sence of railway facilities, the Government have had to help them by granting a carting subsidy, which amounted to £5,000 last year —more than sufficient to cover any loss on the railway. In the event of this line being authorised, plans are sufficiently forward to enable a start to be made on its construction, and rails and fastenings can be made available out of stocks released from the manganese railway. Station sites have already been allotted, and it is estimated that haulage of wheat could be started six months after the construction is commenced. I move—

That the Bill be now read a second time.

On motion by Hon. J. J. Holmes, debate adjourned.

House adjourned at 6.8 p.m.

Legislative Assembly,

Wednesday, 27th September, 1933.

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

QUESTION—SEWERAGE SYSTEM, CLAREMONT EXTENSION.

Mr. NORTH asked the Minister for Works: 1, Is it a fact that an additional outfall for sewage is contemplated in the vicinity of Swanbourne? 2, Is it intended to utilise the sewers for the removal of storm water drainage in the proposed Claremont extension of the sewerage system?

The MINISTER FOR WORKS replied: 1, No. 2, No.

QUESTION—SWANBOURNE FIRE STATION.

Mr. LAMBERT asked the Minister for Works: 1, What was the capital cost of the Swanbourne fire station? 2, What was the total cost of equipment? 3, What is the annual cost of upkeep, including wages and depreciation on plant and buildings? 4, How many fires, exclusive of grass or bush fires, occurred in the Claremont, Swanbourne and Cottesloe districts during the past 12 months? 5, What was the value of property destroyed by fire in those areas during the past 12 months?

The MINISTER FOR WORKS replied: 1, £2,782. 2, £1,290. 3, Annual cost of upkeep year ended 30th September, 1932: Maintenance upkeep, wages £1,005, other £377—£1,382; loan repayments (building and equipment) and interest thereon, £236; total annual cost to the fire district, £1,618. 4, Fires, other than grass or bush, for past 12 months: Total destruction, 1; severe, 7; slight, 21; total 29. 5, No record is kept of the value of property destroyed by fire.

QUESTION—RAILWAYS, WOOL AND TIMBER FREIGHTS.

Mr. TONKIN asked the Minister for Railways: What reductions, if any, in the railway rates charged for the transport of wool and timber respectively have been made by the Railway Department during the last five years?

The MINISTER FOR RAILWAYS replied: Wool: Approximately 30 per cent.; timber: 16 2/3rd per cent., on timber exported overseas, 12½ per cent. on timber exported to Eastern States.

ORDER OF BUSINESS.

Mr. MARSHALL: Before the Orders of the Day are called on, I should like to ask you, Mr. Speaker, whether it was not clearly understood on Wednesday last that the member for Fremantle (Mr. Sleeman) should have pre-audience to-day? If that

was so—and it was in accordance with the motion I moved—then the motion he was debating should be called on immediately. I do not object to the first three Orders of the Day being taken immediately, because they comprise merely formal Government business. The member for Fremantle discontinued discussing the motion because the House desired to adjourn.

Mr. SPEAKER: The motion moved by the hon. member, who quoted Standing Order 159, was that the member for Fremantle be allowed to continue his speech at a future sitting, not that he be given pre-audience.

Mr. Marshall: I added "with pre-audience."

Mr. SPEAKER: The motion I put was as I have mentioned. Standing Order 159 reads—

> If a debate on any motion or any Order of the Day be interrupted by adjournment of the House, such debate may, on motion with notice, be resumed at the point where it was so interrupted.

The Standing Order simply gives the right to the member for Fremantle to continue where he was interrupted, but according to procedure, the item must take its ordinary place on the Notice Paper. Otherwise, it will be necessary for the hon. member to move to give pre-audience to the member for Fremantle.

Mr. MARSHALL: I do not object to Orders of the Day Nos. 1, 2 and 3 being taken, but if a further motion be necessary, I am prepared to move it. It is only fair that the member for Fremantle should be allowed to continue before the business of other private members is considered.

Mr. SPEAKER: To do that, the hon. member had better move that all the items down to No. 5 inclusive be postponed until after No. 6. Otherwise, the other motions would go by the board.

Mr. MARSHALL: I will move to that effect after the three Government items have been disposed of.

BILL—METROPOLITAN WHOLE MILK ACT AMENDMENT.

Third Reading.

THE MINISTER FOR WORKS (Hon. A. McCallum—South Fremantle) [4.37]: I move—

> That the Bill be now read a third time.

MR. CROSS (Canning) [4.38]: I did intend to move for the recommittal of the Bill, but I shall not do so now. The new section 26(a) provides that shops that sell not more than 1,000 gallons of milk a year will not be required to pay more than £1 per annum. I am of opinion that if the quantity had been increased to 2,000 gallons a year it would have been better in that the people concerned would have had the right to sell about 5½ gallons of milk per day. That would have obviated the filling-in of many notices and would have saved a lot of checking by the board. It is quite possible that an amendment along those lines will be moved in another place and that is why I am not moving for the recommittal of the Bill. I am hopeful that the board will see that the present harassing methods adopted by the inspectors are somewhat curtailed. While I have had considerable dealings with the board and have received sympathetic treatment from the officials, and while the activities of the inspectors have been somewhat modified, there are still many complaints of inspectors harassing not only retailers but producers as well. I am hopeful that a more tolerant attitude will be adopted, and that where people are required to effect improvements, they will be dealt with sympathetically and given a reasonable chance. The administration of the measure will be watched closely, and it will depend entirely on the administration during the next 18 or 20 months whether the board will continue to function.

Question put and passed.

Bill read a third time and transmitted to the Council.

BILL—WILUNA WATER BOARD LOAN GUARANTEE.

Read a third time and transmitted to the Council.

BILL—POLICE ACT AMENDMENT.

Further reports of Committee adopted.

ORDER OF BUSINESS.

Mr. MARSHALL: I move—

> That notices of motion 1 and 2 and Orders of the Day 4 and 5 be postponed until after consideration of Order of the Day No. 6.

Question put and passed.

MOTION—LEGAL COSTS.

To inquire by Select Committee.

Debate resumed from the 20th September on the following motion by Mr. Raphael (Victoria Park):—

That a select committee be appointed to inquire into legal costs in this State, and also into the Legal Practitioners Act.

MR. SLEEMAN (Fremantle) [4.44]: When my few remarks on the motion were brought to a close on Wednesday last, owing to the fact that members wished to adjourn to attend the exhibition of local industries, I thought what a good advertisement it would be for some of the remarks I shall make before concluding this afternoon. I shall endeavour to show that the legal profession in this State not only do not stand for local industry, but handicap severely the local product in the shape of people seeking to enter the profession. I favoured the adjournment to enable us to attend the local exhibition, and I hope that as a result of the motion moved by the member for Victoria Park, the local product will get a little more preference when seeking admission to the legal profession. At the time of the interruption I was speaking of junior counsel being taken into court. The division of the legal profession into barristers and solicitors would tend to minimise legal expenses in that respect. To show that this is not only my opinion, but also that of the Federal Attorney General, Mr. Latham, let me quote from the "Australian Law Journal." Mr. Latham does not say expressly that the profession should be divided, but that its condition should be uniform throughout Australia. As, in the State to which Mr. Latham belongs, the profession is subdivided, I take him to mean that the profession as a whole throughout Australia should be similarly subdivided. It is fair to assume that if he were not satisfied with the subdivsion, he would take steps to alter the position existing in the State to which he belongs. In the "Australian Law Journal" he is reported as saying—

I look forward some day to a common qualification for the legal profession in Australia. It is not practicable for the moment. But what if there were one qualification for Sydney, another for Newcastle, another for Goulburn, and another for Albury? That is but an extension of the practice whereby we have differing legal qualifications for the different States of Australia. The medical profession has one single qualification. The States differ as regards Statute law, not as to the common law, but only the Statute law of the States.

Therefore I claim that this eminent lawyer also considers the profession should be subdivided. Owing to the non-division of the legal profession, solicitors and barristers practise as partners in one firm. I quoted a case where the son, as solicitor, briefed the uncle, and the uncle took the father along into court as junior counsel. That system makes for the bolstering-up of costs.

Mr. Latham: I think the same thing would happen in spite of subdivision.

Mr. SLEEMAN: I do not think so. It is not the case where the profession is divided. Generally when a counsel is briefed by a solicitor, a definite fee is marked on the brief. Another point I would like to quote from the "Australian Law Journal" goes to show that the name of the legal profession has gone down considerably. Certainly the prestige of the profession should be much higher than it is. Western Australian practitioners should welcome an inquiry with a view to cleaning up the business. As I said when speaking a week ago, there are good and bad in every profession, and I do not assert that all lawyers are rogues and vagabonds, though some are. For the good of the profession as a whole its members should do what they can to further an inquiry. The member for West Perth (Mr. McDonald), speaking about fidelity bonds, said he did not think that they were necessary, adding that an audit would be sufficient. But an audit does not prevent defalcations or crooked business, though it may disclose such practices. That, however, is no satisfaction to the unfortunate client who has lost his money. The defaulting firm may be brought to book and punished, but the client is not reimbursed. The New South Wales Attorney General is quoted in the "Australian Law Journal" as saying—

Most of you, and especially the Bar Council would remember his Administration of Justice Bill in which he sought to impose on solicitors provision for a bond of £1,000, and it will interest you to know that there was no insurance office, not even the Government Insurance Office, that would undertake to make any quotation as to what such a bond would cost. That is just a sidelight as to the reputation of the profession.

It throws a sidelight on the reputation of the legal profession in New South Wales. The statements quoted do not come from a member of Parliament pressing for an inquiry, but from the Attorney General of New South Wales. I repeat, therefore, that in the interests of the profession, lawyers themselves should welcome an inquiry. Some of the things happening here will startle the public if an inquiry brings them to light. I am now about to quote a letter from a farmer at Lake Grace, not a constituent of mine, and not even an acquaintance. He has written me a letter stating that I can make what use I think proper of the contents. I do not wish to lay the letter on the Table, because the result would be to make the subject matter too public at the moment. The letter reads—

Knowing you are interested in the fees charged by solicitors, I am enclosing some original papers showing how I was charged. These papers are valuable to me, and I would not like to lose them, but it would give me much pleasure if you could use them to advantage. Mr. So-and-so in his capacity as an arbitrator, appointed under the Arbitration Act, 1895, awarded on or about the 15th October, 1930, that I should pay the costs of Supreme Court action M. No. 76 of 1929. This action is not yet settled; it is still sub judice; yet Mr. So-and-so took upon himself the power of awarding costs in an action before the Supreme Court. I believe that the awarding of costs in a Supreme Court case is solely the power of a judge, and that he cannot award costs until the case has been settled.

The solicitors concerned in the bill of costs I am sending to you are So-and-so, which is the firm name of four partners . . . . I would refer you to items 88, 89, 90, 91, 92, and 93. These items refer to Mr. So-and-so as solicitor taking statements from witnesses and making observations on the statements. He then, as a solicitor, attended upon himself as counsel with his own observations. He then considered he had done a good day's work, so he decided to split his fee with his clerk (himself again), his fee being £21 15s., making a total of £39 6s. for a portion of a day's work. Again, referring to items 103, 104, and 105, Mr. So-and-so attended with himself on the hearing: £3 3s. He attended himself again for a refresher, 6s. 8d., and his fee for doing the job of attending with himself, which fee he again splits with himself (his clerk) is £11; £14 19s. 8d. for his day's work.

Item III. He charged 6s. 8d. for handing me a copy of the notes of evidence.

Items 116, 117. He charged me 8s. 4d. for a copy of the award, and 3s. 4d. for attending me with it, and then he refused to give me the copy unless I paid him £30 18s. for it.

When he had charged me all he could think of, he evidently reckoned that his charges for attending on himself were a bit light; so he increased them by 25 per cent. Then, evidently making provision for bad debts or something like it he put another 25 per cent. on to the bill for profit costs.

In several of the attendances charged at 6s. 8d., it was merely talk on the phone for about two minutes.

If you desire to make use of these bills of costs, you have my permission to use the names of all parties mentioned, if you consider it advisable.

Another matter that may be of interest to you. Under the Supreme Court rules (1) if a solicitor who is acting for a client declines to act any further, or for any reason drops the case, or neglects to perform his duty, or (2) if a client takes a case out of a solicitor's hands, in both cases (1) and (2) it is necessary for the client to notify the office of the Supreme Court, and lodge a notice there of a change of solicitor, or of his intention to act in person.

In both cases the onus of notifying the court office is on the client, and it would be very easy for a dishonest solicitor to accept summonses and notices to attend proceedings on behalf of a client, and by merely holding the notices in his office and neglecting to inform his late client, to cause that client a great deal of loss. You know that the ordinary person who is unfortunate enough to get into the toils of the law is not usually well informed of Supreme Court rules, etc., and I think it would be a step in the right direction if the Legal Practitioners Act could be amended in such a way that if a solicitor for any reason whatever ceased to act for a client he should be compelled to register at the Supreme Court office the fact that he had ceased to be the legal representative of such client. When a solicitor takes on a case for a client, he immediately registers himself as that client's legal representative; and, I think that when he ceases to act for that client he should register that fact also.

To illustrate my point, I will give you particulars of my own case. Mr. So-and-so was registered as my legal representative in 1929. In 1930 he declined to act unless I complied with his request for payment. I did not pay him, and he notified the opposing solicitors by phone that he had ceased to act for me. I also verbally notified the opposing solicitors, and they (the opposing solicitors) dealt direct with me for a short time. They applied by letter to Mr. So-and-so for my address, and he supplied it to them. Four months later, instead of notifying me, the opposing solicitor served a notice to attend proceedings on Mr. So-and-so, although he (the opposing solicitor) had been dealing direct with me for some months. Now Mr. So-and-so, who was not acting as my solicitor at this time, accepted this notice to attend proceedings. He thereby enabled the opposing solicitor to comply with the law as regards service of notice, but instead of sending the notice on to me, or notifying the court that he was not my legal representative, or notifying the opposing solicitor that he could not accept a notice on my behalf, he

just did nothing but let the notice stop in his office. He thereby wilfully deprived me of a chance of safeguarding my interests.

Eight months later, another notice to attend proceedings was served on him. He again kept the notice in his office and did nothing further, and again my interests were prejudiced because of my non-attendance at the Supreme Court.

