with the other States, with the financial policy of the Commonwealth Government. Naturally, if we are asked to give powers to a person, we want to be convinced that he will use them rightly.

Hon. G. W. Miles: Of course!

Hon. H. SEDDON: My contention is that these figures show that the financial side of the administration concerned is open to very serious question.

Hon. J. Cornell: How far back do the figures go?

Hon. H. SEDDON: To 1939.

Hon. J. Cornell: There have been several Commonwealth Governments since then.

Hon. H. SEDDON: I have shown the changes that have taken place in that time. The next factor is the diversion of labour and change in production. We are told that at present 1,500,000 people are engaged in some form or other of war activity. A number of those people was previously not in employment, but a very large number was.

Unfortunately, the number of people taken out of vital avenues of production is such that our production of many necessities has been seriously interfered with. When we talk about planning and its effects—some of it has been excellent—we find that some very serious mistakes have been made, and we want to make sure that they are not vital. It is said that battles are won by the general who makes the fewest mistakes. Applying that saying to government, the Commonwealth will come through the war best if guided by people who have regard not only to economic laws, but to keeping Australia on a sound basis with regard to providing the necessities of its people. If we are to face the period of reconstruction with our vital production brought down to the minimum, with our people removed from their accustomed avenues of work and put into other avenues where they cannot be as efficient as they would be under their normal working conditions, and also face that period of reconstruction with probably a smashed financial structure, we shall have discontented people whose morale has been seriously affected.

I have referred to the question of bureaucracy and have indicated that in my opinion the concentration of power in the Eastern States is not going to work to the advantage of Western Australia. Therefore, in handing over these powers to the Commonwealth we should do so with a critical eye and a very definite understanding that there will be more than mere lip-service towards the ideal of co-operation, that whatever is done will be done by the Commonwealth and the States in co-operation, and that the sovereignty of the States will not be very materially weakened. With regard to the question of reconstruction, there is one factor which has been kept so carefully in the background that I am inclined to think it has been entirely ignored. That is the statistical factor. That factor has been referred to in the past and indications have been given that in any policy for the establishment of a sound economy, particularly in any policy which has for its objective the welfare of the common people, regard must be had to a balanced economy. At the World Economic Congress held in 1933, this question was gone into very carefully by Dr. Neurath, who was Director of Social Economy in Vienna. He pointed out that there was a serious lack of

those figures which were necessary to approach the question of production from the standpoint of actual units produced, rather than the commercial value.

Members will recall the controversy that took place previously. The farmer found that although he produced more wheat, he got less for it; the manufacturer found that, although he was endeavouring to increase his production and although by increasing production he was reducing the price, he was in the position that the margin was being steadily reduced and he himself was in trouble. It has been pointed out by those authorities that if we are to have a sound economy after the war, if our post-war reconstruction is to be on sound lines, we must have figures showing the production per head of all vital commodities. It appears to me that from that angle the approach to post-war reconstruction has been seriously neglected. Before we consider the granting of these powers, we must have some evidence that those vital factors have been taken into consideration and that figures will be available for those persons who will have imposed upon them the task of arriving at the conclusions to be drawn from them.

One feature about this Bill impresses me and it has been accentuated by the literature issued by Dr. Evatt in support of it. The whole of these plans for reconstruction are drawn up with the idea that the Government will do this and the Government will do that; that the Government will provide this and that the Government will require that; that it will be necessary for the Government to control this and that it will be necessary for it to relax control of something else. As a matter of fact, throughout the whole of that propaganda and literature there is a lack of appreciation of the conditions that have made this country what it is, and the vital factors that have made any country strong and prosperous. They entirely ignore the function of private industry and of private enterprise, the function of initiative, of daring and of leadership which is characteristic of our commercial world and which has been at the base of all the advancement of the last 100 years.

We cannot drive home to the people of this country too much the fact that advancement has been largely the result of individual leadership, effort and organisation. It should be realised that Australia would not have been able to undertake the war

effort she has achieved as far as production in the munitions field is concerned had it not been for the existence of great private industries which foresaw the emergency that would arise, improved their organisation, got the equipment and trained men to meet the crisis.

Hon. L. B. Bolton: Such as the Broken Hill Pty., Co.

Hon. H. SEDDON: Yes, and Electrolytic Zinc, Chemical Industries and all those big concerns with their enormous aggregations of capital which were essential for the establishment of these enterprises on a satisfactory basis. Those people who want to alter the Constitution of this country and swing it over to the basis which is so fascinating to them—the Russian basis—are simply indulging in a fantastic dream, because if there is one fact that is plain it is that all the advancement made in that country—and there has been considerable advancement—was made at a cost and under conditions we in Australia would be very sorry to see this Commonwealth committed to. There is one fundamental principle that obtains in every British community and which is entirely ignored in Russia. In any British community, whenever a man offends against a law, he is judged to be innocent until he is proved guilty. In Russia and in other autocratic countries a man is judged to be guilty until he proves himself innocent.

Hon. Sir Hal Colebatch: And even after he has proved himself innocent!

Hon. H. SEDDON: That is a condition of which these people entirely lose sight. They are quite prepared to see the other fellow suffer so long as they themselves do not suffer. They do not realise that all that has happened in Russia is that they have changed one boss for another, and that the second boss is just as autocratic as the first one that was displaced. So far as the reconstruction of the country is concerned it has to be realised that the greater part of that reconstruction was brought about by men who had been trained under the capitalist system they so severely condemned, and who were made capable of carrying out that work because of the training and preparation they received under the old system and the inducement it gave them to develop their initiative and ability.

