

The MINISTER FOR WORKS: The object of the subparagraph is to prevent people who are not prepared to pay for their trips from riding on a vehicle which is plying for hire. The Municipalities Act contains a similar provision, which is designed for the benefit of those who let cabs and cars out on hire. Persons who are not prepared to pay should not enjoy the same privileges as those who do pay.

Mr. SMITH: The subparagraph is quite unnecessary, and I move an amendment—

That in paragraph (ii) of Subclause (1), subparagraph (g) be struck out.

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

Ayes	11
Noes	15

Majority against .. 4

AYES.

Mr. Brown	Mr. Nairn
Mr. Draper	Mr. Pickering
Mr. George	Mr. Scaddan
Mr. Griffiths	Mr. Willmott
Mr. Hickmott	Mr. Hardwick
Mr. Mitchell	(Teller.)

NOES.

Mr. Angwin	Mr. Muirhead
Mr. Brown	Mr. Roche
Mr. Chesson	Mr. Smith
Mr. Collier	Mr. Thomson
Mr. Duff	Mr. Troy
Mr. Durack	Mr. Willcock
Mr. Jones	Mr. Munsie
Mr. Lutey	(Teller.)

Amendment thus negatived.

Mr. PICKERING: I move an amendment—

That in Subclause (1) paragraph (vi.) be struck out.

This paragraph proposes to give power to limit the number of passenger-vehicle or carriers' licenses which may be granted in any district. As regards my town, Busselton, it is considered that any number of licenses should be granted; and I see no reason why the proposed restriction should apply elsewhere.

The MINISTER FOR WORKS: A similar provision is embodied in the Municipalities Act, and I presume the object is to prevent an unlimited number of vehicles plying for hire.

Hon. W. C. Angwin: That cannot occur under this Bill even if the paragraph is deleted.

The MINISTER FOR WORKS: There was a case in which one cab did well, whereupon two or three more cabs came along, and ultimately none of them did well. The local authorities do not wish to make the paragraph prohibitive, but they desire power to ensure that men make a decent living. However, I am not particular about this paragraph.

Hon. W. C. ANGWIN: The subparagraph merely empowers the Minister to make a regulation if he thinks fit. Personally I would prefer to see the paragraph deleted. No regulation if it is made can over-ride the clause. This clause gives the Minister power to state by regulation what shall be a reasonable requirement.

Amendment put and negatived.

Paragraph (vii.):

Mr. SMITH: The words "having previously engaged" should be added to the clause, otherwise a demand might be made on a carrier to undertake an engagement when he might be engaged by somebody else.

Hon. W. C. Angwin: But this is only to make regulations.

Subparagraph (c) of paragraph (viii.):

The MINISTER FOR WORKS: I move an amendment—

That subparagraph (c) be struck out and that the following be inserted in lieu—"Prescribe the maximum weight which might be taken across any bridge or culvert."

Amendment put and passed.

[The Speaker took the Chair.]

Progress reported.

House adjourned at 11.15 p.m.

Legislative Council,

Wednesday, 1st October, 1919.

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

QUESTION—WHEAT SILOS.

Hon. H. CARSON asked the Honorary Minister: 1, Are the Federal Government still prepared to loan moneys to the State Government for building wheat silos? 2, If so, will the Government introduce this session a Bill for their erection.

The HONORARY MINISTER replied: 1, No. 2, Answered by No. 1.

QUESTION—DISCHARGED SOLDIERS' SETTLEMENT ACT, AMENDMENT.

Hon. H. CARSON asked the Honorary Minister: Do the Government intend to introduce this session a Bill to amend the Discharged Soldiers' Settlement Act?

The HONORARY MINISTER replied: The matter is under consideration.

QUESTION — STATUTE OF LIMITATIONS, PROTECTION OF CREDITORS.

Hon. H. CARSON asked the Honorary Minister: Will the Government take steps this session to protect creditors under the Statute of Limitations?