I submitted these particulars to Mr. E. W. Fewings, Deputy Registrar of the Supreme Court, and to Mr. H. G. Hampton, Under Secretary for Law, and both told me that as So-and-so was registered as my legal representative on the file, I could not claim that I had not been served with a notice to attend proceedings, and that according to the rules of the Supreme Court the onus was on me to notify the Supreme Court office that So-and-so had ceased to act for me and that I desired to act in person.

Mr. Moloney: Is the writer of that letter a farmer, or a lawyer?

Mr. SLEEMAN: He is a farmer who has had a pretty hard spin. Four-fifths of the letters which have come to me on the subject of this motion, either congratulating me or urging me to go on pressing for an inquiry, have been from farming districts or from farmers.

Mr. Latham: Let us have the lot.

Mr. SLEEMAN: If the Leader of the Opposition wants some more, I can let him have them. Here I have two bills of costs, a large one and a small one. The small one is for about £16. I will read the large one. The items are as follows:—"Instructions to sue for dissolution of partnership, 6s. 8d.; letter before action, 3s. 6d.; writ of summons copy to seal and attending issuing same, 6s. 8d.; paid, 5s.; instructions for special endorsement, 13s. 4d.; drawing same, 5s.; attending serving same and obtaining undertaking to appear, 6s. 8d.; instructions to apply to the court for an order for the appointment of a receiver, 6s. 8d.; letter before action, 3s. 6d.; writ sented to act, 6s. 8d.; drawing summons in chambers and copies and attending issuing and serving same, 14s.; paid, 2s.; instructions for affidavit in support involving long attendance on Mr. So-and-so and perusal of partnership agreement and accounts, £1 11s. 6d.; drawing same, £1 10s.; engrossing, 10s.; attending counsel therewith to settle, 6s. 8d.; his fee and clerk, £2 4s. 6d.; copy partnership agreement for exhibit, 12s. 4d.; marking same as exhibit, 1s." I would like to get 1s. for every exhibit I marked in preparing to deal with the motion.

Mr. Marshall: You could get some "refreshers."

Mr. SLEEMAN: Quite so. The bill of costs continues:—"Attending Mr. So-and-so on his swearing same, 6s. 8d.; paid, 2s. 6d.; paid filing, 2s.; copy for service, £1 2s. 4d.; service, 2s. 6d.; brief to counsel to attend in Chambers and attending him therewith, 6s. 8d." The gentleman who wrote to me mentions in his letter that counsel and the lawyer were one and the same person. So this means that the one man briefed himself to attend in Chambers, and attended himself. I do not know if that is correct, but that is what I have been told. The bill of costs proceeds:—"His fee and clerk, £3 5s. 6d.; counsel attending before Mr. Justice Draper in Chambers when order was made as asked subject to a bond of £500,—; drawing order and attending sealing same, ——; paid 5s.; attending Mr. So-and-so on his perusing order and agreeing thereto, 6s. 8d.; copy order for service, 2s.; service, 2s. 6d.; instructions for bond, 6s. 8d.; drawing same, 19s.; copy thereof for settling by the Master, 6s. 4d.; attending obtaining appointment to settle same, 6s. 8d.; attending before the Master on his settling same, 6s. 8d.; engrossing bond in triplicate, 19s.; attending Mr. Blank on his executing same, 6s. 8d.; attending insurance company handing same to them for sealing and subsequently attending uplifting same, 6s. 8d.; attending Stamp Office stamping same, 6s. 8d.; paid 10s.; attending filing, 6s. 8d.; paid 2s.; attending Messrs. So-and-so in long discussion as to the points required to be adjusted and Mr. So-and-so was to prepare deed of submission to arbitration, 13s. 4d.; attending Mr. So-and-so discussing the matter with him and making appointment for the following morning to go further into the matter, 6s. 8d.; attending Mr. So-and-so discussing the matter further going into form of agreement and arranging to see him again on Monday with the completed draft, 6s. 8d.; attending Mr. So-and-so when he handed us draft agreement for persual, 3s. 4d.: perusing same and making amendments thereto, 13s. 4d.; letter to So-and-so returning same, 3s. 6d.; letter from Messrs. So-and-so enclosing agreement duly signed by Mr. So-and-so, ——; letter to Mr. So-and-so therewith for signature, 3s. 6d.; attending Mr. So-and-so on his signing agreement and attesting, 6s. 8d.; attending

Mr. So-and-so arranging appointment for arbitration, 6s. 8d.; instructions to Mr. So-and-so to attend on arbitration involving long attendances on Messrs. So-and-so obtaining particulars, £1 11s. 6d.; his fee and clerk on arbitration, £5 10s.: Mr. So-and-so's fee and clerk, £5 10s.; drawing minutes of award (23 folios), £1 3s.; fair copy thereof, 7s. 8d.; attending Mr. So-and-so discussing same, and making certain alterations thereto, 6s. 8d.: engrossing minutes in duplicate, 15s. 4d.; letter to Messrs. So-and-so with copy, 3s. 6d.; instructions to proceed with submission to umpire and to appoint new umpire in view of elevation of Mr. So-and-so to the Bench, 6s. 8d.: letter to Messrs. So-and-so, stating that we intended applying to the court for the appointment of a new umpire unless they agreed to Mr. So-and-so, 3s. 6d.; attending Mr. So-and-so, when he stated that he would agree to the appointment of Mr. So-and-so and discussing the matter, 6s. 8d.; attending Mr. Blank when he consented to act, 6s. 8d.; drawing agreement for submission, 17s.; fair copy thereof, 5s. 8d.; letter to Mr. So-and-so therewith for perusal, 3s. 6d.; upon return thereof approved as altered, engrossing in duplicate, 11s. 4d.; letter to Messrs. So-and-so with copy for execution, 3s. 6d.: letter to Mr. So-and-so with copy for execution, 3s. 6d.; attending Mr. So-and-so on his executing agreement and attesting, 6s. 8d.; letter to Messrs. So-and-so therewith and requesting their copy, 3s. 6d.; attending Stamp Office, stamping agreement, 5s.; paid, 2s. 6d.: attending Mr. So-and-so when he stated that Mr. Blank was in town, and would like to discuss the matter with Mr. So-and-so with a view to settlement, 6s. 8d.; attending Mr. So-and-so arranging appointment for the following day, 6s. 8d.: attending with Mr. So-and-so on Mr. Blank and Mr. So-and-so discussing the matter at length when their offer was not acceptable, 13s. 4d.; attending Mr. and Mrs. Blank when they instructed us to make a counter-offer, 6s. 8d.; attending Mr. So-and-so advising thereof, and he was to see his client thereon, 6s. 8d.: subsequently attending Mr. Blank when he stated that his client would not accept the offer, 3s. 4d.; letter to Mr. So-and-so asking him to fix date for the arbitration, 3s. 6d.; letter from him fixing Tuesday —; attending Mr. So-and-so advising thereof, 6s. 8d.; attending Mr. So-and-so arranging for him to be present, (in lieu of subpoena) 3s. 4d.; letter to Mr. Blank asking him to be present, 3s. 6d.; letter to such-and-such insurance company, asking them to arrange for a clerk to produce documents, 3s. 6d.; instructions for brief on arbitration involving numerous and lengthy attendances on Messrs. So-and-so and other witnesses, taking statements and perusal of accounts, balance sheets and agreement, £12 12s.; drawing observations and proofs (108 folios), 5s. 8d.: engrossing, £1 16s.: copy documents to accompany (132 folios), £2 4s.: attending counsel therewith, 13s. 4d.; his fee and clerk, £21 15s.; attending with counsel on arbitration when same part-heard and adjourned until a certain date (engaged all day), £3 3s.; attending counsel, marking refresher, 6s. 8d.; his fee and clerk, £5 10s.; attending with counsel on hearing when same further adjourned until a certain date, (engaged all morning), £1 11s. 6d.; making three copies verbatim notes of evidence (425 folios) (persuant to agreement between all parties), £21 5s.; letter to Mr. So-and-so with copy, 3s. 6d.: letter to Messrs. Blank with copy, 3s. 6d.; attending counsel marking refresher, 6s. 8d.; his fee and clerk, £11; attending with counsel on further hearing when same adjourned until the following day (engaged all day), £3 3s.; attending counsel marking refresher, 6s. 8d.; his fee and clerk, £11; attending with counsel on further hearing when same adjourned until the following day (engaged all day), £3 3s.: attending counsel marking refresher, 6s. 8d.; his fee and clerk, £11; attending on further hearing when same concluded (engaged all day), £3 3s.; three copies verbatim notes of evidence, £9 10s.; attending Mr. Blank and Mr. So-and-so with copies, 6s. 8d.; perusing notice by umpire that award was prepared, —: attending paying fees and uplifting award, 6s. 8d.; paid £30 18s.; perusing same, 8s. 4d.; copy thereof for Mr. So-and-so, 8s. 4d.; attending him therewith, 3s. 4d.; drawing affidavit in support of application for leave to enter the award, 3s.; engrossing, 1s.; copy award for exhibit, 8s. 4d.; marking same as exhibit, 1s.; attending swearing affidavit, 6s. 8d.; paid, 2s. 6d.; summons for leave to enter award and copies sealing and serving, 8s. 6d.; paid, 2s.; paid filing affidavit, 2s.; attending before a judge in Chambers when order granted, 6s. 8d.; drawing order and copies and attending sealing and serving same, 11s. 2d.; drawing

these costs and copies, £1 10s." It will be seen that the lawyer renders a service for which he charges and then he also levies a charge for making up his bill of costs. I understand there is nothing unusual about that in the legal profession and it is apparently done generally.

The Minister for Works: What if the lawyer refused to make up his bill?

Mr. SLEEMAN: I can give an instance in which a lawyer refused to make up his bill of costs and the client appealed to the Master of the Supreme Court who informed the individual that he could demand his bill of costs under one of the Supreme Court rules. In that instance, however, the solicitor had sufficient money in hand to pay himself and he refused to hand over the balance to the client or to render him a bill of costs. That has no reference to the case I am quoting in relation to the bill of costs I have been dealing with. Apparently the item, "drawing costs and copy, £1 10s.," is quite all right, according to the legal profession. The bill of costs also contains the following: "Attending obtaining appointment to tax. 6s. 8d.; notice copy and service, 4s.; attending on taxation, £1 1s.; term fee on action, 15s.; witness fees on submission to umpire, £12 4s. 6d." The amounts in the disbursement column total £121 15s. The member for West Perth (Mr. McDonald) said the other night that he had seen a copy of the bill of costs that the member for Victoria Park (Mr. Raphael) quoted from, and I presume he will have no difficulty in identifying the bill of costs that I have dealt with. I have given the total of the disbursements column. The items in the other column dealing with counsel's fees and so on come to £107 12s. 4d., giving a total under the two headings of £229 7s. 4d. As the individual pointed out in his letter the lawyers were not satisfied with that amount so they added 25 per cent. to counsel's fees, which represented another £19 3s. 9d., bringing the total to £248 11s. 1d. That would seem to be a fairly respectable bill, but still the lawyers were not satisfied.

Mr. Hegney: They wanted the restoration of the 25 per cent. cut.

Mr. SLEEMAN: Perhaps that was the position. At any rate, they added another 25 per cent. on what they termed "profit costs," which represented another £26 18s. 1d., bringing the grand total to £275, 9s. 2d. I do not know what "profit costs" are.

Mr. Raphael: But the lawyers do.

Mr. SLEEMAN: I have asked one or two for an explanation, but they disagree. I will regard that matter as sub judice and will leave it to our legal friends for explanation. The bill I have read out represents a respectable liability for that poor old farmer to shoulder.

Mr. Latham: Was the bill of costs taxed?

Mr. SLEEMAN: I think so.

Mr. Latham: Was it reduced?

Mr. SLEEMAN: I do not think so. In fact, on looking over the bill of costs, I do not think it was taxed. I have another small bill of costs covering an amount of £16 odd, but I shall not quote the items, although they are similar. It will be remembered that some time ago the legal profession had 25 per cent. added to their scale of charges and last year, when we dealt with this matter, we were told that the charges had been reduced 15 per cent., so that even then the lawyers still enjoyed an increase of 10 per cent.

Mr. McDonald: It was 6¼ per cent.

Mr. SLEEMAN: I know that a man who had his bill of costs taxed was quite surprised when the Master of the Supreme Court told him that the arrangement I have referred to ceased last December. Evidently the members of the legal profession regard the depression as over. As they are around the corner, they evidently thought it high time to get back to the 25 per cent. increased basis.

Mr. McDonald: We had only a few months of sunshine.

Mr. SLEEMAN: I would not mind if all sections of the community were dealt with in the same way. If the men on the lower rungs of the ladder and those covered by Arbitration Court awards were to enjoy corresponding increases, I would not have so much to say. It is not right for the members of one profession to accept the lower percentage for a few months and then to restore the higher scale of charges, making the poor old public to pay the increased amounts again. In fact, that is what the public always have to do.

The Minister for Justice: It was taken off again.

Mr. SLEEMAN: How long ago was that?

The Minister for Justice: About three weeks.

Mr. SLEEMAN: Then they are still 10 per cent. better off than they were.

Mr. McDonald: No, it is 6¼ per cent. of the original rates.

Mr. SLEEMAN: But the Minister says that 15 per cent. has been taken off, which of course leaves 10 per cent.

Mr. McDonald: It is 6¼ per cent. of the rates fixed in 1808, which is the date of the Supreme Court Act.

Mr. SLEEMAN: We know that one can get a bill of costs taxed, but that does not apply to all bills of cost. If someone proceeds against me at law, and I come out of it successfully, I can get my own solicitor's bill taxed, but if the award of the court goes against me I cannot get the successful solicitor's bill taxed. I am not quite sure about that, but I understand it is so.

Hon. N. Keenan: One must be taxed, and the other may be.

Mr. SLEEMAN: But they are allowed to put on extra money. The member for West Perth the other night tried to make out a good case about a solicitor withdrawing a bill of costs objected to and putting in an amended bill. I do not think the hon. member was quite successful in his contention. In any case, if a lawyer produces a bill of costs he should stand by it. No other profession or trade in the world can submit a bill and then take it back. Fancy one's baker saying that his bill for bread for the last month amounts to 35s., and then when you say you are not satisfied, the baker declaring, "All right, give it to me back, and I will amend it by making it £2."