This Bill has passed through four stages. There was the first Bill which was condemned out of hand, because it took away

the whole of the power from the people and placed it in the hands of the Commonwealth Government without any possibility of appeal. The second Bill was slightly better. The third Bill was brought within the realm of the Commonwealth Constitution. It was made subordinate to Section 51 of that Constitution. But the Bill as it was presented to us is as wide as the world. Some of the clauses could be interpreted to mean anything at all, and that is why I consider the House should be so careful before it hands over these powers in the form set out in the Bill. I trust that before it allows the Bill to leave this Chamber the House will have very materially modified it in order that the conditions under which the powers are granted shall be such that we shall feel they are reasonably safe. There is one feature of the Bill to which I wish to draw attention, and that is the question of repatriation. There was considerable criticism of repatriation after the last war.

Whatever criticism may be offered, however, this fact stands out: That it was not for want of goodwill on the part of the authorities that repatriation was not a greater success: it was very largely due to the want of knowledge, and particularly economic knowledge. It was specially due to the idea that it was possible to take a man out of one job and put him into another of which he would make a success, whether he had an aptitude or not for that job. So far as the will was concerned the repatriation schemes of that day were as generous and wide as anyone could desire and, largely due to the activities of the Returned Soldiers' League, those conditions have been liberalised year after year.

My opinion is that every facility should be afforded to make repatriation a success. That can be achieved only by enthusiastic co-operation between the Commonwealth and the State Governments. If we imagine that repatriation is going to be a success in Western Australia if it is entirely administered from Canberra, all I can say is that we are going to be seriously disappointed, because if there is one thing more than another that is evident to the people of this country it is that they are the best judges of their conditions, and of the methods that would be successful so far as the resettlement of men in the country is concerned. There should be a co-operative relationship between the States and the Commonwealth

rather than a position in which one party is predominant and the other subserviently carrying out plans laid down for it.

Hon. J. Cornell: The last time, the soldiers were between two stools.

Hon. H. SEDDON: There could not have been greater goodwill shown to them than was exhibited by those in power when the soldiers returned from the last war. I wish now to refer briefly to the Commonwealth Auditor General's report which was published in the Press the other day, in order that we may see how serious have been the mistakes which have characterised the present Commonwealth Government, in spite of which we are asked to hand over to those people, *holus bolus*, wide powers such as those which they possess under war regulations. Reverting to the question of bureaucracy, the term simply means Government departments extended beyond all reason. If we are going to make a success of this war it will not be by increasing the number of Government servants but by increasing the number of men in the field and in the munition factories.

Hon. G. W. Miles: And the number of men producing foodstuffs for them.

Hon. H. SEDDON: Yes, that is part of the economy of the country. There is also this point: Large numbers of men are under arms today who, under modern conditions of warfare, cannot be expected to stand up to the task as well as the younger men. If there is one thing which has been demonstrated it is that this is a young man's war. It has been demonstrated that our young men in the fighting line have achieved their best successes because of their ability to use their initiative, their boldness and the high degree to which they were trained.

Hon. J. Cornell: And assisted largely by the old soldiers.

Hon. H. SEDDON: There is a stiffening of old soldiers, certainly, but in the Middle East the old soldier was not in the front line; he was kept back. The victorious attacking side will have to depend upon the young man. The economy of this country would benefit materially if numbers of the men now under arms were returned to their customary occupations and so helped to provide the food vital to this country if it is to be kept going. I have already referred to one of the powers contained in this measure. Another deals with the question of employment and unemployment. Members

may recall that at the time when the State Arbitration Court was established it was pointed out that when approaching the question of the basic wage it would work on a formula entirely different from that laid down by the Federal court. Because of that the unions of this State were urged to take their troubles to the State Arbitration Court for adjudication.

Members who look back will recollect the period after the last war when there was a trapesing from the Federal to the State court and from the State to the Federal Court, according to which offered the better conditions. That state of affairs was commented on when the State industrial arbitration legislation was being dealt with. It was then pointed out that the State Industrial Arbitration Act would lay down conditions under which the workers of Western Australia would have their grievances promptly attended to; and their basic wage would be set out and determined on a formula providing for a reasonably high standard of living. When this Bill was being discussed it was found that the question of arbitration was associated with that of employment and unemployment, and that under the conditions of the Bill, as presented to the Assembly, the whole of the workers of Western Australia might have been placed under the Federal Court; that the Commonwealth Government would have taken entirely to itself the authority of industrial arbitration. As the basic wage of Western Australia is 6s. 9d. a week higher than the Federal basic wage we can understand the consternation that prevailed in the Labour camp. The Leader of the Opposition knew the position, and he moved an amendment which provided that the State Arbitration Court should not be interfered with by any power granted to the Commonwealth Government.

The State Government realising what had happened, put its thinking cap on, and eventually produced an amendment granting this power in the form we find in the Bill today. The workers of this State are once more placed in the position that they can swing from one court to the other, according to which suits them. There is no obligation, implied or actual, for them to stand by their own State court which is, so far as this Bill is concerned, only a secondary consideration and added as a safeguard because of the dangers seen by the Leader of the Opposi-

tion that the position might be seriously interfered with if the workers were brought under the conditions of the Federal court. In view of the programme laid down in Dr. Evatt's publication the Commonwealth wanted power to deal with unemployment, and I would amend this paragraph from that angle. Among the remaining subjects is that of the organised marketing of commodities. We have had organised marketing of commodities up to the present. Members will recall the conditions existing in the dried fruits industry.

Hon. G. W. Miles: And the Apple and Pear Acquisition Board.

Hon. H. SEDDON: Yes, and the numerous boards under which this country of ours is operating. The dried fruits industry of Western Australia was preserved by an understanding arrived at between this State and the rest of the Commonwealth.

Hon. L. Craig: A gentlemen's agreement.