The HONORARY MINISTER replied: The question of excluding from the period fixed by the Statute of Limitations the time during which debtors have been protected by the Moratorium Regulations and Postponement of Debts Act, 1914, will be considered.

QUESTION—PUBLIC SERVICE APPOINTMENTS.

Hon. J. CORNELL asked the Honorary Minister: 1, How many men have been permanently admitted to the Public Service from 4th August, 1914, till 31st August, 1919? 2, How many men have been temporarily admitted to the Public Service during the same period? 3, How many returned soldiers have been admitted in each category? 4, Are there any records of the ages of the men not being returned soldiers admitted in both categories during this period. If so, what are the respective numbers admitted between the ages of 19 and 45 years? 5, Are there any records which will disclose the number of single men employed in both categories during this period. If so, what is the number, and what are the numbers of those who enlisted in the A.I.F., or so offered themselves? 6, Are there any records which will disclose the number of men in both categories who married during this period. If so, what is the number?

The HONORARY MINISTER replied: The collection of the information required will involve considerable work. A return is being prepared, and will be laid on the Table of the House when completed.

QUESTION—WAR PRECAUTIONS (COMPANIES) REGULATIONS.

Hon. J. NICHOLSON asked the Honorary Minister: 1, Have the Government made any representations to the Federal authorities to rescind the War Precautions (Companies) Regulations, which still render it necessary to obtain the consent of the Federal Treasurer before a company can be formed or calls made or capital of companies or firms increased, etc.? 2, As the

consent must be obtained by applying to the Federal Treasurer in Melbourne, are the Government aware that the delay occasioned thereby is serving to retard the progress of development of industries in this State? 3, If no representations as above have been made, will the Government make them and urge that the regulations be rescinded, or that an officer be appointed in Perth to give the necessary consent under the regulations?

The HONORARY MINISTER replied: 1, No. 2, The Government are not aware that the development of industries in this State is being retarded. 3, If evidence of delay or retardation of progress is forthcoming, the Government will make representations to the Federal authorities.

MOTION—FINANCIAL RELATIONSHIP WITH COMMONWEALTH.

To inquire by Royal Commission.

Hon. A. SANDERSON (Metropolitan-Suburban) [4.35]: I move—

That in the opinion of this House the Government should at an early date appoint a Royal Commission to report on the financial relationship between the State of Western Australia and the Commonwealth.

I am well aware that sometimes a motion is moved for the purpose of ventilating public questions, and the mover does not then expect, possibly it is not his desire, to see it carried. However, this motion is in a very different category. I am going to be exceedingly brief because I wish, if possible, to see this motion put through this afternoon. To ask for a Royal Commission at a time like this is a serious matter, but so also is the relationship between ourselves and the Commonwealth. I believe it is only by a Royal Commission that we can get an exhaustive statement of the position, but if it is thought advisable to appoint a select committee, whether of this House or a joint select committee, rather than a Royal Commission, personally I will gladly accept the amendment. The expense of a Royal Commission is sometimes considerable, and is always something. But the cost, if it ran into three or four figures, of a Royal Commission on this subject, if the Royal Commission did its work properly, would be money uncommonly well spent. A statement has been made by the Premier—in regard to the attitude of the Government on this subject. The Premier stated that the Government were awaiting a report from the Auditor General and would then consider the question of appointing a committee to go into the matter. Hon. members will agree that, in the first place, the Auditor General must have his hands uncommonly full with ordinary work and cannot possibly devote the necessary time and attention to this important matter, and, secondly, even if he were

able to do so, his point of view would not exhaust the subject, and unless he is going to form himself into a joint committee or a Royal Commission on this question, the report which he will present to us—because he is the servant, not of the Government, but of Parliament—would not cover all the ground. Most of us well remember the speech made by the leader of the House last year. I am going to read half a dozen lines from that speech because it sums up the position and puts in a very strong light the necessity for getting this information. It was in April, 1918, that Mr. Colebatch spoke as follows from his seat in this Chamber:—