Mr. Latham: If you get a cut price——

Mr. SLEEMAN: Not many members of the legal profession will give you a cut price.

Mr. Latham: In some instances they do.

Mr. SLEEMAN: They do not cut much off at any time. Only yesterday a case was brought under my notice. A man found on the bill of costs he got from his lawyer the item of £16 5s. as a refresher. When he decided to have the bill of costs taxed, he found on the amended bill that the refresher had been raised to £21 15s.

Mr. Lambert: What is a "refresher"?

Mr. SLEEMAN: You must apply to my legal friend for that; I am not going to give my advice free. However, that was what I noticed in the bill I saw yesterday. The bill of costs was reduced in some items, but the refresher went up to £21 15s. I do not think that is right. Then there are times when one experiences quite a lot of trouble in getting a bill of costs. In a case I have in mind there were two clients claiming for wages, one for £136 and the other for £140. The lawyer issued writs, to which there were no appearances, so judgment was obtained by default and costs were allowed in each case as follows:—Costs £3 8s. 6d., fees paid £2 5s. 6d., total £5 14s. Each client received a bill of costs for £12 12s., fees paid £2 5s. 6d., total £14 17s. 6d. The items of service in each bill were identical. The bills are dated the 28th October, 1931. As £30 was received from each client, the solicitors were able to pay themselves. Bankruptcy proceedings were taken jointly by the clients, and the judge granted them £20 on account of costs. They received a bill from the solicitors for costs £31 10s. and fees paid £14 9s., total £45 19s. The solicitors paid themselves, out of funds received, the balance of £25 19s. The clients were dissatisfied and wanted their papers, but could not get them. Ultimately they got them on payment of another £4 4s. after they had invoked the aid of the Registrar in Bankruptcy, who had to telephone the solicitors and demand the papers. On the 29th November, 1932, they asked for detailed bills of costs for the purpose of having them taxed. Fresh bills were rendered, all increased as follows:—From £14 17s. 6d. to £15 2s. 6d.; from £14 17s. 6d. to £15 6s. 6d.; from £45 19s. to £51 6s. 11.; plus four new bills, as follows:—£5 6s. 9d., £2 3s. 9d., £3 2s. 4d., and £1 8s. 5d. They applied to the Taxing Master for assistance. The Taxing Master replied on the 25th January, 1933. This is where it comes in. The member for West Perth the other night said it was quite easy to get a bill of costs taxed, and that there was no need to go to another legal man to have it done, that they were always out to fight one another. But I say they are always out to help one another. As I have said, a letter was sent to the Master of the Supreme Court, Mr. Davies, and here is his reply, dated 25th January, 1933—

> Acknowledgment is made of yours of the 19th instant. A solicitor can be compelled to deliver a bill of costs to his client in respect of services rendered, and should he fail to comply with the client's request to furnish such bill, the course available to compel compliance is by means of an originating summons under Order 55, Rule 3 (10) of the Supreme Court Rules, returnable before a judge in chambers.

Such summons must be supported by an affidavit setting out the pertinent facts, and, if satisfied, the judge will make an order enjoining delivery. After the bill has been delivered, the client has the right within one month to object to any item or items which he considers excessive by giving notice thereof to the solicitor. The solicitor may then amend his bill, and if the bill, as amended, is still opposed by the client, he may proceed to have it taxed by the taxing officer of the Supreme Court. (See Secs. 36 to 41, inclusive, of the Legal Practitioners Act, 1893—57 Vic., No. 12.)

Now this is the part of the letter I wish to stress—

The procedure is rather intricate for a layman to follow, and I recommend you to consult your legal adviser on the subject.

The member for West Perth said the other night it was not necessary to have legal advice on such a matter, that when a man got a bill of costs all that was necessary was to put it in and get it taxed. But in this case the man, not satisfied with his bill of costs, writes to the Master of the Supreme Court, and is recommended by him to consult his legal adviser.

Mr. Latham: But he is dealing with the making of an application for an account.

Mr. SLEEMAN: No, he is dealing with the taxing of the bill of costs.

Hon. N. Keenan: Who wrote that letter?

Mr. SLEEMAN: Mr. Davies, the Master of the Supreme Court.

Mr. Marshall: But even a judge may make a mistake.

Mr. SLEEMAN: Of course he may, but it is evident that unless a man is represented by counsel, he has no chance of getting very much taken off his bill.

Mr. Latham: In that letter he says that the client had to appear before a judge in chambers.

Mr. Marshall: In the early part of the letter he outlines the procedure, and later recommends the client to go and see a lawyer.

Mr. SLEEMAN: If you want to get your bill of costs taxed, you go along, and whether alone or accompanied by a solicitor it does not make much difference as regards what I am saying now. You have to pay the solicitor in the first place for making out the bill of costs. In one case a man proved that he was overcharged £14. For that he had to pay a solicitor to appear for him, and pay also the solicitor who had made out the bill of costs to which the man was objecting. Unless you are successful in getting a bill taxed to the extent of one-sixth, you do not get any allowance made. The client to whom I refer went along and showed clearly that he had been overcharged. The total amount was something like £190, but because only £14 was taxed off the bill of costs he got nothing.

Hon. N. Keenan: He got the £14.

Mr. SLEEMAN: Yes, but he had to pay the solicitor. He could not get any costs, although he had secured a reduction of £14 in the account. It probably cost him more than that amount. I say a man should not be put to that expense.

Mr. Latham: He should not have to pay the opposing counsel.

Mr. SLEEMAN: But he has to do so, unless he gets more than one-sixth taxed off the bill of costs I have to pay a lawyer to appear for me, and unless I get more than one-sixth taken off the account, I have to pay the opposing lawyer for appearing in his own interests.

Hon. N. Keenan: And if you get one-sixth taken off, the other side has to pay your costs. It cuts both ways.

Mr. SLEEMAN: No, only one way: heads I win, tails you lose. Last year, when I was speaking on this subject of solicitors.—I think the member for Claremont knows of this case, for it was a constituent of his who got into the clutches of some land sharks. This young fellow's mother went along to see what could be done. I think the member for Murchison also quoted this case. In the end the mother, as well as the son, got a bill merely because she went along and sat in the office to hear what sort of a case her son had. She was charged for being present. The solicitor, I understand, had a great trouble in his family, his wife being dangerously ill. He suggested to his client that he would not be able to put in the necessary time on the case just then, and that therefore they should get an adjournment. The client agreed, and later the solicitor put in a charge for having obtained an adjournment on that day. Since it was done in the interests of the lawyer himself, I think he should have borne the expense himself, and not asked his client to bear it. It is about time that Section 13 of the Legal Practitioners Act was repealed. It provides that unless a man can put in his time without any payment while he is articled, and unless he can prove to the satisfaction of the Barristers' Board that this section has been duly com-

plied with, he shall not be admitted. That operates harshly against the poor man's son, who in many instances is unable to go on with the necessary articles. Some people will say the section is not carried out, that they are not refused admittance. As a matter of fact, last year I took the pains to go and see the secretary of the board. The then Attorney General said I did not go to the right place to get the information I required, so I saw Mr. Goodman, the secretary of the Barristers' Board. He knew I was moving in the House in this matter and that it was necessary I should have the information. He should have been prepared to do anything he could to prevent me from saying anything that was not correct, but he actually refused to give me any assistance, or to discuss the matter with me. When the member for West Perth (Mr. McDonald) was speaking, I asked if he knew of any case in which permission to earn had been given. He said he understood there had been only one or two refusals. I claim there have been more than that. When I asked him if he knew of anyone in particular who had been given permission to earn, he answered in the negative. The probabilities are that young men do not get articled before they have obtained permission to earn a living of some kind. That is where one is at a disadvantage as to getting information on the point. We are told that no articled clerk has been refused permission to earn. The trouble is that a man has to put up certain fees (I think the amount is £13 13s.), and he is not likely to throw away the fees necessary until he has obtained permission to earn something, and thus go on with his articles. Last year I read a letter from the secretary of the Barristers' Board, which was written to a student who had asked for permission to earn something, and which stated that this sort of thing was not encouraged by the board. The young man in question knew from that he had no chance of getting permission, and therefore did not put up the £13 13s. required. I understand that over a period of many years only one man has had permission to earn, and that was the late Mr. Thomas Walker. He was given permission to earn and was still allowed to go on with his articles. The whole thing is very obvious. Not many members of the Barristers' Board would have been likely to refuse permission to the late Mr. Walker. They knew if they did refuse he would have seen that satisfactory arrangements were made so that people would not be debarred from serving articles because they were obliged to earn something.

Mr. Latham: I do not think you are being fair to the late Mr. Walker.

Mr. SLEEMAN: He had the ability and the necessary courage to do what was right.

Mr. Latham: He would not have used this House to gain his object.

Mr. SLEEMAN: If he had been refused he would have awakened to the fact that other people were being debarred in the same way, but, as he himself received the necessary permission, he thought it was being given to others. I am not saying anything derogatory about the late Mr. Walker. When the application went to the Barristers' Board, they said that of course they would give him the necessary permission. They were not likely to throw the fat into the fire and withhold permission in a case like that. If permission had been withheld, the late Mr. Walker would have known what was going on, but it is evident he thought everything was all right, and that other people were being treated in the same way.

Mr. Marshall: I think he was a member of this Chamber when he made the application.

Mr. SLEEMAN: Yes. I do not know whether any other member of Parliament similarly situated would be treated in the same way, and whether perhaps the Barristers' Board would think it infra dig to turn down a member. I do know that men have been turned down, and that when I called upon the secretary of the Barristers' Board, I was refused the information I sought. I am safe in assuming that, when I was treated in that manner, the board were unable to put up any case, or they would undoubtedly have done so. When the matter has been under discussion on previous occasions, numerous interjections have been made across the Chamber in the form of questions as to who had been given permission. I have yet to learn that anyone else has received permission to earn while serving his articles. Some local lad may attend the University and take his degree. Under Section 13 of the Act he then has to be articled to a local

solicitor, and serve with him for two years, meanwhile being unable to earn anything without permission from the board. On the other hand, a man in the Old Country can be called to the Bar immediately he passes his examination. He does not have to serve any articles, but after he has eaten the necessary dinners, he can practise as a barrister in the Old Country. According to the law in this State, a man who has obtained his degree here has to serve for two years. The man who has passed through all these stages in the Old Country can lead a life of idleness, if he likes, until residential conditions have been fulfilled, but the local lad has to serve two years in articles without being able to earn anything. That is most unfair to the local man. Your son, Mr. Speaker, might win a Rhodes Scholarship, and my son might be beaten for that scholarship by one point, merely because your son might be a little superior to mine in sport, which counts so much in these things. Your son might take his degree in the Old Country and be called to the bar. When he comes back here he can, without serving any articles, straight away be called to the bar and practise either as a barrister or as a solicitor. He can be admitted as a barrister in Great Britain, but may practise in both capacities in this State. My boy might go to a local university. After getting his degree here, he has to be articled for two years, and satisfy the board that during that time he has earned nothing. The New Zealand Act is one of the best there is. Last year, when I produced it, it seemed that very few of the legal members of the House knew that it existed, and they immediately called for it. The other night, the member for West Perth said the authorities were likely to go back to articles in New Zealand. What ground has he for saying that? He also said that in some countries solicitors from New Zealand were not admitted to the bar. Has he any proof of that? I cannot find out what countries there are that will not admit them. I understand that a lad who serves his articles in New Zealand, and is called to the bar there, can be admitted to the bar in this State.

Mr. McDonald: I do not think that is right.

Mr. SLEEMAN: He can be admitted if he comes from other countries. We should adopt the New Zealand Act in this State. It may be that we would not go as far as that legislation, but the law should be liberalised compared with what it is now. Some of the best legal men Australia has ever known could never have been called to the bar if they had lived in Western Australia. In the early days they were too poor to conform to the local conditions, and would not have been allowed to earn their living. I went into the case of a man called Real, a judge of the Supreme Court of Queensland for many years. He earned his living as a carpenter whilst going through his articles. Had he lived here, he would never have been called to the bar because he would not have been allowed to work as a carpenter. What is good enough for Queensland and New Zealand in this matter ought to be good enough for Western Australia. I understand that the Governor-General, a man to whom I lift my hat, and who rose from the ranks as the son of poor parents, would not have had the opportunity to rise in the legal profession had he gone through it in Western Australia. He was one of the most brilliant judges Australia has ever known. It is time we woke up to the position and realised that the poorer classes of the community are now being debarred from the chance of entering the legal profession.

Mr. Latham: I suppose he worked during the recess.

Mr. SLEEMAN: He had to go through his articles.

Mr. McDonald: He served his articles and went through the university.

Mr. SLEEMAN: The point is that he was able to earn money whilst doing that, but in Western Australia he could not have done so. What harm is there in a man earning his living in his spare time instead of leaning on parents who may be very poor? It is a fact that men are serving their articles and are not allowed to earn anything. Many of these have little or nothing upon which to live. Why should they be debarred from entering a profession for which they are well fitted, both by inclination and ability?

Mr. Latham: Do you suggest they should confine themselves to the theory and not get any practical knowledge? That would be a dangerous system to adopt.

Mr. SLEEMAN: If that were the system, why do we allow people to come in from outside and practise?

Mr. Marshall: That is allowed in the medical profession.

Mr. Latham: Oh no, it is not.

Mr. SLEEMAN: The Leader of the Opposition must know that a man can leave the Adelaide University after taking his medical degree to-day, get on the boat to-morrow, and practise in the hospitals next week.

Mr. Latham: But he will have served some time in a hospital there.

Mr. SLEEMAN: Do not law students serve some time in the courts of the country? A man in the legal profession gets practical experience in the courts, just as a man in the medical profession gets experience in hospitals.

Mr. Latham: Yes, in the course of his articles.

Mr. SLEEMAN: I am pointing out the differentiation that exists between the two professions. If the son of the Leader of the Opposition becomes a barrister in Great Britain, he does so without getting practical experience, and he may return here without ever having had any practical experience. How many leading members of the bar in this State have served articles, and most of them are eminent men? I do not think they are any the worse for that, for they stand at the top of their profession in this State. The time has arrived when the whole system should be altered.