Hon. H. SEDDON: It has apparently worked quite satisfactorily because it was adopted and carried out by that system of co-operation which I have been so consistently advocating, and which has characterised the relationship between the Commonwealth and State until the present day.

Hon. L. Craig: They happen to be gentlemen in that industry.

Hon. H. SEDDON: I come now to the question of trusts, combines and monopolies. What a wonderful subject to deal with on the political platform! One could talk about and condemn trusts, combines and monopolies and never refer to their advantages. As a matter of fact a number of trusts, combines and monopolies have laid down conditions intended to preserve adequate standards of living for their workers. Many English combines, and the industries associated with them, did that in order to close up the unfair competition to which the British workers were being subjected in the markets of the world by unscrupulous persons in their attempts to win those markets. I consider that this power is so wide as to enable the Commonwealth Government to acquire any of those big concerns existing in the Eastern States. It will enable that Government to take over our State railways, or any of the other monopolies in this State. The power should be modified to provide that any action taken against trusts, combines and monopolies shall be in the best interests

of the people of this country, rather than the carrying out of a political programme.

The next question deals with profiteering and prices. We have price fixing today as we never had it before. Not only that, but we have rationing. Yet it is doubtful whether the rationing and price fixing systems will be able to stand up against the flood of inflation that this country will be subjected to. After all, the value of money is determined by the quantity of goods behind it, and the price of an article depends upon the urgency of the demand for it. Although Acts may be passed inflicting severe penalties, the people, if deprived of certain things, will circumvent the Government. Other factors associated with the Bill will have to be determined in Committee, but I have indicated some which need to be modified. The control and raising of money; the question of uniformity of railway gauge; the question of national works, and the question of the welfare of the people of the aboriginal race will all have to be carefully considered before we pass this Bill. I certainly think the Bill should not be agreed to in the form in which it has been placed before the House. Much doubt has been expressed as to whether the measure can be passed with an effective limitation that will prevent the Commonwealth Government overriding the legislation under the authority that sets out that Federal laws prevail over State Acts. With a view to avoiding that possibility, Clause 4 has been inserted in the Bill. It is argued that the clause will be effective and will render the measure inoperative should the Commonwealth Government attempt to take powers that the Commonwealth considers have been referred to it, and which the State considers have not been referred.

Hon. G. W. Miles: Will the clause have that effect?

Hon. H. SEDDON: I am not a lawyer. Much thought and care will have to be devoted to that particular clause. The contention is that it will effectively protect this State, because it sets out that the Bill will not be operative under the circumstances I have indicated. However, we might find ourselves in the position that, the Commonwealth Government having taken certain steps that we desire to challenge, the Federal authorities will advance the argument that they have gone so far that they cannot go back and therefore, willy-nilly, we shall have

to adopt the Commonwealth programme. That is the danger I foresee. While the legal advisers of the Government may claim that the clause will definitely protect the State, it is my intention to support the second reading of the Bill in the hope that members will seriously consider the advisability of its passage with the introduction of certain amendments which, in my opinion, will further safeguard the position of the people of Western Australia and further ensure that anything done that affects this State will only be undertaken with the full consent and knowledge of those who have charge of the welfare of Western Australia.

HON. H. L. ROCHE (South-East): I intend to oppose the second reading of the Bill, but if the House should be so ill-advised as to agree to that stage, I intend to support any or all amendments which may tend to safeguard the interests of the State or limit or more clearly define any of the powers that it is decided shall be referred to the Commonwealth. To my mind this legislation was begotten in an atmosphere of suspicion and distrust as the result of the tactics employed in the submission of the original proposals, as well as of the bitter experience the States have had in all their dealings with Commonwealth Governments regardless of their respective political complexion. I think the sponsor of the original proposal, if only indirectly, aimed at the elimination of the States as self-governing authorities and the destruction thereby of the Federal pact which was a federation of self-governing States. There was no suggestion made at that time and, so far as I am aware, there have been none since that any efforts should be made to maintain a form of local administration which might serve to protect the smaller or less populous States like Western Australia in their dealings with the Federal authorities.

When it became obvious that the people would not accept the original proposals and that the State Parliaments of Australia could not be bludgeoned into accepting them, those proposals were withdrawn and a fresh set submitted which, owing to their sweeping nature and the generalisations they contained, and the difficulty one had in defining just what were the limits of the proposals, naturally excited as much suspicion and distrust as did the original proposition. The tactics employed in regard to the matters submitted

to the Convention I have heard described as a "new political technique," but I regard the technique as old as politics itself. That technique has been resorted to by the political "smart Alecs" all down the ages, and it is no new thing in relation to the experiences we have had with the Federal authorities. In another place amendments were proposed and I have no doubt that some, if not all, of those amendments, with perhaps others added, will be submitted in this Chamber with a view to safeguarding the interests of the State. There has been such a divergence of legal opinion among the constitutional authorities of Australia as to the powers that the States possess to define or limit the operation of legislation such as that now under review, from the standpoint of its relationship to the Commonwealth Constitution and the powers of the Commonwealth Parliament under that Constitution, that I for one can have little confidence that we can so amend the Bill as fully and adequately to protect the people of Western Australia.

Whether we accept the Bill or pass it with amendments, the manner of its submission and the sweeping generalisations it contains, must give members and every thoughtful person sufficient warning of the design that the legislation is proposed to serve. There is little question, I think, that the design is to concentrate in the bureaucracy at Canberra all authority and control of administration throughout the Commonwealth. The Bill may not take everything, but it takes so much that the rest must follow. I think that is unquestionable—if the Bill should be agreed to in its present form. We shall hand over the affairs of Western Australia to those people who in the past have shown themselves ill-acquainted with and little interested in our progress or our problems. So much has this been so, that it seems to me that many of the people in the Eastern States regard Western Australia as merely a place at the end of the East-West railway line. We find ourselves in dealing with the Commonwealth Government or with the Eastern States more often than not left out on the end of the limb.