I wish to impress on members, on the Press, and on the people of Western Australia the importance, the eminent importance, of at once taking up with vigour and purpose the question of the financial relationship of the State to the Commonwealth. No intelligent consideration of our public finances is possible without a thorough understanding of this matter. The great need for the closest investigation of this question lies in these facts—

(1) Already there have been two alterations from the method of distributing surplus revenue adopted at the outset of Federation; (2) Each of those alterations has been prejudicial for Western Australia as compared with the more populous States; (3) A further alteration is to be made to take effect from the 1st July, 1920.

Mr. Colebatch went on to say—

To my mind this alteration is a life and death matter to Western Australia. If it is to be made on equitable lines giving full recognition to the spirit of the Commonwealth constitution, the resources of Western Australia, aided by sound government, it should enable us to retrieve our position. If the third alteration is to follow the lines of that adopted in the two already made, if Western Australia is to be still further prejudiced, then it seems to me threatened State bankruptcy may well drive us into one or other of two desperate alternatives—separation or unification.

Two months after that, on the 19th June, 1919, Mr. Watt, the Acting Prime Minister, in reply to the argument addressed by the Premier of New South Wales in favour of the Commonwealth Government abandoning certain sources of revenue in return for the States' agreement to abandon to the Commonwealth any claim for per capita revenue, said there was not the slightest hope of the Commonwealth Government's surrendering any of their taxation powers, that with the load they were carrying and obliged to carry the Federal Government would need them all. I am not going to deal with any part of the question as to what the position is. I have certain views and certain facts to fortify those views. Other members may hold quite different views. All I am asking for is that we should have in a clear, practical and official form

a statement of the position in regard to our relationship with the Commonwealth. It seems to me impossible to discuss the question unless we can have our facts and figures before us, and although I have been working for 10 years on this question, I do not pretend that I have collected all the information which we and the rest of the public should have if we are to consider it intelligently. I do not tie myself down, nor do I ask hon. members to tie themselves down, to a Royal Commission, or to a select committee or even to a joint select committee. If they can suggest a better way of collecting the information on this point I shall be more than satisfied. But before I sit down, if anyone thinks it is unnecessary, or is going to be costly, or that the time is not ripe, I ask him to tell me where can we find a clear statement of the position of affairs as concerns Western Australia? We have all had an opportunity of meeting Federal Ministers here, and doubtless many of us have discussed the question between ourselves and before the public. But when we come to close quarters with this subject it is of no use indulging in generalities or abuse. We have to point out this part of it in regard to per capita revenue. We have to know what we are saying, and to show the justice of the claim to our Federal members or to the people in the Eastern States. That seems to me the only businesslike way of dealing with the matter. To accuse the Eastern States and the Commonwealth of robbing us is ridiculous. If they are robbing us it is unintentional and not deliberate. I think we are labouring under a very severe disadvantage; but instead of simply saying that over and over again, with a few adjectives thrown in, I want to be able to say to the Federal members and to the people of the Eastern States, that in this particular point we are unfairly treated, and that the remedy is so and so. It is only by means of a Commission or a committee that we can get the different points of view, whether it is Mr. Owen, with his expert knowledge, or whether it is our Colonial Treasurer or ex-Treasurer. The Under Treasurer, Mr. Black, would assist, and others would also assist in the work. I want to get together all the evidence possible so that everyone can delve into the matter for himself, and the Royal Commission or the select committee would then come forward presumably with specific recommendations on the whole position. I trust that hon. members appreciate the urgency and the importance of the matter. I have much pleasure in moving the motion standing in my name.