Mr. Moloney: Do you suggest we should import legal men?

Mr. SLEEMAN: No. My suggestion is that we should do all we can to give our local lads a chance of getting an education and being admitted to the bar in this country.

Mr. Hegney: Provided they can pass their examinations.

Mr. SLEEMAN: Yes. I do not want any Dick, Tom or Harry to be admitted to the profession. People must possess the necessary qualifications. What I do want is preference, if anything, to be shown to the local lads. At present, the local boy is handicapped to the advantage of the man from overseas. As I have said, they are debarred from earning a living whilst going through the various stages of their legal training. I understand that once they have lodged the necessary fee of £13 13s. there is no way of getting the money back from the board in the event of permission being refused.

Mr. McDonald: I think £10 of that is for stamp duty.

Mr. SLEEMAN: The fact that £10 of that money is for stamps will not help the student to get his £13 13s. back. As things are, he first ascertains whether he is likely to be given permission before putting up his money. Especally is that so in the case of a poor man who desires to earn something while he is serving his articles. He is not likely to throw his money about.

Mr. Moloney: Do you know of any case in which permission to earn has been refused?

Mr. SLEEMAN: I do know that students usually find out before they put up the money whether permission is likely to be granted or not. The only case I know of in which permission has been granted is that of the late Mr. Walker. The Leader of the Opposition was talking about medical men. A bachelor of medicine can, without any further process, cut a man up, but a bachelor of law cannot defend a man in the local court in a case involving no more than 10s. A medical student may take his degree, and enter a hospital where he has the lives of other people in his hands, but the legal man who has taken his degree cannot appear before a couple of justices over some trivial case involving a few shillings.

Mr. Latham: A medical student must practice anatomy before he gets his degree. The legal student does not have to practice in order to show his ability.

Mr. SLEEMAN: Some of our leading lawyers did not serve two days in articles. They got their experience through their education. It is ridiculous to say that a man who has obtained his medical degree can then be entrusted with the lives of many in the community whilst a man who obtains his law degree cannot even appear in what is termed an inferior court in connection with perhaps only a trivial case. That is wrong. This is from the Medical Act—

> Every person, male or female, shall be entitled to be registered under this Act who proves to the satisfaction of the board that (b) he holds one or more of the qualifications in the second schedule heretofore mentioned; and that (c) has obtained, after due examination . . . .
>
> Schedule II. Doctor or bachelor of medicine or master, or bachelor in surgery of some British or legally constituted and recognised Australian, Tasmanian, or New Zealand university.

So a medical student who obtains his degrees can go right ahead. I happened to be in Adelaide a little while back and read there an announcement in the newspaper

of a young man who had obtained his degree on that day and who was leaving on the very next day to accept a position in Western Australia. Is it not therefore anomalous that a young man, leaving the university with a law degree, cannot even go into a local court to plead a trivial case? I should like to say a few words about King's Counsellors. In answer to a question asked by me last year, I learnt that before a K.C. can appear against the Crown he must first secure permission and pay a fee. Recently I asked a similar question of the Minister for Justice. His reply was that a fee was not necessary, and nothing had been received by the State. Last year, when speaking on this matter, I said—

> If in this State they had to get permission, they would be kept pretty busy running to the Supreme Court.

The then Attorney General interjected that they not only had to get permission, but that they had to pay a guinea. Yet, when I endeavour to ascertain how much the State has received by way of fees from King's counsellors appearing against the Crown, I am told that no fee is necessary and that nothing has been received. As a matter of fact, I am not particular whether they pay a fee or not, but what I do contend is that a good deal of the work at present being done by K's.C. should be left for the other members of the profession. We sometimes see King's Counsellors appearing in the inferior courts and doing work there which might well be left to other members of the profession.

Mr. Lambert: Only in very singular instances.

Mr. SLEEMAN: Apparently the hon. member does not read the newspapers. King's Counsellors sometimes appear in most trivial cases, involving damages to the extent of perhaps £50 or £60, and also taking with them a junior. I read only recently of a case arising out of a motor accident in which there appeared no fewer than half-a-dozen lawyers. There are many cases in which eminent members of the profession appear and which cases might well be left to others. With regard to solicitors, the member for West Perth remarked the other evening that there was not much to be said for fidelity bonds. We find, however, that quite a number of solicitors, like anybody else, can go wrong Here is one instance reported from Sydney recently—

> A deficiency of approximately £50,000 is disclosed by the report of Claude H. Roach, chartered accountant, trustee in bankruptcy of the bankrupt estate of the late Arthur Bernard Davies, Sydney, solicitor, who committed suicide in April, 1932. Trust funds figure largely in the report. Referring to the use of trust funds for speculation, the report states that an inquiry revealed a "perfect example of what the law allows." The necessity for compulsory periodical audit of trust funds is emphasised. The report was submitted this week to a meeting of creditors of the estate, and was approved. The principal creditor is W. H. Spooner, for £12,000. "The books and general records of the bankrupt were in a terrible condition," Roach reported, "and from them very little information could be obtained."

In this morning's paper there is a report of another case and even in our own State there have been a few, and we never know when another one is going to crop up. This kind of thing is just as likely to happen amongst the legal fraternity as in the case of any other profession. The late Attorney General favoured the establishment of a fund of some description for the purpose of safeguarding the public. The member for West Perth tells us now that there should be a compulsory audit. But a compulsory audit will not protect the people of the State; it will certainly show up the culprits, those who have misappropriated money, but that is not much satisfaction to the chap who has lost his money. The amount of £5 is mentioned in the New Zealand Act. It would cost much more than that to have a compulsory audit. The advantage of the £5 would be that it would establish a fund which would be there in the event of a solicitor going wrong and from the fund the client could get some of his money returned. An employee of an insurance company must enter into a fidelity bond, and if it is right to have a safeguard in connection with insurance societies, it is only proper that solicitors should enter into a similar bond for the safeguarding of clients. The member for West Perth also said that lawyers in this State were honourably observing their agreements. I know that 15 per cent. has to come off but there is certainly room for observing the agreements to a more liberal extent, and the Law Society or the Barristers' Board should help us to see that the profession is raised to a higher standard than that which exists at the present time. The hon. member also told us that the fees charged by the members

of the profession were set for them. That may be so, up to a point. There is no Supreme Court scale for a lot of the charges that are imposed. There is, for instance, a fee for a brief, but that fee is not laid down by the Supreme Court. Then for mortgages, companies' articles and leases no fee is set by the court.

Mr. McDonald: They are all prescribed in the Supreme Court rules.

Mr. SLEEMAN: For mortgages?

Mr. McDonald: Yes.

Mr. SLEEMAN: I cannot find out how the fee is arrived at. Anyway, there is no fee for instructions for brief or companies articles.

Mr. McDonald: Yes, taxed so much for typing and so on.

Mr. SLEEMAN: The member for West Perth also said that the Chamber of Commerce had not asked for this inquiry, neither had the Associated Banks nor indeed any person having dealings with lawyers. The general public, who come into contact with the legal profession, are anxious that something should be done. I have quoted from a lot of letters and from bills of costs and I think it has clearly been shown that there is an agitation for inquiry. I do not see why we should have to wait for the Chamber of Commerce or the Associated Banks to ask for an inquiry. There has been dissatisfaction about the way in which admission can be obtained to the Bar, and dissatisfaction also about the charges imposed by the legal fraternity without the Law Society or the Barristers' Board taking any notice. I have already mentioned the instance of the lawyer who appeared for both parties in a case—the employer and the worker. This lawyer recommended that the employee should do a certain thing outside the provisions of the Workers' Compensation Act, but fortunately somebody came along and advised him to do something entirely different. In that way he got his case into court. The result was that the lawyer who first appeared for him and for the other side as well gave evidence against the employee. Luckily for the worker, the magistrate must have disbelieved the lawyer and the worker got damages. In quite a number of cases solicitors have appeared for both sides. That might be all right at times, though not always. A solicitor appeared for a woman to draw up the documents for a separation, and afterwards he gave evidence against her in divorce proceedings instituted by her husband and even mentioned conversation he had held with her previously. That was not a fair thing.

Mr. McDonald: He could not do that unless the wife consented.

Mr. SLEEMAN: The wife did not consent. The worker who consulted a solicitor regarding a compensation claim was rather astounded when the solicitor later appeared to give evidence against him. There are instances of similar things happening almost every day.

Mr. Lambert: Of solicitors acting for both sides?

Mr. SLEEMAN: Yes. The solicitor to whom I have just referred acted for the employee and for the employer. He recommended the employee to agree to something not in keeping with the Workers' Compensation Act. Fortunately the worker had obtained other advice and took the matter to court, where the solicitor he had first consulted gave evidence against him. In the interests of the profession, that should not be permitted. In other instances the etiquette of the profession has not been observed. I hope we shall be successful in getting an inquiry. The member for West Perth suggested that a judge should be appointed to make the inquiry. A similar proposal was made last year, but I have no faith in our ability to get very far with the matter if a judge of the Supreme Court is appointed. I have every admiration for our Supreme Court judges, but they have been brought up in the legal atmosphere and cannot see anything wrong with the ordinary charges levied by a solicitor. Last year when I spoke on the subject, a bill of costs I produced—it was rather astounding—was rendered by a legal gentleman before his elevation to the Bench. What is the good of having a Supreme Court judge to make the inquiry when he has been reared in the legal atmosphere and trained to make out bills of costs in the way of which we complain. I do not say that a judge conducting the inquiry would necessarily side with the legal profession, but with the bill of costs I produced last year, the learned gentleman would be bound to hold that there was nothing wrong. Another objection to the appointment of a judge is that he should not be dragged into political matters. This is a political matter; Parliament must legislate to protect the interests of the people.

A further objection to the appointment of a judge is that the number of judges has been short of the previous strength. We have had an acting-judge recently. If the inquiry is to be left to a Supreme Court judge, we might as well proceed with the business of trying to amend the Act. Last year the then Attorney General suggested that a judge should be appointed to conduct the inquiry, but no action in that direction was taken. I hope the House will agree to the appointment of a select committee, that something may be done to clear up the matter once and for all. I wish to ensure that local people wishing to enter the profession have an equal chance with outsiders, that the charges levied against clients are reasonable, and that some of the unprofessional things now being done are stopped.

Mr. Lambert rose to speak.

Mr. Wilson: On a point of order, I understood that, when the order of business was discussed, leave was given for the member for Fremantle to complete his speech and that new business would then be taken.

Mr. SPEAKER: The resolution was that notices of motion 1 and 2 and Orders of the Day 4 and 5 be postponed until after Order of the Day No. 6. Members are entitled to continue the discussion of Order of the Day No. 6 if they so desire.

Mr. Wilson: I understood that I would have an opportunity after the member for Fremantle had spoken.

Mr. Latham: Move the adjournment of the debate.

Mr. Lambert: I move—

That the debate be adjourned.

Motion (adjournment) put and passed.

MOTION—COLLIE COAL.

Use by Government Railways and Utilities.

MR. WILSON (Collie) [6.7]: I move—

1, That this House recommends that 100 per cent. of native coal be used on all lines of the railway system, except the Marble Bar-Port Hedland line, and that 100 per cent. of native coal be used in other Government utilities requiring coal.

2, That a board of experts be appointed from all interests identified with the production, selling, and using of Collie coal to determine the basic standing and equitable value from every standpoint of the native coal versus the coal imported from Commonwealth States, and that such standard have currency for 10 years.

3, That in order to avoid importing coal and to safeguard the Railway Department from under-supplies, roof-covered store dumps for Collie coal be constructed at convenient depots throughout the State.

4, That the Railway Department adopt a scheme whereby the mixing of the hard and soft coals shall show a financial improvement on the cost of native coal as at present supplied to the department.

5, That the covering with tarpaulins of wagons of coal at the pit's mouth be initiated.

6, That the cost of the tarpaulins etc., be refunded from the royalty paid on local coal.

I feel that I have been rather unfortunate in my choice of time to bring this motion before the House. I have had the motion postponed twice in order that some information might be obtained by members from Dr. Herman's sensational report, and incidentally to receive the findings of the arbitrators entrusted to fix the ratio of prices to be paid for Collie and Newcastle coal. I have waited in vain for that information to be made available, but I feel now that it is my duty to introduce the motion, notwithstanding the adverse conditions confronting me. There is another unfortunate circumstance. Two days ago an industrial dispute occurred in the Collie coal mines—just a little dispute, a shadow that will soon pass by. I shall not deal with that matter beyond saying that similar little disputes occur in all coal mines and reminding members that the disputes at Collie do not last long. I am hoping that this latest dispute will be adjusted before the end of the week. Yesterday the Secretary for Railways (Mr. J. F. Tomlinson) made a statement to the Press regarding the stock of coal on hand and, so far as I can judge from his statement, there need be no fear in the public mind that railway transport will be interfered with. Mr. Tomlinson said that the Railway Department had on hand about 18,000 tons of Newcastle coal, which would be sufficient to supply the needs of the State railways for a month. Let members ponder that fact—18,000 tons of coal imported from Newcastle while so much talk is being indulged in about the need for supporting local products! Mr. Tomlinson added—

The coal was secured during the dispute between the Railway Department and Amalgamated Collieries Ltd., in March last. The department never had more than two or three days supply of Collie coal on hand, and it was quite likely that those supplies would be exhausted by to-night.