Little regard for our circumstances has been shown by successive Federal Administrations for our lack of development, our vast distances and our comparatively small population, but our great handicap is the small voting strength we have in the Com-

monwealth Parliament. Our Federal members are so situated through circumstances that, for all practical purposes, they can be of very little use to us. Their life seems to be one continuous whirl from their electorates to Canberra and from Canberra back to their electorates. If they try to do their job in Canberra, of necessity they must get out of touch with opinion in their electorates. If they try to maintain close contact with their electorates, they are forced to neglect their duties in Canberra. I do not think that anyone who seriously considers the Bill can possibly imagine that the powers proposed to be referred to the Commonwealth will ever revert to the State. Take one instance! It would be futile to suggest that if we give the Commonwealth power to make uniform company laws, they will, at the end of five years, be thrown into the discard and any company floated under those laws would have to be legalised under some other set of laws.

The first power sought by the Commonwealth is one to make proper provision for men returning from the war and their dependants. I think that would make very pretty platform propaganda, but it is fatuous to suggest that, after 25 years and after Australia has spent nearly £300,000,000 on the repatriation of soldiers from the 1914-1918 war, the Commonwealth does not possess adequate power to make proper provision for the repatriation of soldiers on this occasion in accordance with circumstances and the undertakings that have been given. I submit that it was not legal power that was lacking to re-establish the soldiers after the 1914-1918 war: it was lack of desire and honesty of purpose on the part of successive Commonwealth Governments, and in no case was this more in evidence than in respect to soldier settlement. The Commonwealth fixed a rigid limit to the modest amount it was prepared to find for the settlement of returned soldiers on the land. The whole administration and the duties of collection and all the troubles incidental thereto were passed on to the States, and they were forced to borrow millions of money as well. Then the Commonwealth took the earliest opportunity that presented itself to wash its hands of any further responsibility, and it left the soldiers and the States to get out of the mess of soldier settlement as best they could. And the soldiers never got out!

In connection with the present proposal, no facts have been adduced to demonstrate that the Commonwealth lacks the power to repatriate our men when they return from the war. I think the time is premature to hand over any further powers along the lines of those specified in the Bill. Those powers will not be exercised in wartime, and there will be time enough when the war ends, if such a transfer of power is needed, to take a referendum to authorise the Commonwealth to utilise those further powers. If the sponsors of these proposals really wish to maintain the Federal system and not destroy it, they should summon a convention to overhaul the whole matter of relationships between the Commonwealth and the States. After 40 years of Federation, the only suggestion put forward is that still further powers should be granted to the Commonwealth, although the States, almost invariably I believe, have shown a desire and readiness to co-operate with the Commonwealth whenever they have been requested so to do. But the Commonwealth Government—I mean not only the present Government but successive Governments—has shown all too plainly that it does not want the States as junior partners in this venture. In no sense does it like the idea of co-operation; it wishes only to assert an arrogant overlordship of the whole of Australia and, as I said earlier, concentrate the whole of the administration in Canberra.

It is utterly impossible for us to contemplate the entire administration of this State being concentrated thousands of miles away in the hands of people who have given sufficient evidence that they neither know us nor understand us. Western Australia voted for secession on one occasion and, if given the opportunity, I believe it would do so again. I know that a threat has been made that if we reject this Bill a referendum will be taken and, if carried in the other States, much worse things may befall Western Australia. I feel sure that a referendum along those lines would not be carried in Western Australia. If the Little Caesars over yonder think they can dragoon the people of Western Australia into the acceptance of proposals repugnant to the great majority of the people of this State, I think they should pause and consider that regard for the rights of minorities has become an established principle amongst the nations of the world. That is partly why we are fighting the pre-

sent war—the rights of the minorities in certain countries have been denied them. We have just as much right to claim, as a minority of the people of Australia, freedom to enjoy a form of government which we think is in the best interests of our people.

If we are forced to take another referendum on secession, I believe it will be carried and, as a result of our experience of Federal administration during the war, I would not be a bit surprised if it were carried by an increased majority. Secession might be one of the best things that could happen, not only for Western Australia but also for Australia, and then we could re-enter the Federation in 30 or 40 years' time, stronger and better developed than we are at present. Our strength then would be of great assistance to us and also to the Federation. However, this is anticipating something that might not come to pass, but it is something which I think should be understood by those who have sponsored these proposals without much regard for the viewpoints, ideas and circumstances of the people on the outer fringes of Australia. The issue before us is fairly clear. We have to pass this Bill with or without amendment, or we have to reject it. If we pass it, we subscribe to the principle of adding still further to the ever-increasing power of the Commonwealth, and we deprive the States of such protection as the local Parliaments have been able to afford them. No suggestion has been made that there should be any overhaul of the relationships between the States and the Commonwealth; there has been no suggestion for the setting up of smaller States or regional councils, or for defining the spheres in which the State Parliaments should function.

I believe that if we grant these powers, we in this State would find ourselves in such a position that we would be subject to any political whim or fancy spawned in the atmosphere of the over-crowded slums and the sewers of Melbourne and Sydney. There is always this to be said, that if the House rejects the measure and the Commonwealth Government goes on with its proposals, and, further, experience shows that it will be in the interests of Western Australia so to do, this Parliament at some later date may if it thinks advisable then, refer some of these powers. On the other hand, if we now reject the Bill we shall be serving notice on those putting the proposals be-

fore the Australian people that a more tolerant view and better understanding must prevail if this Federation is to continue. It will be an intimation that co-operation can still make the Federation succeed, whereas the big stick is certain to fail eventually. By ignoring, as I maintain these proposals do ignore, the rights of the smaller States to exercise some control over their own affairs and to have some established authorised body to protect their interests in dealing with the Commonwealth, those responsible for such an attitude, by proceeding on those lines, must cause the Federation eventually to fail—and it has come very near that already.