Hon. J. DUFFELL (Metropolitan-Suburban) [4.45]: I have much pleasure in seconding the motion. I realise that the position of Western Australia in its relationship to the Commonwealth Government is one that is not at all enviable. We have had on many occasions during the last two or three

years illustrations of the treatment by the Federal Government of the States, and particularly of Western Australia. This treatment was of such a nature that the States could not do otherwise than have their confidence undermined, so far as concerns the question of that feeling of unity which prompted them to enter into Federation and which led them to expect that they would get a fair deal in return. I was pleased to hear Mr. Sanderson mention the name of the State Taxation Commissioner, Mr. Owen. I would prefer a Royal Commission, especially if it were possible for Mr. Owen to be at the head of it. It is pretty well known that an alteration is contemplated in his position. That being so, the appointment of a Commission would be opportune, as it would enable Mr. Owen, before entering upon his new duties, to take up the position of Royal Commissioner. That is why I support the motion from this point of view. There can be no doubt that the Federal Government and the Western Australian Government are not on the friendliest possible terms. Recently we had a further illustration of the feelings of the Federal Government towards the State in respect to the soldier settlement scheme. Although we had all facilities here for dealing with that question, in the board that exists in connection with the workers' homes system, and which was in a position to carry on the whole of the work of the scheme which emanated from the Federal Council, at the very last moment the Federal Government turned round and said they were going to appoint their own staff to carry out this work, which meant a duplication of the system of administration and created a totally new department, which was likely to be cumbersome and expensive to the community. A Royal Commission of this nature at this time should meet with the approval of hon. members, and I have much pleasure in seconding the motion.

Hon. J. NICHOLSON (Metropolitan) [4.50]: I support the motion, and congratulate the mover upon the clear and concise manner in which he placed his remarks before the House. The financial relationship between the State and the Commonwealth at the present time is most involved, and there are very few members, I think, who have, what one might call, an intelligent and thorough grasp of the position. As the years have gone by changes in regard to our financial conditions have been effected. The time has now arrived, in view of the serious condition of our State finances, when we should see what can be done to remedy this trouble if possible by some rearrangement with the Commonwealth. I feel sure that the result of the appointment of a Royal Commission as is proposed will be to give members of both Houses a fuller and better knowledge upon the question, which they lack at the present time. It also seems to me that it will arouse in them a greater desire to look further and more closely into our State financial position.

I hope the motion will be carried. I agree with the idea expressed for the inclusion of such men as have been named. I refer particularly to the Commissioner of Taxation, Mr. Owen, and to the Under Treasurer, Mr. Black. If the Royal Commission consisted of both of these gentlemen, I feel sure that we would get the fullest and most comprehensive report that could be desired. They are both men of great skill, and men who exercise patience in whatever they undertake. One could not but endorse such appointments as these. At the same time, as they are public officers, it is to be hoped this work would not take them away too much from the onerous duties they are called upon to perform. I recognise that in making such appointments it will free the Government from the responsibility that will devolve upon them of paying someone from outside the service, but it is not for that reason that I have mentioned this matter. I believe that every labourer is worthy of his hire. There is no gainsaying the fact that our finances are in a very bad and parlous condition. Even though we went outside the service, I feel that we would find it hard to get two men more fitted for such a task.

Hon. Sir E. H. WITTENOOM (North) [4.53]: The question of appointing a Royal Commission is at all times a serious one, and should not be taken lightly. Unless we can see that the effect of a Royal Commission will be advantageous we should hesitate before we rashly vote for it. I am not sure as to what the mover of the motion intends, whether this Commission should inquire into the existing financial arrangements between the State Government and the Federal Government, or whether it was with a view of making recommendations as to what alterations should be made and what should be undertaken in future. There are several conditions existing now which I think we all admit are unsatisfactory. One of these is on the question of the return of the customs money. We all know that up to this time we have had an arrangement whereby something like 25s. per head of the population has been returned from our customs revenue. The statement has been made that this will in time be reduced gradually until it ends in nothing, and the Federal Government will monopolise the whole of the customs revenue. That will be a serious matter for Western Australia. None would know this better than Treasurers, past and present, or how hard it will be to make both ends meet in the future. One of the most wicked actions of the Federal Government, and one that we all regret exceedingly, was when they entered into competition with the States savings bank. This took away one of our best avenues of revenue. People who had made money in the State naturally invested it in the local savings bank, and this enabled the Government to have control of it. Not satisfied with having a large amount of our customs money, the Federal Government