In view of that statement, it is rather a happy coincidence that part of my motion

seeks to remedy this lapse on the part of the Railway Department. Paragraph 3 of my motion suggests that, in order to avoid importing coal and to safeguard the department from under-supplies, roof-covered store dumps for Collie coal be constructed at convenient depots throughout the State. With that phase I shall deal more fully at a later stage of my remarks. I hope members will bear with me while I present the case for greater assistance for the local industry. The situation is becoming so strained that I consider it my duty to endeavour to secure greater consideration for the Collie mines. For some years, and particularly during the last three years, we have had a surfeit of exhibitions of various commodities and movements such as the "back to the town week." Incidentally there was a movement "back to the railways" only last year, a movement to encourage the people to make greater use of their own mode of travelling, and curiously enough, that was the year in which our railways burnt the greatest quantity of imported coal for 15 years. They burnt over 27,000 tons, and that would be equal to about 40,000 tons of Collie coal. It is about time we called a halt to that sort of thing. Last week there was another exhibition of local products, and the promoters are deserving of thanks for their work in striving to educate the people to use the products of Western Australian industries. We should also compel State departments to use local products and local coal. The exhibition was opened by His Excellency the Lieut.-Governor; the Premier spoke in favour of supporting local industries, and the Minister for Employment said the purpose of the exhibition was to show people a way by which they could assist themselves and reduce unemployment to negligible proportions if they cared to do so. I wish to commend Mr. Macartney and his staff on their organisation of the exhibition, which demonstrated to the people the wide range of local production for local needs. The Minister for Employment has been a good friend to Collie, for he has always advocated and worked to secure the use of Collie coal on our railways. Government departments should not be asked to burn Collie coal; they should be compelled to use it, whether they like it or not. Collie coal has been good enough to use on locomotives for many years, and it is rather late in the day for any officer of the department to attempt to show prejudice against the local product. The Lieut.-Governor, in his speech last week, said that with the exception of sugar, there was very little in the way of foodstuffs that this State needed from the Eastern States, and that if people bought from local manufacturers, it would not be long before those manufacturers would be exporting and thus bringing additional wealth and income into the State. It was very nice of His Excellency to say that, but I cannot forget that only a year ago he was the head of the Government who imported 27,000 tons of Newcastle coal, and who thus made available some £50,000 to keep Eastern States' coalminers working, while our Collie miners were without work and were compelled to subsist on the dole.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. WILSON: Before tea I was referring to the exhibition of local products that is being held at Government House. At the opening of this exhibition the Premier said—

> If he were armed at present with dictatorial power, nothing would give him greater pleasure than to compel every man and woman in the State to visit the exhibition, and he was sure the results of their visit would be beneficial to the State. The reason why local manufacturers were not getting all the trade they were entitled to was because of an inferiority complex that the buying public suffered from.

That inferiority complex should be made to apply to the railway commissioner as well as to some of his subordinates. The Premier continued—

> Even if local goods were slightly inferior to imported, it was worth making some slight sacrifice to provide work for the boys and girls of Western Australia.

I naturally assume that the Premier included our native coal in that category. This suggests to my mind that it would be a good thing if the Premier were clothed with the powers of a dictator, so that he might instruct the Commissioner of Railways to use only local coal. If this motion of mine is passed he will be given that power. Mr. Boas, Chairman of the Economic Council, also had a few remarks to make at the exhibition. He said it was a happy coincidence to find Government House occupied for the first time by a locally-born Governor, and that the Government House ballroom should

have been used for the first time to accommodate an exhibition of local industries. I wonder if the Economic Council saw fit to inquire why 50,000 tons of coal had been purchased from outside Western Australia when something like 200 miners were out of work and starving at Collie. Apart from the Railway Department, every State utility uses practically 100 per cent. of native coal. The greatest sinner we have had to fight for years has been the Railway Department. A portion of my motion reads—

> That this House recommends that 100 per cent. of native coal be used on all lines of the railway system of this State, with the exception of the Marble Bar-Port Hedland railway line, and also that 100 per cent. of native coal be used in other Western Australian Government utilities where coal is required.

The latter part of this extract from my motion has practically been adopted, for the public utilities other than the railways are using 100 per cent. of native coal. I excepted the Port Hedland-Marble Bar railway, because it would not be payable to ship Collie coal up there, and after all, only a small amount would be used in that part of the State. I have here an extract taken from the report of the Mines Department for 1932. Under the heading of "Coal mining" it says—

> The coal-mining industry experienced a quiet year; the total output of coal from the Griffin, Co-operative, Proprietary, Stockton, and Cardiff mines amounted to 415,719 tons, compared with 431,179 tons during 1931, and 501,428 tons during 1930.

This shows a reduction to 415,000 tons from 501,000 tons in two years. The report goes on to say—

> The average number of men employed on the coal-field at Collie was 577.

This is really a decrease of approximately 200 as there should be 700 or 800 men employed on the field. This report bears out my contention that something like 200 men are out of work on the field to-day, notwithstanding which we are still burning the imported article. I learn from the Railway Department's report for this year that the system used approximately 26,600 tons of Newcastle coal in the last 12 months. Actually the department used between 27,000 and 28,000 tons, but if I except the consumption on the Marble Bar-Port Hedland railway I get approximately 26,600 tons. If we take it that three tons of Collie coal are equal to two tons of Newcastle coal, we can see that if the department had used only Collie coal it would have meant the employment of an additional 150 men, without hurt to anyone. The Commissioner, however, has not seen fit to do that, though it is time he had some direction given to him. When there is a falling-off in the consumption of Collie coal, certain locomotives are put out of action and incidentally drivers and firemen are put off work. Men who have been getting timber for the mines are also put out of work. Incidentally, the State is being robbed of many thousands of pounds a year. On the basis of 3d. a ton royalty, the Mines Department in the last five years received £34,000 from the Collie coal industry.

Mr. Latham: It does not pay royalty.

Mr. WILSON: It does.

Mr. Latham: The Government take nearly all their coal from Collie. They are not likely to charge themselves a royalty.

Mr. WILSON: A royalty of 3d. per ton has been paid for the last 10 or 20 years. I got these figures from the Mines Department this morning. During the last five years £34,000 has been paid by the industry to the Mines Department in royalties, £5,700 has been derived from lease rents, and £2,500 from timber royalties, a total with the royalty on coal of £42,200 in five years. These are facts, and will stand investigation. People talk about the benefits derived by the Collie coal industry. They forget the beneficial effect upon the revenue of the Mines Department and the Forests Department. I wish to say a little about railway freights. This is interesting in view of what was stated in the House to-day. The member for North-East Fremantle (Mr. Tonkin) asked the Minister for Railways what reductions had been effected by the Railway Department in the freights on wool and timber during the last five years. The reply was given that the freight on wool had been reduced approximately 30 per cent., on timber for overseas, 16 2/3rd per cent., and on timber going to the Eastern States, 12½ per cent. I want to show the iniquity of the Railway Department and the extent to which they have tried to kill Collie coal. If this has not been done deliberately, then there is an imbecile at the head of the department. In 1919, 1920 and 1921, coal freights to Fremantle amounted to 9s. 10d. per ton.

That was exclusive of haulage, siding and wharfage charges, equal to 2s. The lowest price the Government were then paying for coal was 15s. 5d. per ton. In December, 1921, the Railway Department increased the freight by 2s. a ton, making it 11s. 10d., exclusive of the handling charges, etc., namely, 3s. These freights also do not include the siding, haulage and wharfage charges. Last year the price of Collie coal was reduced from 19s. per ton to 15s. 6d. An Arbitration case has been going on for some months with the object of getting that price still further reduced. Whilst the price is still 15s. 6d., the same killing freight on the railways appertains, although a reduction of 30 per cent. has been given in the case of wool, and 16 2-3rd per cent. in the case of timber. The Commissioner of Railways is getting 3s. 6d. per ton benefit from Collie coal, but still keeps the high freights going, while the bunkering trade is practically dead. The freight on coal in Western Australia is the highest in the world, and yet the Commissioner says that but for Collie coal he would be able to do much better. Even if the department got its coal for nothing. I question whether better results would be obtained. Take from Collie to Fremantle, a distance of 125 miles. To carry bunker coal that distance costs 11s. 10d. per ton, exclusive of the 2s. per ton it may cost to put the coal on board ship. The cost for a similar distance in New South Wales is only 7s. 6d. per ton—as against 11s. 10d. here. Then there is the port of Bunbury. Very little bunker coal is taken to Bunbury now, because the freight has killed the trade. To carry coal from Collie to Bunbury, a distance of 42 miles, costs 6s. 1d. per ton, or 1.78d. per ton per mile. That sort of freight would kill the greatest industry in the world. The price for a similar distance in New South Wales is 3s 3d. per ton. Collie coal is now practically not used for bunkers. In drawing attention again to the fact that the Commissioner of Railways forced the wages of the Collie men down, let me point out that those men sustained a bigger reduction in the Arbitration Court when the 20 odd per cent. reduction was imposed| After those reductions of wages, the freight remained the same. How long is it to continue? Now let me deal with paragraph (2) of the motion, as to a board of experts to determine the basic standard equitable value of Collie coal versus imported coal, such standard to have a currency of 10 years. I ask for 10 years advisedly, because apart from Dr. Herman's report there is no new ratio of the value of Collie coal. Dr. Herman never made a test of Collie coal or of Newcastle coal in Western Australia. Therefore the cost of his report represents so much money thrown into the sea. The last independent tests ever made were made by the Woolnough Commission. At those tests each side had a representative. The companies saw that their coal got a fair go, and before the tenders started to coal the coal tender was swept clean. To make sure that the test was fair, they got the Commissioner of Railways to let his own men burn that coal. That was done. The Commissioner's own engineer, in the person of Mr. Appleby, a clever engineer who was killed at the war, acted in conjunction with a departmental driver and a departmental fireman. Thus everything was in favour of the Commissioner of Railways. Yet the Royal Commission reported the result of the test at 138 tons of Collie coal to 100 tons of Newcastle. Since that time no test has been made, and yet Dr. Herman has the temerity to assert——

Mr. Stubbs: Do you maintain that the coal has improved in quality since the last test was made?

Mr. WILSON: No. The coal is no better and no worse. In 1904 Dr. Jack made the proportion 100 tons of Newcastle to 133 tons of Collie. That stood for many years. Then came Messrs. Hume and Evans, engineers of the Railway Department, who made a test resulting in 141 tons of Collie to 100 tons of Newcastle. The same man, Commissioner Evans, suggested to the Arbitration Court that the ratio was 155 tons of Collie to 100 tons of Newcastle. No independent test was taken. When I attended the last Royal Commission Dr. Herman said to me, "We have agreed upon 150 tons." I ask the House to bear with me a moment. If the Commissioner of Railways was right in stating the proportion as 155 tons of Collie to 100 tons of Newcastle, who on earth gave Dr. Herman the right to reduce the figure to 150 tons? If it was not 155 tons then, the Commissioner was trying to get at the coal companies. Here is the position I take up: No test has ever been made since, and until an independent and competent test has been made I shall never rest—let hon. members make no mistake about that. I

sent this information to the Press at the time—

	Newcastle.	Collie.
	tons.	tons.
1905—Dr. Jack, Royal Commissioner	100	133
1907—Messrs. Hume and Evans	100	141
1908—Mr. Gregory, Minister for Railways	100	138
1916—Woolnough, Royal Commissioner	100	138

Mr. Gregory apparently decided that it would be the happy medium to make the ratio 100 tons of Newcastle coal to 138 tons of Collie coal. All the tests taken by the Woolnough Commission were made by departmental officers. The only representative the Woolnough Commission had was Mr. Butcher, engineer of the State Shipping Service. To any fair-minded person the ratio must stand until the Government decide to carry out a series of tests under conditions similar to those employed by the Woolnough Commission. It is not right that any Government should have a test involving the expenditure of hundreds of thousands of pounds annually, except under practical working conditions, and with all parties represented at the test. That is all I ask for. I say without fear of contradiction that Dr. Herman never made a test. All he did went to show that he was biassed in favour of the departmental officers. That is apparent from his report. Now I come to paragraph (3) of my motion, referring to the safeguarding of the Railway Department from under-supplies by the construction of roof-covered store dumps for Collie coal at various convenient points throughout the State. In this connection I said that a passing shadow was going over Collie. Yesterday the Secretary for Railways sent to the Press something that caused a surprise. As regards store dumps, I speak by the book, because tests have been made of covered Collie coal. Depots were established as far as Kalgoorlie, Merredin and Northam. We kept the coal covered for three or four months, and we took tests, whereupon the coal was found to be just as good as ever. Records of those tests will be found in the Woolnough Commission's report, page 25, paragraphs 199 and 202, reading—

It is found that the consumption with the stored coals was slightly less than with fresh coals in the case of the Co-operative and Proprietary.

No doubt it is to the advantge of the Railway Department to burn the coal as fresh as possible, but at the same time it is proved that no loss need necessarily be incurred if the coal has to be held for any length of time. This preservation of the coal by covering does away with any necessity for differentiating between the value of Collie coal at depots near Collie, and those more distant.

A reference to the Stores Department's figures in the Annual Estimates shows that £40,000 worth of coal is held in stock. In bins, Collie coal could be kept just as well as Newcastle coal. That would be a preventive of any stoppage. It has been proved conclusively that storage of Collie coal is not a detriment. Now we come to the question of the mixing of coals. From experiments made by Dr. Jack in 1904-5 with Newcastle coal and Collie coal, it was found that there was very little difference from an economic value. Dr. Woolnough's Commission, however, had a good many tests made with mixed coal. Let me give an example. Proprietary coal is hard coal. The Premier coal of those days was soft coal. Fifty per cent. of each kind of coal was put on the tenders. The engine-drivers were unanimously of opinion that the mixture was the best they had ever had. The mixture really gave an improvement on Collie coal of 9.95 per cent.—practically 10 per cent. I suggested to Dr. Herman that he should mix the coals, and his reply was that it would cost too much. I rejoined that it would not cost more than 6d. to 9d. per ton. Neither it would. Still, practically 10 per cent. was recognised as the amount of benefit resulting from the mixing of two coals. Electric machinery at Collie could be used to mix the soft and the hard coal, and so preserve the Collie field for future generations. If we pick the eyes out of that coalfield, taking only the hard coal, future generations will have to use the soft coal only, instead of getting the benefit of the mixture. The Woolnough Commission's report made a test of a mixture of Proprietary and Premier coals, and on page 25 of its report stated that a mixture of 50 tons of Proprietary and 50 tons of Premier coal practically gave an improvement, due to mixture, of 9.95 per cent. The report proceeds—

The admixture of these two coals gave excellent results in the firebox, the faults of both coals being minimised, and the steaming improved. Although the Proprietary and Premier coals were selected for these tests, as

typical of the hard and soft coals, it is anticipated that a mixture of any of the hard and soft coals would show similar results.