We have seen that even in wartime there is very little regard for the people of Western Australia, and we have no reason to believe that at long last, after the lapse of some thousands of years, we shall see the spectacle of the leopard changing his spots. Some of the activities of the Commonwealth authorities, under the guise of war necessity, may have been warranted in a degree; but those authorities took very little account of the peculiar circumstances of Western Australia. I refer particularly to the ruination of the gold industry for all practical purposes during wartime, and possibly for all time. But that, of course, remains to be seen, although it is significant that the only country in the world that has set out deliberately to reduce the production of gold should be Australia, and that the only Australian State which is vitally affected, whose economy so largely rested on the gold industry, was the one prejudiced without, as one might say, any consideration whatever until such time as the State authority took the matter up with the Commonwealth Government. And similarly with wheat! Wheat has meant almost as much to Western Australia as gold has, and yet this State was singled out for a reduced wheat production.

Further, we all know—though we do not talk too much about the subject—the vast difficulties of this State six or nine months ago. Certainly, the situation is now immeasurably improved; but Western Australia was to be left virtually to any invading army, whilst Western Australian soldiers repatriated from the battlefields of the Middle East were devoted to protecting the dago sugar-growers of Northern Queensland. In this respect I am not accusing any Government of any particular colour in the

Federal sphere. It has been so from the initiation of Federation, and it still continues. A referendum at the present time would be most undesirable, and I feel that it is not necessary. This war, as Mr. Seddon pointed out, may possibly continue for many years. For saying so the hon. member has good authority in the statements of Mr. Churchill and President Roosevelt, and of the Secretary for the American Navy, Colonel Knox. I realise, of course, that there are large sections of the Australian people, at times I think almost a majority, living in a madman's dream, imagining that every skirmish ending in our favour presages the ending of the war within a very short time. They anticipate that there must be a mad rush to prepare for the introduction of the so-called new order. I believe that they may curb their impatience. Much as we all wish to see the end of the war and a new order, I am very much afraid there will be a number of years yet before we shall have reached a stage in the war when we can confidently predict its finish. So, having regard to all the circumstances, to the fact that there is no urgency for this legislation, that there is no intention of utilising any of its provisions during wartime, that any action the Commonwealth needs to take during the war is amply provided for then and for some considerable time thereafter in the defence powers the Commonwealth Government possesses, I am opposing the second reading of the Bill, and hope that the House will reject the measure.

On motion by Hon. H. S. W. Parker, debate adjourned.

MOTION—YOUTHFUL DELINQUENTS, DETENTION CONDITIONS.

To Inquire by Select Committee.

Debate resumed from the 16th March on the following motion (as amended) by Hon. E. H. H. Hall:—

That a Select Committee be appointed to inquire into and report upon—

- (a) What provision should be made by the State for the care and reform of youthful delinquents;
- (b) the conditions of Barton's Mill prison as a place of detention for male youthful delinquents, and of York for females, and whether improvements can be effected at such places for such purpose;
- (c) the problem of juvenile delinquency generally.

Personal Explanation.

HON. E. H. H. HALL: By way of personal explanation, Mr. President, will you allow me a few moments? When I framed the motion I was under the impression that female prisoners were located only at York. I have since learned that that is not so, and I would ask permission of the House to insert after the word "York" in paragraph (b) of the motion the words "or elsewhere."

The **PRESIDENT:** By the Standing Orders, after a notice of motion has been given the terms thereof may not be materially altered. I take it that the proposed alteration is not very material, but I shall leave it to members of the House to say whether or not the alteration is to be effected. I therefore ask members whether leave will be granted to the mover for the insertion after the word "York" in paragraph (b) of the motion the words "or elsewhere."

Leave given; the words inserted.

Debate Resumed.

HON. J. A. DIMMITT (Metropolitan-Suburban) [5.19]: In supporting the motion for the appointment of a Select Committee to inquire into the various matters mentioned, I wish to say it is a cause for regret that the Chief Secretary adopted the attitude he did when resisting the proposal. I believe that every member of the Chamber was in sympathy with the administration of the Prisons Department in the dilemma in which it found itself when compelled to move the inmates from an institution that had been occupied for 60 or 70 years, and at such very short notice, to a place which obviously was not, at the time, suitable for the purpose. Every sympathy, I think, goes out, and went out, both from this House and from the public to the department. For my part I did not regard the motion as a personal attack on the Chief Secretary's administration of the department. In fact, the mover went to some pains to explain that no criticism of the departmental administration was intended. Indeed, the only reference made to Barton's Mill in the motion is as to its suitability as a place for the detention of juvenile delinquents. I hope that the vigorous opposition offered by the Chief Secretary will not cause members to reject the motion.

The public is vitally concerned about the increase in juvenile delinquency. If the position at Barton's Mill is as good as the

Chief Secretary states, surely he has nothing to fear from the closest inquiry and the deepest scrutiny into the operations of that prison settlement. The public being concerned about child delinquency, I think it essential that members should vote for the appointment of the Select Committee, so that an attempt can be made to reduce the number of criminal offences committed by juveniles. Referring to the defence that the Chief Secretary put up for Barton's Mill, a statement appears in tonight's paper by a recently escaped prisoner who has been recaptured. That statement is of such a startling character that I suggest the Chief Secretary might, as well for his own protection as for that of the officers of his department, change his opinion about opposing the motion. In spite of his opposition to it, I hope it will be carried, because if a Select Committee can play any part in reducing child delinquency it will have justified its appointment.