stepped in and established savings banks in competition with our own in every locality and in every part of the State. This has been a wicked inversion of the intention of the Federation. Another thing is the taxation of our lands. Our land is the main thing in Western Australia. It is the foundation of our very existence. At all events it is the foundation of our development and we find that there again they have stepped in and imposed a tax. These are matters which will no doubt be brought up before the Royal Commission. We also have had a statement made recently and made without any qualification whatever, by the Acting Prime Minister, Mr. Watt, that the Federal Government did not intend to forego one jot of the rights that they hold now, or to give up anything to the States in connection with the financial arrangements. In these circumstances it seems almost futile to inquire into the matter unless it be from a speculative point of view. The point brought forward by Mr. Duffell, although perhaps one to which exception may be taken, is more an administrative matter than one in connection with our financial arrangements. In these circumstances it will hardly affect the case so much as the other three items I have mentioned. The only points we have to consider now are as to whether, in view of the statement which was made by the Acting Prime Minister, a Royal Commission would really affect the position. A sensible proposal has been made by the Premier of New South Wales, Mr. Holman. One part of this proposal was that if the States were prepared to abandon their claims to the customs duties the Federal Government should remove their savings banks from the States. That is a matter worthy of consideration. Whether one would balance the other is more of an actuarial question than anything else. It was, however, a useful point, because there can be no doubt that the handling by the State Governments of the savings bank money invested in the State institutions must be of great advantage to any Treasurer. As to the constitution of a Royal Commission and the names of the gentlemen who have been mentioned, they would no doubt be able to tell the effect of the practical working out of the arrangement as it exists at present, but will they be able to make recommendations for the future? They are neither politicians nor statesmen, and I take it that some of the members of the Commission should be men who are able to put forward some platform, or plan or recommendation that would be useful, and workable as between the two Governments. I have no desire to oppose the motion but should like to hear some remarks in reply to those I have put forward.

Hon. H. MILLINGTON (North-East) [5.0]: I feel inclined to support the motion for the appointment of a Royal Commission. The mover has purposely given it a wide range. The term "financial relationship" is very comprehensive, and will embody all that

has been mentioned by those who have spoken to the motion. Further, I welcome anything in the nature of an inquiry that will bring this question, which is of such importance, more prominently before the public. The financial statements which are placed before us in this State are not too satisfactory. They merely set out the receipts and expenditure, and in every instance we have grown so accustomed to the unsatisfactory condition of things which exists that it has now become one of those questions which occur and which many people simply dismiss from their minds. However, it is a matter that has to be faced both so far as the State and Federal finances are concerned, and the relation of one to the other. I cannot help thinking that in regard to finance the Federal position has overshadowed that of the State. Sir Edward Wittenoom referred to the State Savings Bank. The difficulty is that whereas the Federal Government are competing with the State, we are in a position not only of having to compete, but our credit to that extent is suffering, and at the same time, whereas the Commonwealth have entered into competition and taken a big proportion of our finances away from us, they have not taken over any corresponding liability. We still have the development of the State from a domestic standpoint to attend to, and whereas in times past we could use money derived from the State Savings Bank, we are now in the position that we have to borrow for State developmental purposes and at a high rate of interest. As a matter of fact it is problematical whether money can be raised at all. Mr. Sanderson has brought forward a motion which proposes that the whole of these things shall be inquired into. I agree with Sir Edward Wittenoom that if State officials only are appointed to this Commission they will merely set out the case as it stands. I am of the opinion that something more than that is required. We must have a policy which certainly cannot be laid down by officials. It would be outside their scope to do so. Therefore if a Commission is to make recommendations of any value with regard to the solving of the problem, it will require someone on that Commission who will be prepared to make recommendations for getting over the existing difficulties, which have been so often mentioned, but in regard to which no one has suggested any adequate solution. The question involved in the motion is certainly a big one. I am not sure whether the position would be made as clear as we would like it to be made by the appointment of a Royal Commission, but I am confident that we shall have to tackle the question of a better arrangement with regard to the financial relationship between the State and the Commonwealth. Presumably this is also something that will be taken in hand by the other States, but all we can do is to attend to our own affairs. This is a step in the right direction, and Mr. Sanderson is to be congratulated not only on bringing the motion forward, but on the amount of time and