At present we have hard and soft coals at Collie. I want to see the best use made of the coal. For that reason, the recommendation was made years ago that a mixture should be resorted to, and that recommendation still stands. The fact is that the officials of the department do not like to be told that they would derive benefit from some altered method. Occasionally, however, when they truck coal to Geraldton or Kalgoorlie, they put tarpaulins over the coal. It has proved beneficial. Members who travel over the railway lines during the summer months must have noticed large lumps of Collie coal lying along the track. They will have observed how the coal has disintegrated. We are losing thousands of pounds each year through the non-use of tarpaulins on trucks that convey Collie coal. The Woolnough Commission recommended that the coal trucks should be covered with tarpaulins at the mine. That could be done quite easily, and I do not know why that suggestion was never adopted. I am convinced that if some portion of the £34,000 received during the past five years in the form of royalties were devoted to the purchase of tarpaulins to be used in covering Collie coal trucked over our railways, thousands of pounds would be saved to the State. It is a shame to see so much Collie coal strewn along the railway track during summer months. It is a shame to see how it is trucked and allowed to deteriorate. A peculiar thing about Collie coal is that it keeps indefinitely if under cover. I can take members to offices in Perth where large lumps of Collie coal have been on view for upwards of 20 years or more. They will see that the coal is just as good now as it was when it was first brought out of the mine. Once Collie coal is taken out into the air, there is a marked difference. In a few days it commences to disintegrate and, if I may use the expression, "goes to the dogs" quickly. Any member who paid a visit to Collie could have a practical demonstration of how Collie coal is affected in the open. If he were to witness the operations in connection with the mining, he would notice that as soon as the skips loaded with coal are brought out of the tunnel into the air, the coal can be heard to start cracking. Disintegration is set up straight away and, in fact, one can hear the coal working. If a member were to take a piece of Collie coal that has been lying alongside the railway line and put it into a bucket of water, he would see that it would quickly fall to pieces. If the coal is kept under cover, it remains adhesive and does not disintegrate. Tests carried out by the Woolnough Commission proved that coal kept under cover for some time was even better than the fresh coal, although the Railway Department prefer to have the latter. I confidently recommened the course I have suggested, even though it will involve some little expense, because I am convinced it will save to the State thousands of pounds that are lost in the coal that drops off and is to be seen along our different railway lines. I say advisedly that we lose at least £10,000 each year through the coal dropping off and being lost in that way. That means a direct loss, too, because instead of being used in the engines, it drops off and never gets to the fire-box at all. If the coal were properly covered, it would be better for all concerned. The Woolnough Commission made the following recommendation—

> We recommend that royalty of 3d. per ton be collected, and that the money made available in this way be set aside in the proportion of not more than one-third for the provision of covering to protect coal in transit.

That means to say, that about £11,000 would be set aside. That would be of permanent benefit to the industry. That is a small amount and the Minister should give consideration to that phase. Personally I shall never be content until a proper test has been made of the relative value of Collie coal. No man has ever heard me say that Collie coal is the best, but it is the best we have got.

Mr. Latham: It is certainly the best we have in Western Australia so far.

Mr. WILSON: At a time when Newcastle coal was costing 47s. a ton, Collie coal kept the wheels of industry going in this State. I am not concerned about the formation of companies associated with mining operations at Collie. That move has not benefited me by one penny, and I am not concerned about that phase of the problem. For that reason I am not concerned about Dr. Herman's report, but I certainly am concerned about the use of our native coal. Of what use is it for Western Australia, in the present days of depression, to send out practically £50,000

for the purchase of Newcastle coal? The effect of that is to keep the miners in New South Wales working, while our people are on the dole. There is no economic value in such an action. Even if Collie coal were a little dearer, the use of our local product would be a set-off against the £42,000 to which I made reference earlier. The mining of Collie coal has created work in other directions. Timber men are employed to produce the props for the mines. Engine drivers have been provided with work because it takes three engines to work Collie coal where it takes only two on Newcastle coal. That means employment for our own people. Therefore, more than the Collie miners benefit through the development of our local industry. At a time when hard coal from Collie costs about 14s. 7d. a ton, about 34s. a ton has to be paid for Newcastle coal. In those circumstances, we are sending out practically £1 a ton more than would be necessary than if we used our own coal exclusively. It would appear that the departmental officials have set themselves out to bring the Collie coal people to their feet on the question of prices, and I can assure them that if they go much further, they will wipe the industry off the map altogether. I hope that the House will agree to issue instructions that 100 per cent. of our native coal must be used wherever possible. I am not asking for the moon. I have provided for the omission of our outports. I know that the vessels trading on the North-West coast used to burn Collie coal, but I understand it was not found economical and the ships were converted into oil burners. I do not complain about that. I do complain about the non-use of Collie coal on the railways. We should, most decidedly, burn our native coals on our own railways. I am not selfish. I ask that it be done if it is possible. I shall be glad if good coal is found in another part of the State. Each district must be allowed to be developed. If a coal, equal in calorific value to Newcastle coal, were to be discovered in Western Australia, I would be pleased although it would so seriously affect my home and electorate. I trust members will record their votes as an indication to the Government of the day that they desire the new Commissioner of Railways, who will be appointed within the next few months, to be informed that he should see to it that our local coal is used on the railways or else he should get out.

On motion by Minister for Railways, debate adjourned.

PAPERS—COLLIE COAL MINE SIDINGS.

MR. WILSON (Collie) [8.10]: I move—

That all papers in connection with the construction of, and payments of, all sidings to the various coal mines in the Collie district be laid on the Table of the House.

I understand the Minister will accept the motion as a formal one. My object is to ascertain how the mines stand with regard to payments made to various Governments.

THE MINISTER FOR RAILWAYS (Hon. J. C. Willcock, Geraldton) [8.11]: While information is available that, I think, will be satisfactory to the member for Collie (Mr. Wilson), I cannot agree that all papers in connection with the construction of, and payment respecting, all Collie coal mine sidings be laid on the Table of the House, because that would involve the production of documents from the very inception of the work 40 years ago. It would be difficult to get all the papers dealing with such matters over so long a period. I have a precis of the methods adopted and that can be made available to the hon. member. If that is satisfactory to him, I have no objection to the motion in the form he has moved it.

Mr. Wilson: That will be satisfactory, provided information is included regarding the Premier Coal Mine.

Question put and passed.

MOTION—DAIRYING INDUSTRY.

Debate resumed from the 13th September on the following motion by Mr. J. H. Smith:—

That in the opinion of this House, the Government should give urgent consideration to the position of dairy farmers in the South-West in their relations with the Agricultural Bank, and more especially in the bank's relations to the group and soldier settlers.

MR. MARSHALL (Murchison) [8.12]: I do not propose to oppose the motion because of the obvious fact that it contains nothing that can be construed to represent a serious obligation upon the Government. I am just as confident as was the Minister for Lands when he spoke on the motion, that all Governments, irrespective of their political banner, have at all times extended sincere, sympathetic and serious consideration to the requirements of all primary producers. If any complaint could be urged regarding lack of consideration towards any one section of the primary producers, it would be in respect of the gold mining industry. In its lean period, that industry did not receive the consideration it was entitled to. The arguments advanced by the member for Nelson (Mr. J. H. Smith) in support of his motion were practically confined to matters relating to group settlers, although in the motion mention is made of soldier settlers. Ever since the inception of group settlement in this State, I have listened each successive year to the narration of grievances regarding matters affecting group settlers. To such an extent have those grievances been aired in this Chamber that, even if a member had not visited the group settlements, it could be said he was thoroughly conversant with the activities of the settlers. As sure as session follows session, we hear of the difficult position of group settlers and occasionally of the troubles of soldier settlers as well. The Minister for Lands the other night expounded fully the present Government's attitude when previously they were in office for six years, and admitted that since they have been in power on the present occasion he had not had time to give to the industry all the consideration he would have liked. No doubt that is so, for no great alteration has been made by the present Administration, as compared with the previous Government. Therefore, if there are any faults in the administering of the system, those faults have prevailed for a number of years. I think successive Governments have done their best to administer the affairs of those settlers as sympathetically as possible. But I disagree with some speakers who contend that the pioneering stages alone of the dairying industry must be accepted as calling for diligent, sincere and conscientious labour. If we take the history of primary production throughout the Commonwealth, we can paint a very sad picture; for, apart from the pioneering stages of primary production, even when our primary industries are in a state of full productivity, when the land has been cleared and stocked, and producing to its full capacity, never have the prices of the commodities produced reached that point where it could be said that the producer was getting a full reward for his labour. Members are disguising that fact when they encourage people to believe that by rising early in the morning and continuing to work at speed all day long, in the course of years they will have produced for themselves sufficient to retire upon. Nothing could be farther from the truth. We can go back to the early days of New South Wales and Victoria—where the primary industries were fully established before Western Australia began to establish hers—and we find nothing but the same drudgery, day in and day out, week in and week out, just as our settlers are enduring to-day. The Leader of the Opposition has his solution for the difficulty. Whether he is obsessed by it I cannot say. He suggests as a solution of the difficulties of group settlement that we should increase the price of butter for local consumption, so that by virtue of an increased price for butter we can afford to give an increased price to the producer for his milk or butter fat. Last evening the Leader of the Opposition suggested the same expedient to overcome the difficulties of our wheatgrowers; that we should charge local consumers 5s. a bushel for wheat so that, with the increased price received from the consumers, we could stabilise the price to the producers of wheat in this State. I am not going to be a party to aggravating the existing position, which is that our wheat can be sold at a lower price in foreign markets than we pay for it in Western Australia to-day. All the handling charges—wharfage, freight, agents' fees and the handling charges at the other end—have to be met, and still the wheat can be sold abroad cheaper than the local people can buy it. The same thing applies to our butter. We can send tons and tons of butter abroad and retail it at a lower price than than at which it is sold for local consumption. The Leader of the Opposition suggests that by aggravating that position and increasing the cost to the local consumers, we shall overcome the difficulties of our primary producers. But why need we be so anxious to cater for a market abroad, to produce commodities for a foreign market which we know is not profitable to our producers,

when in our own midst we have hungry people, people wanting bread and butter and meat and clothes? We are giving no concern whatever to them, any more than to heap on the primary producers the obligation to chase foreign markets and feed Asiatics at a much less cost than that at which we can feed our own people. Rightly, the Minister for Lands put up to the group settlers an example of how they should behave in order to make a success of their industry. He expounded his experience when a youth in the Eastern States, and probably he spoke without any exaggeration when he said that he then had more patches than pants. No doubt that was true; but no individual will ever convert the patches back into pants by pioneering the primary industries of the Commonwealth.

Mr. Thorn: He has more pants than patches now.

Mr. MARSHALL: That is the position. The Minister for Lands was a far-seeing gentleman, even in his youthful days, and he did not remain on that farm where he had the patches. He deserted and sought foreign countries. He came to Western Australia, and it was here that he changed his patches back to pants; but he did not do it by pioneering any of our primary industries.

Mr. Lambert: That statement is unfair.

Mr. MARSHALL: I am not making any unfair statements. I do not want the hon. member to come in here with his benevolent air and check me. All I am saying is that what the Minister said was true. I experienced it myself in my young days, but I did not stop at it, either. I am not attacking the Minister, but am merely using his argument to bolster up my own point. We left that environment. Had we remained, probably we would have had nothing but patches at the finish. The same condition prevails to-day. Throughout the history of the Commonwealth there never has been a normal year when it could be said that the primary producers got the full reward for their labours. Whenever we did get a good price for our primary produce, it was always due to some abnormal influence creating a false situation, in which we could take advantage of other people's misfortunes. Take the Great War. During that period we got a fairly good reward for our primary products. Then there have been times when other nations, unfortunately, experienced droughts or floods or cyclones. From time to time, and from year to year, we have been fortunate enough to be able to take advantage of those people's misfortunes and get something like a reasonable reward for the labour of our primary producers; but apart from abnormal periods, I doubt whether there has ever been a year in the history of the Commonwealth when it could be said that our primary producers have secured a fair reward for their industry. The same thing prevails to-day as prevailed when I was a toddler.

The Minister for Mines: That was long ago.

Mr. MARSHALL: Yes, but only half as long ago as when the hon. member was a toddler.

Mr. Lambert: I do not think you need to swap comparisons as to good looks.

Mr. MARSHALL: And I do not think the hon. member himself would win a blue ribbon, even in a poultry show. The position I refer to has always prevailed, and from what I can see, unless some vital change occurs in the system under which we live, we can never hope that our primary producers will get a full return for their labour.

Mr. Moloney: Nor anybody else doing real work.

Mr. MARSHALL: That is so, but at the moment I am not dealing with anybody but the primary producers. We live under a wrong system. It is known by all to be wrong; even those who have had no more than a third standard education can tell us there is something radically wrong in it. I believe that all our living statesmen know what is wrong, but seemingly it requires a great deal of courage to attack the evil; hence the hesitation to do so. I have no desire to close my eyes to the facts. As far back as I can remember, in all but abnormal periods, our dairying industry, our wheat-growing industry and our fruit industry have all been merely struggling propositions. It is no use seeking to encourage people by telling them that all they have to do is to work hard, work long hours, work often, without ceasing, and in the happy hereafter they will be rewarded. Consider the history of the same industries in older countries and what happened in years gone by is happening to-day. The producers have received no great reward for their labours.

Mr. North: The carrot is still dangled in front of them.

Mr. MARSHALL: Although the Minister quoted figures to show that the price of butter fat had increased, and although he advanced fairly good argument when he compared the price of butter fat in this State and in New Zealand—there is an embargo of 6d. per lb. on New Zealand butter—it appears as if there is something wrong with the settlers here. The position is not encouraging. The primary producers at this period of our civilisation are entitled to something far better than was the lot of those who engaged in the same form of labour 50 years ago. All the inventions and all the advancement of science avail the primary producers, equally with the industrialists, nothing.

Mr. North: Where do you suggest the trouble lies?

Mr. MARSHALL: In the purchasing power of the people. If the people could afford to pay a price for their requirements, the producer would get some reward for his labour, but when the producing power of the people is infinitesimal, what hope have the primary producers of getting any adequate return for their labour? I disagree with the idea of asking settlers to work at full pressure from early morn until late at night year in and year out.

Mr. Piesse: And take the risk of the seasons.