HON. J. G. HISLOP (Metropolitan): I support the motion, although with some diffidence, because I realise the immensity of the job that the proposed Select Committee will have to do. I really wonder what progress such a Committee could make in this enormous subject. The motion has been before the House for some weeks. At one stage I had decided exactly what I was going to say on it. A week later I had completely revised my first thoughts, and I have since completely revised my second thoughts.

Hon. L. B. Bolton: You have the makings of a good politician!

Hon. J. G. HISLOP: I am following in the path of my friend on my left. The reason for my curious statement is this: It is well known that the closer one is to a subject, the more diffident one is to speak on it and the less one likes to say about it. I am debating in my mind how little or how much to say on this question, and what not to say. Before dealing with the subject at large, I would like to refer to the fact that Mr. E. H. H. Hall—if I remember rightly—said I had used the word "sadistic." If I did, I would ask him to forgive me, because that word, as used in medical practice, has not half the wrongful meaning given to it in an ordinary dictionary. I ask members to realise that I have nothing but the greatest of respect for each member of the House and I would not use that word in its ordinary sense in this Chamber.

One of the most interesting things about juvenile delinquency is its relationship to legislation. From a study of this subject, it would appear that immediately legislation has been passed the number of juvenile delinquents appearing before the court increases considerably. This may be thought to mean that by such legislation certain offenders of a different type from those formerly charged were now brought before a court. Most authorities agree, however, that the increase in cases after the introduction of new legislation is balanced by the fewer cases actually dealt with by the police force; in other words, after the introduction of new legislation the police are not so prone personally to correct a delinquent; rather do they tend to bring him more rapidly before a court. Therefore, it has always been thought unwise to rush into new legislation on a subject such as this. In dealing with juvenile delinquency, we must clearly get into our minds what we actually mean by that term. There has been a wide discussion in this Chamber on the subject of juvenile delinquency and, in my view, what one might term adolescent criminology. These two problems are mixed together in a small community.

Under the 1933 Act in Great Britain, a juvenile is defined as a person of from eight to 16 years of age on last birthday; a child, as a person from eight to 13 years of age last birthday; and a young person, 14 to 16 years of age. Nowhere can I find the age of 18 or over accepted as defining a juvenile delinquent. Most investigations show that a juvenile delinquent leaves that class after making a chronic appearance in court. He then develops into a recidivist, to use a long term. In other words, he is sliding back in the social scale. Thus the motion seeks to make an investigation into different types of delinquency. I was sorry that Barton's Mill entered into the discussion, because, in my opinion, it cannot be regarded as a home for delinquents at all. I doubt very much whether we would be well advised to include in the scope of the proposed Select Committee an investigation into Barton's Mill prison. That would have the effect perhaps of limiting the investigation to Barton's Mill, and, as was pointed out by Mr. Dimmitt this evening, that is not the intention of the mover. The Chief Secretary himself was clear on the point that Barton's Mill is not regarded as a home for juvenile delinquents.

I have yet to learn whether youths of 16 years of age are being committed to Barton's Mill. If they are, I would certainly say that it is no place for a juvenile delinquent in the sense in which I use that term. Should members be interested in this very fascinating subject of young delinquents, one of the most interesting books that can be read on the subject is by Dr. Cyril Burt, who took 200 cases of delinquency and examined them through every possible phase. His book has been used by many as a standard work on delinquency. It has been mentioned here that the past may have had a different story of delinquency, but I think it was a prisons reform communication of 1841 which recorded that the great increase in juvenile delinquency was due to lack of parental control. We find exactly the same thing blamed today, over 100 years later. The Reformatory Schools Act came to England in 1854, but one feels that very little progress has been made on the whole in the prevention of juvenile delinquency.

Let us examine the type of offence that is usually committed by juvenile delinquents. The offences can be divided into three kinds: (a) offences against the person, into which class fall all those described as sexual offences; (b) offences against property with violence—mostly breaking and entering; and (c) offences against property without violence—mostly larceny. It is rather interesting to take one year of investigation made in the Old Country, and to realise that in class (a) only one per cent. of boys or girls are included. In class (b) where there is violence, 32 per cent. of boys and only five per cent. of girls were charged. When it came to offences without violence 66 per cent. of boys and 93 per cent. of girls were charged, which is exactly in keeping with the emotional character of the individual. One of the most interesting things I have been able to discover regarding petty thieving or larceny is that in one year, throughout Great Britain, 60 per cent. of all cases of larceny by girls took place from the counters of shops or chain stores which do not cover or protect their goods.

When we talk about this problem from the viewpoint of what punishment we shall mete out to the delinquents, I think we overlook that there is another side to the story and that, if we will place temptation in the way of the delinquents, some will fall. I suggest it might be quite a useful avenue

for discussion as to what percentage of petty larceny in our own State takes place in stores which do not protect the goods exposed for sale. I do not know that we have any record of the percentage, but one of the things I would like to see the Select Committee investigate is whether sufficient records are kept of juvenile delinquency in this State and whether we know the forms that do occur, their prevalence and the time at which they take place. An interesting fact is that one always hears the pictures blamed for causing juvenile delinquency, whereas investigation at Liverpool led the observer to the belief that the pictures did not cause thieving or delinquency, but that children stole in order to be able to go to the pictures, a very different avenue of thought altogether, which brings one up against the whole question which I think is one of vital importance to the individuals, namely: What is the influence of pocket money over behaviour?

It has been suggested by many who have investigated this subject that a child will be tempted to get what another child can get, and if he has no pocket money at all he may be tempted to steal in order to do what others do. While I do not put it forward at the moment as being of very great importance, it may be something which has such a great psychological importance that it may be well considered in any future efforts in the control of delinquency. Another interesting point is the time at which stealing occurs. It has been found that the offences are greater in most instances during school vacations. In Great Britain it was found that Sunday was easily the worst day for these crimes, that 22 per cent. of all crimes were committed on that day. This leads one to wonder whether we have taught children how to spend their leisure hours. It brings us back to the two very excellent points made by Sir Hal Colebatch, when he referred to the pre-school period as being by far the most important period in a child's life. It might be that the Select Committee could call for reports from the Kindergarten Union as to the value of kindergarten training of the child in the best manner of spending its leisure hours. I think that is something the Kindergarten Union would be only too glad to take up.

The question of leisure hours brings to mind the question of the raising of the school age. That is a difficult problem and

one which the Select Committee might find a long way beyond its scope. The treatment of delinquency opens up a very big field of thought. I consider it very much the same as the treatment of a medical disease. When a person finds that such treatment is not proving effective, he has only one of two lines of thought to consider: Either his treatment is ineffective or is ineffective in his hands. One has repeatedly noted that the magistrate of the Children's Court has asked for further methods of treatment. He may be perfectly correct; he may need further lines of treatment. He has already made suggestions to the Minister stating that he does need further lines of treatment, but that brings up this thought: Is the Bench itself rightly constituted? After all, Mr. Schroeder is a very admirable person and his efforts have been truly admirable, but is he sufficiently skilful? One must realise that it takes years of training to become skilled in the taking of evidence, whether legal or medical.

I should say there are times when Mr. Schroeder must find himself in difficulties in distinguishing whether a child is telling the truth or not. It may be that he needs some person to assist him who is more skilled in the taking of evidence. I understand that recently he has had the assistance on the Bench of some medical men, one of whom is Dr. Murdoch of the Claremont Asylum, who has helped in the psychological aspect of cases brought before the magistrate. But I wonder whether Dr. Murdoch has any real say in the decisions of the court. I wonder whether a reconstitution of that bench is necessary. I do not know, but the Select Committee could investigate that point. I noticed the other day that when Mr. Parker gave his views, it was not very long before they were attacked in the newspaper. One must realise that Mr. Parker may be quite correct in his views, because the age to which we take juvenile delinquents may be too high. It may be that it should be reduced to 16 years. If so, both sides of the story are correct. I could go on like this for a long time and point out that statistics have proved that the health of a delinquent is not a factor in delinquency in general. It has an effect in a few instances, but not as a general rule. But one wonders, where there is an obvious medical deficiency, whether the parents should retain the right to refuse medical treatment to the child. That is.

an avenue along which the Select Committee could quite well take evidence. At the present moment it is open to any parent to refuse any treatment for his child. But if a child has been declared a chronic delinquent, are we wise in allowing the parents to continue to refuse the child that medical aid?

There are any number of aspects with which one could deal, but I feel that one might almost become a Select Committee on one's own, if one did not bring this matter to a conclusion. I would hurriedly finish my remarks and say that delinquency is not caused by mental defectiveness, but rather by backwardness. That brings up the question as to whether juvenile delinquents would not be better off by receiving individual education rather than class education, as is given to the remainder of the children. We come to the question now of the police boys' clubs, which have done enormously good work. I use the word "enormously" purposely, because I think the work is enormous and enormously good. But we might question the value of using the word "police" in front of the words "boys' clubs," even though a policeman manages these clubs. Then we come eventually to the question of discipline. Discipline has always played and will always play a very large part in child life. This discipline must be exercised in the home rather than elsewhere. I think, therefore, that in any case brought before the court, a complete investigation of the home life of the child is essential. I recall that only a short time ago a case was brought before the Children's Court in which the child was a member of a family of eight. From my reading of the case, I do not think that a complete investigation of the family was placed before the court.

One cannot adequately treat a delinquent unless one knows the whole of his home surroundings. The presence of one delinquent in a home predisposes to further delinquency in that home in a very marked manner. Where only one delinquent is in a home that delinquent responds to treatment, but where a second delinquent occurs in a home, in which there has been a previous delinquent, the results are not nearly so good. Therefore one feels that as soon as a delinquent is brought before the court, a full investigation should be made into that child's home life. It has been said that we do not need an industrial school. Probably we do not. On the facts given by the Chief Sec-

retary I do not altogether agree with those who continually say that we do require such an institution. But there is another side to the story. I am not at all prepared to agree that it is correct to hand over a delinquent to a body managing a religious or non-religious institution, and say, "Now, you do your best; we have no further control."

Strict control should be maintained over the institutions to which we send delinquent children. I am aware of institutions which previously kept delinquents, and of a number of alterations which could be made to those institutions which would be of immense benefit, but I do not think I should state them here, nor should I draw distinctions between the various institutions. I am not altogether in favour of a State institution, either, but I am in favour of the laying down of very definite standards in the homes to which we send delinquents. I have said enough to make members realise that not only is this a very vast subject, but there is an enormous number of aspects on which I have not touched, and many avenues that could be usefully investigated by a Select Committee.

HON. G. B. WOOD (East): I support this motion because I think a lot of good will be derived from it. I do not see why the Chief Secretary should object to a Select Committee. I do not think the Government has anything to hide. In fact, I want to congratulate the Chief Secretary upon the illuminating address he gave on this matter. He shed a considerable amount of light on the subject of our prisons and child delinquents, but that is not to say that a lot of good would not result from a Select Committee. I fail to see the Chief Secretary's objection.

The Chief Secretary: I say it is not justified.