Mr. MARSHALL: Our forefathers did likewise in the hope of earning a rest in their old age, but they were doomed to disappointment. The Minister for Lands said that the younger generation were liable to get into financial embarrassment even after their fathers had done the pioneering work and had left them a ready asset. The Minister also stated that in the earlier days of settlement there was no money. I disagree; there was money. In nearly every State of the Commonwealth, the first industry of any consequence was that of gold production. In New South Wales and Victoria it was gold that first attracted population, and from the influx due to the discovery of gold came the settlers on the land. Most of the farms developed in Victoria were made possible by virtue of the markets created by the gold-mining towns. It was customary to hold two market days a week when farmers carted in their produce for sale. They had a ready market for the commodities they raised, and their troubles did not commence until they started to seek foreign markets. Had the Great War of 1914-18 not occurred, probably we would not have found ourselves in the present difficulty with group settlement. It was the high prices paid for primary products during that period and during the few years succeeding it that charmed the people of this and other countries with the possibilities of land settlement. People thought high prices would always rule, and they borrowed large amounts of money to develop the land. But for those abnormally high prices there would never have been the borrowing or the development—we would not have had over-production in the world's markets. Still, high prices have not been the cause of all our troubles. When producers confined themselves to the local market and the law of supply and demand prevailed, no difficulty was experienced. There was no large borrowing of money. But immediately we sought to exploit foreign markets and borrowed large sums of money to enable us to do so, we began to meet trouble. Governments encouraged it; they lavished money on such propositions, and now, when commodity prices have reached normal levels, we find the propositions over-capitalised.

Mr. Brockman: What is the remedy for over-capitalisation?

Mr. MARSHALL: To lead primary producers to believe that by toiling hard they will reap their reward in course of time is wrong. The same advice was given to the same class of people half a century ago, and the reward has never been theirs. It is a reward never likely to be reaped until we alter the existing monetary system under which it is possible for a few to direct the destinies of the many, and under which millions can be starving amidst full and plenty. Until we change the system and give our people a decent standard of living and decent purchasing powers, primary producers will not be able to get anything like an adequate return for their labours. All are suffering; the ills do not affect one class only. We know where the trouble lies, but the opposing influence is so strong that the courage of great men is required to combat it. To-day, when all sections of the community are suffering, the only advice we can give our primary producers is to continue to work hard and long that in time they may reap some reward. In these days we should be able to produce commodities at much lower cost than was possible in olden times,

and even under the competitive system we can produce three times as much as the people require, and I am not going to be one to advocate that the primary producers should continue to work hard and long. The time has come when we should attend to the evil that is causing the trouble. Until we adjust that, and give our people that which is their natural heritage—and no influence should stand in the way of its accomplishment—I hold out no hope for our primary producers, industrial workers, or any other section, except the privileged few. There have really been only two Governments since group settlement was inaugurated—the Mitchell Government and the Collier Government—and I believe that both of them have sincerely endeavoured to do their best for all sections of primary producers. The motion implies nothing stringent; the Government could approve of it without difficulty. In conclusion let me emphasise that when the primary producers received what may be termed a fair reward for their labour, it was due to abnormal factors influencing the markets abroad. If we have to depend upon a recurrence of similar conditions to make their lives worth while, they will be a long time waiting for relief. We should get down to the root of the evil and deal with the cause as quickly as possible, and then most of our troubles will vanish.

On motion by Mr. Cross, debate adjourned.

MOTION—DOUGLAS CREDIT PROPOSALS.

Debate resumed from the 13th September on the following amendment by Mr. Tonkin (North-East Fremantle)—

That all the words after "to" in the motion moved by Mr. North (Claremont)—"That this House urges the Government to explore fully the means of escape from our present trouble, indicated by Major Douglas." with a view to inserting the following:—"inquire into the mechanism of the economic system in order to to discover whether our present trouble is due, as Major Douglas asserts, to a discrepancy between the price of goods and the purchasing power issued against them, or to the unequal distribution of income."

MR. NORTH (Claremont—on amendment) [8.44]: I desire to make a few remarks on the amendment in order to deal with the criticisms advanced during the debate. As the amendment has not been withdrawn, I have a right to say a few words in an endeavour to discount some of the criticism that has been offered during the debate. I thank members for the manner in which they have received both the motion and the amendment. I think I can dispose of sufficient of the criticism to enable them to pass this amendment as it stands without any fear. The chief attack delivered during the debate was by the Leader of the Opposition. As the occupant of that position he was only doing his duty. He is there to find fault with everything that comes before the House.

Mr. Latham: I do not think that is my duty.

Mr. NORTH: When a new subject is brought forward, I take it he is in the position of a consulting engineer brought in to deal with some bridge plan. He has to probe the weaknesses in it although in his heart he may agree with the plan. After listening to what the Leader of the Opposition said, I am convinced that his statement, wherein he said he desired to see in every home in Western Australia all that the inmates needed, he showed his true feelings towards both the motion and the amendment. I feel that his attack was made purely as a professional leader doing his job in the House. He brought against these proposals two or three of the old criticisms. He referred to the Labour inquiry in 1923 in Great Britain, to the McMillan Commission on banking, and to Waite's report. Those were the main reports that he brought forward. All except Waite's report are discredited by the facts. The McMillan report was made in 1930. During the inquiry Major Douglas was invited to discuss the gold standard. He showed the members of that august body how obsolete the gold standard was. Within nine months of that time England went off the gold standard, so that he won his point. The subsequent events of the last three years have wholly discredited any views the McMillan Commission may have held. The facts have belied their reputation. Waite's report is a new one. I do not intend to attack it because it was made by a civil servant, who cannot defend himself. I regret, however, that he was chosen to deal with this important subject. Imagine a man with a will case that had to be taken before a magistrate. This is a particularly vital question, monetary reform, and yet it was put before a civil servant in

New South Wales, who did not arrange for witnesses to be cross-examined. The report is worth nothing. Without going into the details of it, I would point out that if it is read carefully it will be found to contradict itself in several places. The Leader of the Opposition made a very good point in regard to a man named Cole. He got in a nice piece in which he said that Cole had pointed out that the Douglas proposals were mostly nonsense. Cole's statement was made in 1932 in a paper known as "The New Statesman" published in England. It is interesting to note that this very paper has recanted from the view it expressed in 1932. I have here an issue of that paper of June 24th of this year and would like to quote a few extracts from it, as these have appeared many months after the statement quoted by the Leader of the Opposition. The paper in question said—

> If, aside from problems of detail, this proposal for material dividends seems too audacious, it is only fair to recognise that it is not audacious unless the possibilities of machine production have been grossly over-rated. If it be true that the Western world can now produce (or procure in exchange) all the raw materials, all the manufactured goods, and all the agricultural products that it can desire, and that it will be soon able to produce these with less than 50 per cent. of the available labour supply, then a system of "Dividends for all . . ." seems logical.

This is the paper which stated that the Douglas proposals were mostly nonsense. It goes on in a favourable strain and finishes up in this way:—

> When the Social Credit scheme was first advanced, just after the war, the world was beginning what may prove to have been its final fling at the old foreign investment game. Major Douglas predicted that the game would last until about 1929, and that when it was played out the nations would no longer conceal from themselves the discrepancy between their powers of production and of consumption. It now looks as if the second part of this prophecy may be as accurate as the first as if the true world-problem for the present generation may be the problem of learning how to prevent our machines from beggaring us, the problem of seeing to it, in the words of Major Douglas's evidence before the Macmillan Committee, that in spite of the machine age, "the cash credits of the population of any country shall at any moment be collectively equal to the collective cash prices for the consumable goods for sale in the country."

The extracts I have quoted show that the paper has made a complete recantation and a confession, although it was very strongly partisan and hostile to these proposals.

Mr. F. C. L. Smith: Should they not be able to do that now if the cash were properly distributed?

Mr. NORTH: That is what the amendment deals with. If it could be shown that there is to-day sufficient cash about, to purchase what is on sale, we as a Parliament, and the Federal Parliament, would be guilty of failure to apply the remedy. It must be obvious that if there were sufficient money to-day in the pockets of some of the people we could get it by taxation, and distribute it where it was mostly needed. The facts, however, are very different. A few weeks ago the Premier said by interjection that he could not get the 4½d. tax from what may be called the fat man, because that individual was now being taxed at the rate of 14s. 6d. in the pound.

Mr. F. C. L. Smith: He was talking of income.

Mr. NORTH: I am speaking of cash and available income.

Mr. F. C. L. Smith: I am talking about cash in the bank.

Mr. NORTH: If we took the whole of the income derived by men on the higher levels it would not be sufficient to pay even the 4½d. tax. That disposes of the question that there is not sufficient purchasing power in the form of income in the community with which to buy the goods priced. If that were so, we could by going to the Commissioner of Taxation find out where it could be obtained, and by means of taxation at a stroke, in, say, a couple of weeks, with the assent of both Houses of Parliament, adjust this national problem, and place the money where it is required for the purchase of the necessary products. Even with high taxation to-day that is impossible. The fact that we have in operation a graduated scale of taxation, as opposed to the flat rate, proves the truth of the general view that incomes are too high in certain cases in relation to the lower incomes. That does not alter Major Douglas's view that it may be true that the purchasing power has fallen short of requirements. The position to-day shows that where there is, say, £100 of prices there is £90 of money. Admittedly, some people have too large a slice of it, and that is proved by the adoption of the graduated scale of taxation in place of the flat rate.

No one would agree year after year to imposing a graduated tax upon the community unless there was a feeling that some persons were drawing too large an income. Otherwise all taxation would be on the flat rate basis. Proof of the other contention that, although some may have too much of what exists in money, money is short in Australia, is afforded by the fact that during the last three or four years we have produced out of the hat 90 millions of money by the creation of credit which is in circulation to-day and has failed to raise prices.

Mr. Latham: And failed to relieve the position.

Mr. NORTH: Yes, because in effect it is only a drop in the ocean. The Commonwealth Statistician states that our assets to-day are worth £5,000,000,000. No one denies that. We have destroyed and trampled down these millions of money, which represent our assets. All we have remaining is a paltry £50,000,000 in notes as visible money, and £300,000,000 of pen-and-ink money loaned by the banks.

Mr. Moloney: That is a good case for nationalisation.

Mr. NORTH: You may say so. We may analyse the situation and say that someone at sometime in Australia has produced £5,000,000,000 worth of assets. The only extent to which we are allowed to measure that asset in money is in £50,000,000 worth of visible money, and £300,000,000 worth of bank notes. There are the deposits in the Savings Bank of £200,000,000, which are certainly not ready money, and all we have in addition is our loans. If we put the whole lot together we arrive at the position of just under £2,000,000,000. This leaves in the balance, without taking into account human value, about £3,000,000,000 sterling worth of assets as the equity. Under our present system these assets cannot be mobilised without a war. If there was a war we could mobilise £200,000,000 extra in a short time. During the last war, through the Commonwealth Bank, we were able to finance practically all our expenditure largely out of revenue. This huge credit was mobilised through the Nation's bank, and these assets exist to-day but in still greater quantity. I think there is conclusive evidence afforded by our own actions as a community to support the amendment of the member for North-East Fremantle. Both sets of facts are in existence. The first is that some persons in the community are drawing too big a share of the national income in proportion to others, which is shown by the graduated form of taxation as opposed to the flat rate. Secondly, despite the discrepancy or inequality of distribution, the purchasing pool is short of the total prices, which is proved by the fact that during the last four or five years we have released £90,000,000 of extra money without in any way affecting the position. According to economists to issue practically £100,000,000 of created money into the normal channels of trade would raise prices, but that never happened. This shows that we did not throw enough into the pool to enable us to touch bottom. Let us assume that during the last three years Australia had said, "To hell with the economists; we are going on with business as usual; we are going to carry on all our industries and factories, and just measure up the loss by an issue of credit as we issued the 90 millions." Let us assume that the issue was 200 million pounds instead of 90 million pounds. In those circumstances there would be a rise in prices, but we would have everybody working normally, and that fact would destroy all the floating deficits. So that such a line of thought, although it does not by any means represent the proposal which is before us to-night, shows that we could have gone a good deal further than we have gone before there was any real danger. But of course that is not the issue. These proposals are not a question of inflation.

Mr. Latham: Oh, they are inflation!

Mr. NORTH: Utterly the reverse. I quite appreciate the hon. member's able attack. He was trying to help the House to see daylight. However, the whole point of these proposals as they are now before the Governor General of Australia are a protest against the Waite report and a clear intimation that all our challenge is a challenge of the right of private institutions to say whether or not we shall have this inflation. Not that we should inflate, but whether somebody outside the Government is to decide what at any one time shall be our standard of living. Every Premier comes here with the ambition to see the people employed and the factories working. Before I sit down, I shall try to show conclusively what should be

done; but before I come to that point I would like a few minutes to deal with A plus B theorem. I have avoided that all through, because I know it is a bit trying. But I was asked by the member for Northam (Mr. Hawke) to deal with it, and I will do so shortly. The A plus B theorem is only a statement of fact. It is nothing at all to puzzle over. It is utterly obvious when one looks into the question as one looks into other questions. Things which on the outside appear difficult have, when examined, altogether a different effect on the mind. I will take three or four examples. First let me take drawing. A man about to start drawing might draw an oblong table, and if he took a measure to measure the table he would find the proportions exact. But in order to draw the table on a canvas, he would have to make all kinds of irregular angles, which we call perspective. Everybody knows that. The illusion of the rectangular or oblong table becomes something quite different when he starts to draw it. Therefore there is an illusion, and an adjustment is necessary before he can attempt to draw. Similarly in music, if a man tried to tune a piano absolutely accurately to the ear, just as he might let his instincts lead him, he would be utterly confused in regard to modern music, because one cannot get out of one key into another and go round the range of the piano or orchestra without tuning the piano very slightly out of tune. That is a vital point in music —namely that the tuner has to add to his tuning, in other words has to tune out in order to tune in. If he tuned exactly true to his ear, he could not get round the keyboard and music could not exist. He must tune his thirds sharp, must add to the natural ear. In tuning out he is able to get round the whole sphere of the keyboard and give the modern range of music and modulations. He has to get a kind of illusion and make an adjustment. It is the same entirely with that scientific aim, perpetual motion. There are people still who try to effect perpetual motion. There are people still who think they can take an ordinary grand-father clock and put a pendulum on it and by giving it a smack launch it backwards and forwards without stopping. But friction comes in, and there has to be a weight in order to make the clock go. That weight is like the Douglas credit system. To the ordinary eye industry is a thing which runs continuously on the lines that prices provide their own purchasing power. However, examination shows that that is not the case. The best illustration of the A plus B theorem is to imagine a couple of workers, one from the Calyx factory and one from the extinct doll factory meeting in Boan's one Saturday morning. We will imagine that the Calyx employee wants to buy a doll and the Narrogin doll factory hand wants to buy a teaset of Calyx manufacture. Getting into Boan's they purchase the two articles. The fact about that transaction is that the money they spend in buying those two articles maintains them working in the factories that week. However, when the Calyx man left his factory he left behind him teasets and crockery of all kinds, and when the Narrogin operative left his factory he left behind him a lot of dolls on the benches. When they arrive at Boan's they spend the wages they earned in making dolls or teasets, by buying similar teasets and similar dolls. But those dolls and teasets were put into Boans perhaps six months previously. That is the whole of the A plus B theorem. It is a mere statement of fact. There is no relation whatever between the money in Perth this week buying goods and the prices of the goods it buys. If it so happens that the man who is making dolls in the factory at Narrogin and the man making teasets in the Calyx factory are put out of work this week, that has no connection with the particuar commodities in Perth shops at this time. If, on the other hand, it should happen that the factory should double its staff and its output, that would mean double the money to buy the existing goods in the shops, and would only have the effect of doubling prices.