Hon. G. B. WOOD: I am not prepared to criticise the Government for what it has done; in fact, I congratulate it on the big job of shifting these prisoners—the women prisoners to York and the others to Barton's Mill. I knew unofficially, but was glad to learn officially, that the women had been removed from York. I was always sorry for those prisoners; the accommodation was not sufficient for them. I know something of that place, and it was not adequate, especially in the summer. A Select Committee would do a lot of good in this way: Much publicity has been given, in one news-

paper in particular, to boys jumping out of Barton's Mill. A Select Committee might throw a different light on the subject altogether. I have here a copy of something appearing in tonight's newspaper. This statement is made by one of the lads who has just escaped from Barton's Mill prison—

Among the statements made by Harris in Perth Police Court yesterday was this one:

I had to go or be kicked to death. If the Controller General can be knocked down by prisoners, what chance have I got?

This paper is publishing that sort of tripe under glaring headlines. If we can stop that kind of thing, it might do a lot of good. The public reads these reports, and gains the impression that conditions are chaotic at Barton's Mill.

The Chief Secretary: The paper does not even ask if it is true before publishing it.

Hon. G. B. WOOD: That is the point I want to make. I think it wrong that, simply because a man makes a statement like that, it should be published in the paper. People believe the statement and do not wait for any inquiry into the allegations. I think a Select Committee might do a lot of good from that standpoint alone. As to the advisability of the provision of a reformatory school, I had a discussion with a man who has had a lot of experience regarding such matters and is a prison visitor. He told me that in view of the small number of delinquents the establishment of such a school in Western Australia would not be justified. That is another phase that could be dealt with by the Select Committee. Dr. Hislop has probably gone into this subject in detail to a much greater extent than has been possible for me. I shall support the appointment of a Select Committee because I believe that suggestions quite worthwhile may be furnished in its recommendations, and that might tend to improve matters. I do not adopt that attitude with the object of criticising the Government for one moment. Incidentally, I was told how prisoners effect their escape from Barton's Mill. They make a rush at the barbed wire fence, caring little how they may be cut about, and tear their way through. Possibly the Select Committee could look into that matter and make some useful suggestion.

On motion by Hon. G. W. Miles, debate adjourned.

ADJOURNMENT—SPECIAL.**THE CHIEF SECRETARY: I move—**

That the House at its rising adjourn till 2.15 p.m. tomorrow.

Question put and passed.

House adjourned at 5.52 p.m.

Legislative Council.

Thursday, 25th March, 1943.

	PAGE
Questions: Argentine ant.	2957
Taxi-cabs, as to numbers licensed, fuel, etc.	2957
Bill: Commonwealth Powers, 2E.	2957
Motion: Youthful delinquents, detention conditions, Select Committee appointed	2971
Adjournment, Special	2975

The PRESIDENT took the Chair at 2.15 p.m., and read prayers.

QUESTIONS (2).**ARGENTINE ANT.**

Hon. A. THOMSON asked the Chief Secretary: 1, Has the Government's attention been drawn to a letter appearing in "The Albany Advertiser," dated the 18th March, 1943, under the heading of "A Worse Pest," and dealing with the spread of what is known as the Argentine ant? (This pest, if it reaches our orchards, will play havoc with our fruit industry and become a greater menace than the fruit fly.) 2, Has the Government made any attempt to exterminate this pest? 3, If not, will it realise the serious menace to rural industry if this pest becomes firmly established in this State, and take immediate steps to exterminate the Argentine ant which is apparently establishing itself in portions of Albany?

The CHIEF SECRETARY replied: 1, Yes. 2, Yes. The Argentine ant was first recorded in Western Australia from Albany in April, 1941. A comprehensive survey was immediately carried out in the Albany district and the metropolitan area. As a result regulations have been gazetted for the control of the pest. 3, Answered by No. 2.

TAXI-CABS.

As to Numbers Licensed, Fuel, Etc.

Hon. H. L. ROCHE asked the Chief Secretary: 1, How many taxis were registered in the metropolitan area as at the 12th

March, 1943—(a) by companies; (b) by individuals? 2, For what number of those taxis has the Liquid Fuel Control Board issued petrol licenses? 3, Are the remaining vehicles, if any, fitted with producer-gas? 4, If so, who issued the permits for fitting the producer-gas units in such cases, and on what authority?

The CHIEF SECRETARY replied: 1, 171 licenses issued as follows:—(a) 41 vehicles owned by companies; (b) 130 owned by individuals. 2, Information in this regard should be obtained from the Liquid Fuel Board which is a Commonwealth institution. 3, 110 fitted with gas producers. 4, The Liquid Fuel Board.

BILL—COMMONWEALTH POWERS.*Second Reading.*

Debate resumed from the previous day.

HON. H. S. W. PARKER (Metropolitan-Suburban) [2.22]: So far as I can judge the ostensible object of this Bill is to help in the bringing about of a so-called new order—a new economic and social order that is to be ushered in after the war. I should like to quote from the remarks of the Premier and the Hon. A. R. G. Hawke contained in the report of the Select Committee of another place to which the Bill was referred. In Paragraph 2 (b) the following appears:—

The people of Australia have been led to believe that a new economic and social order is likely to be ushered in in the years immediately after the war. No satisfactory new order of the nature suggested could possibly be established and maintained without a considerable measure of control or direction in respect of industry being available to a strongly constituted public authority such as the Commonwealth Parliament . . .

It is also asked in the Bill that we hand these powers over for a limited period of five years. Now, assume that the new economic order is brought in! Then I cannot understand why we need to assume that the States cannot govern as they have done. I am unable to understand that the Parliament of Western Australia cannot be as strongly constituted a public authority as the Commonwealth Parliament. Why are we not a strongly constituted public authority? Or why are we going to cease to be a strongly constituted public authority as soon as the war is over and for five years after? Are we then, after the five years, to come back and become a strongly constituted public