Mr. Latham: I understood that as soon as people made the articles, you would release the same value in credits.

Mr. NORTH: All that is said is that the relation between the money this week in Perth and the goods should be a relation which corresponded precisely with the prices in the shops. Actually to-day the prices have no relation with the wages distributed this week for future production. It may happen, for the sake of argument, that the authorities of the Anglican Church here decided on a new cathedral, such as there is in Brisbane. They might decide to spend half a million pounds on a magnificent cathedral: there is no reason why they should not if they have the luck to get the money from

somewhere. Then the money spent in wages would merely go to flood the prices charged in the shops to-day. There is no relation whatever. Opponents of the theory say that every pound spent in production has entire relation to the prices. But there is no connection. Long before the goods made in the Calyx factory or the Narrogin doll factory come on the market, the workers now drawing the wages will have spent those wages in living. The workers are lucky if they save five per cent. of their wages at this time. Therefore when the goods come on the market, the money to buy them is for a new lot of production later on. The man in charge is not the employer or the employee, but the banker who in each case creates the overdraft which allows the industry to carry on. That is the vital fact which has not yet been realised. It is like the question of music or drawing, in which adjustments are necessary. One is apt to think that in Perth in a given week the money in people's hands has some relation to prices in shops. I trust I have made that matter clear. The American experiment is only going to prove this up to the hilt. The Douglas disputes which have been fought over for ten years will be proved or disproved during the next few months in the U.S.A. That country is starting out to do the impossible, to try the same old gamble of borrowing millions from the Federal Reserve Bank and flood the markets and force them to dish out more employment. It will be found that the wages will be chasing the prices. We have seen that for years.

Mr. Moloney: Is not that necessary?

Mr. NORTH: It is no means of overcoming the difficulty.

Mr. Latham: The only difference is that America proposes to pay interest, whist under the Douglas theory credits will be released without any interest.

Mr. NORTH: That is on difference, but not the real difference. It would be impossible in a Chamber like this to lay down the Douglas proposals in full detail to suit the Leader of the Opposition. The effort would become wearisome. I want to keep the matter very short, and my present aim is only to urge hon. members to agree to the inquiry. The point is that the real difference between Douglas and the present system can be expressed in one sentence: that he prices the costs of production upon consumption. There is a simple statement of fact that everyone can understand. We price our costs of production upon all kinds of book entries which eventually make up the prices.

Mr. Latham: What you propose would take a lot of policing.

Mr. NORTH: As if anything would take more policing than the present system! What a pleasant job would be that of a member of Parliament under the Douglas system! All the taxation that takes up so much of the time of the House would be abolished. There would be no Parliamentary allowance. Members of this Chamber would merely come here for the love of their country, since their Parliamentary allowance would be drawn as a dividend in any case, if members' families were large enough.

Mr. Latham: Let us start on that.

Mr. Cross: Would we get rid of our interest bill under the Douglas proposals?

Mr. NORTH: The future interest bill. We are not repudiationists; we are entirely in favour of meeting existing debts. But in the future we would not cover any new interest for capital works; that is to say, all interest charged would be refunded upon a valuation of the goods produced. Interest in that sense is purely a book entry. However, the main point is the difference between the proposed and the existing system. Take America, for example. If America based her prices under the "new deal" to the workers there upon the consumption incurred in producing the goods, she would be quite safe and she could carry on. But that is not the position. She is going in for the scheme on the basis of loading factory costs as before with borrowed money, interest and overhead charges that, in some instances, represent a load of 600 per cent. Yet in America they imagine that workers, with their small proportion represented by wages or salaries, will be in a position to buy goods that are loaded with 600 per cent. overhead charges! The proposal is utterly impossible. We will see a complete breakdown in America very shortly, and this may be followed by a gigantic test of the Douglas proposals in a negative sense, because that attitude is completely hostile to those proposals. If they had intended to follow the Douglas proposals in America, they would have adopted a very different

attitude. First of all, in pricing goods, they would have issued credits for factories without, as the Minister for Health interjected just now, loading them with interest charges. Therefore, in America, the effect would be that the prices would be within the reach of the wages or salaries and dividends paid out. In those circumstances, it would be found that the workers could buy all they produced, which is all these proposals of Major Douglas seek to achieve.

Mr. F. C. L. Smith: In order to secure purchasing power, everyone would have to work for wages.

Mr. NORTH: No, that is not the proposal. In my remarks now, I am analysing the American movement as it is at present and as it could be, and am pointing out that the nominal salaries paid could practically be the prices charged for goods produced. To-day, under the American system, the prices fixed will include overhead charges which I have already pointed out represent an increase of 600 per cent. in some instances. I have pointed out that that method can result only in a breakdown, and then there will be another appeal to the Central Bank for a few additional million dollars. The result of that is only too obvious to advocates of the Douglas credit proposals. In one sentence, that was the exact conclusion come to as the result of a six months' inquiry into these proposals that was carried out in England.

Mr. Latham: Who made the inquiry?

Mr. NORTH: The British churches established an economic inquiry in England six months ago. Their findings were summed up in the following points:—

> So long as unemployment is regarded as the primary problem, mankind is engaged in economic and social suicide.

That is the conclusion they came to. Then they went on to say:—

> The primary problem is to enable the productive system to deliver to the community those goods and services which it is able to deliver with the amount and quality of employment to that end.

Mr. Moloney: We have been saying that for years; that is nothing new.

Mr. NORTH: Of course, it is not new. You have your Government in power now; the Scullin Government were in power; the MacDonald Government were in power in England; Nationalist Governments are in power elsewhere. The cause of the problem has not been cured.

Mr. Cross: What do you propose?

Mr. NORTH: I am coming to that. In the opinion of the inquiry I have referred to, the secondary problem relates to employment, for they reported:—

> The secondary problem is to secure a fair distribution of work all round. This means, in effect, that industry should not be expected to maintain employment but rather to diminish it.

That is the point so hard for us to face in view of our existing economic system, under which, if a man does not work, he has to starve or go on the dole. As Professor Soddy pointed out, scientists to-day are, on Mondays, Tuesdays and Wednesdays, devising means of doing away with work, and on Thursdays, Fridays, and Saturdays, they are inventing new jobs to take their places. The Douglas proposals are designed to enable us with equanimity to see men put out of work, and even to glory in it. An article appeared in the local Press recently with regard to the Fremantle lumpers and their attitude towards bulk handling. It was pointed out by the writer that the lumpers had every right to refuse to handle wheat, and to oppose the bulk handling system until such time as they were provided with some other means of employment. Under the Douglas proposals, of course, the men would be in receipt of their dividends until something else was available. Life would be very pleasant, if we all had investments in stock to fall back upon when employment ceased.

Mr. Latham: Some of us would not want to return to work under such a system.

Mr. NORTH: The inquiry that I have referred to lasted for six months; we have been able to devote a few hours to the consideration of the Douglas proposals. In the opinion of those interested in the inquiry, so long as unemployment is regarded as the primary problem, we are engaged in economic and social suicide. Every time a new invention is introduced, under the Douglas system, those who now suffer in consequence would become proprietors of dividends derived from the application of the invention. In those circumstances, there would be nothing to worry about. In these days those who are hostile to the idea of a national dividend are those who are themselves deriving dividends from private sources. It

is a curious thing that the great statesmen of the world have come so near to solving the problem and to agreement with Major Douglas, but when they reach that stage, they stop and appear to be paralysed. I have here a statement by Mr. Lloyd George. He got quite close to the solution, but then he stopped as though paralysed. Perhaps the shade of some great banker was near to him at the time. He said—

> It is extraordinary and very odd that we are suffering from over-production of the very things we want.

Mr. Winston Churchill said—

> The modern world is suffering from the curse of plenty. Who could have thought that cheap and abundant supplies of all commodities should find science and civilisation unable to use them.

That is far as he got; it is far as we all have got. When honest, disinterested persons in New South Wales and elsewhere came forward with a simple solution that we should restore to the Crown the power to issue purchasing power, and decide what work was to be undertaken or not undertaken with regard to unemployment, and to prevent shops raising prices as the result of new money created for any such works, and that a discount system should be enforced, people held up their hands in horror and declared it was impossible.

Mr. Latham: Then you say there must be political control.

Mr. NORTH: Certainly not.

Mr. Latham: You say that the Crown shall have the power you have indicated.

Mr. NORTH: The Crown is in charge of the Fremantle harbour, but that is not regarded as political control. The control is exercised by a trust comprising a body of expert persons. In the same way the Crown could control our currency in proportion to production, and the needs of consumers. Perhaps that could be entrusted to a body of the most expert people we could secure. National currency could be controlled in that way by the Crown, just as the Fremantle harbour can be controlled under a policy dictated by the consuming public. That is to say, subject to the wishes of the people and subject to what is outlined in the Douglas proposals. Of course, there will be drawbacks and difficulties, even under such a scheme as that. What are we engaged upon in Parliament to-day. We are concerned with overcoming present-day difficulties. We have to alter our taxation and to do other matters necessary to overcome difficulties. To show that the Douglas proposals are no longer viewed with hostility by a large section of the community, a striking thing happened in Queen's Hall, right in the heart of London, about six weeks ago. The incident was not reported under glaring headlines in the "West Australian." Queen's Hall was filled by a large audience, and on the platform there were 75 members of Parliament, ambassadors, and row upon row of professors and others associated with royal societies, and individuals in that category. Among those in the gathering were Major Douglas, Professor Soddy, Lord Tavistock and others who have been prominent in advocating the new economics.

Mr. Sleeman: You would not expect the "West Australian" to feature that sort of thing.

Mr. NORTH: At that great gathering three resolutions were passed for presentation to the British Government. The first resolution set out that to the Crown should be restored the prerogative over credit. The second resolution was that the gold standard should not be returned to, and the third resolution set out that the British Cabinet should immediately reconstruct the financial and fiscal policy to the end that every person in Great Britain should be assured of security and the three well-known items—food, clothing and shelter. Those resolutions were carried unanimously and forwarded to the British Cabinet. It will be observed that 75 members of Parliament were present at that meeting and not merely one or two members who might be regarded as cranks.

Mr. Wansbrough: That settled it.

Mr. NORTH: The Douglas stocks have been booming lately. Here is the culminating point in the little picture I have attempted to draw. The next morning some of the leading newspapers sent their representatives to the convenors of the august and enormous meeting, at which the resolutions I have referred to were carried, and intimated that although full reports of the proceedings had been taken, the bankers had forbidden the publication of the reports.

Mr. Latham: Do you say that is what the representatives of the leading newspapers told the convenors of the meeting?

Mr. NORTH: Yes.

Mr. Latham: That is a most remarkable statement to make.

Mr. Sleeman: Why remarkable?

Mr. Needham: It is usual.

Mr. Marshall: Newspaper proprietors are very often directors of banks.

Mr. NORTH: My statement can be checked by the newspapers when they come to hand very shortly. What I have said will indicate to the House that consideration of the matters we have been discussing is not confined to Western Australia. Quite recently newspapers in England have recanted and are prepared to admit that these changes must be made. In those circumstances, we are well advised to persist in urging that an inquiry should be conducted. I find myself limited to the extent that the Premier desires that we should press this matter on the Federal Government. I cannot move to amend my own motion, but before I sit down, I would urge the Premier to bring this matter under the notice of the Federal Government. Perhaps some other member will move to amend my motion by inserting "Federal" before the word "Government," and that will get over the difficulty and secure what we all desire.

Mr. F. C. L. SMITH: I move—

That the debate be adjourned.

Motion put and negatived.

Mr. GRIFFITHS: Would I be in order in moving an amendment to insert "Federal" before the word "Government"?

The Minister for Mines: No, let us carry the amendment before the House, and you can then move to amend that as you like.

Amendment put and passed.

On motion by Minister for Works, debate adjourned.

House adjourned at 9.32 p.m.

Legislative Council,

Thursday, 28th September, 1933.

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

BILL—FINANCIAL EMERGENCY TAX.

Standing Orders Suspension.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [4.33]: I move—

That so much of the Standing Orders be suspended as is necessary to enable the Bill to pass its remaining stages at one sitting.

I am submitting the motion without notice, but there is necessity for it in order to complete the final stage of the Bill, instead of adjourning consideration over one day.

Question put.

The PRESIDENT: There being an absolute majority of members present and no dissentient voice, I declare the question passed.

BILL—GOLDFIELDS ALLOTMENTS REVESTMENT.

Read a third time and *passed.*

BILL—SUPPLY (No. 2), £1,201,000.

Standing Orders Suspension.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [4.35]: I move—

That so much of the Standing Orders be suspended as is necessary to enable the Bill to pass its remaining stages at one sitting.

Members will recognise the necessity for the motion. The authorisation under the previous Supply Bill has been exhausted, and we have to secure the passage of this Bill to enable the Government to meet the position.

Question put and passed.