study he has given to the matter. It is a subject that will have to be tackled, and I welcome the motion which provides a means whereby the question can be dealt with clearly. Its importance has been brought home to the people of the State, and particularly to those who are responsible for managing the financial concerns of the State, and also for endeavouring to arrange methods whereby we can work in co-operation with the Commonwealth. In regard to policy, it will be necessary in the very near future to decide what attitude we shall adopt so far as the question of raising future State loans is concerned. At the present time this is being done by the Commonwealth. How long this will continue we know not, but the fact remains that all these questions will come within the scope of the financial relationship of the State and the Commonwealth. I presume Mr. Sanderson has purposely drafted his motion to give it the widest possible scope. It is certainly comprehensive, and I believe if the Commission be appointed much information of value to the State will result. I have an objection to the appointment of Royal Commissions promiscuously, but when we take into consideration the very much smaller questions which have been referred to Royal Commissions—the twopenny-halfpenny affair which is investigating the Fremantle troubles, for example—I do not think anyone will take exception to the appointment of a Commission to deal with a question that is vital to the existence of this State, and one which will affect both the State and the Commonwealth for many years to come. Therefore, although I have an objection to Royal Commissions on trifling subjects, no one can say that this question is not of the utmost importance, and if any matter justifies the appointment of a Royal Commission certainly the relationship of the State and the Commonwealth in regard to finance, does. I have much pleasure in supporting the motion.

Hon. J. CORNELL (South) [5.8]: I have little to say, except to commend Mr. Sanderson for bringing forward a motion of such great importance. The fact of the hon. member doing so will demonstrate to the people not only of this State, but probably of the other States, that at least there is one institution in Western Australia noted, or alleged to be noted, for its dormancy, which has considerable virility, and is awake to the extent to which the State is drifting. To my mind the time is overdue not only for the re-consideration of our Constitution, but also for remodelling it, so that it may be brought into line, not only in the light of experience, but also because of events that are to come and what may happen. Our Constitution is wrongly cast. If we adopted the Canadian Constitution there would be no question as to with whom any power lay when dealing with important matters. The Commission which it is sought to appoint will probably give me information which

even as a member of Parliament I am not at the present time possessed of. For instance, I do not know how much money the State owes to the Commonwealth. With regard to the suggested personnel of the Commission I agree with Sir Edward Wittenoom that it should not be composed of members of the public service. As that hon. member has so ably pointed out, it would not be possible for them to do anything beyond point out things as they are. We desire to have demonstrated matters as they are likely to be.

Hon. J. DUFFELL: The most valuable report that we have is from Mr. Owen.

Hon. J. CORNELL: Exactly; that report shows what has happened. However, I have yet to learn that members of this House are prepared to place any great reliance on prophets, but I think the scope of a Commission such as this should include politicians, though it is a generally accepted axiom that statesmen do not exist until they are dead, and that it is then that they are recognised.

Hon. H. STEWART (South-East) [5.12]: I am very pleased that Mr. Sanderson has moved this motion and whether it is proposed to appoint a Royal Commission or a select committee I consider the time has arrived, and in fact is overdue, for such an investigation as is proposed. A difficulty presents itself to me and it is that such a Commission will not be able to give us as much information as we would desire with regard to the Commonwealth aspect of the financial position, and if we can see any way by which that difficulty can be overcome it is desirable that we should avail ourselves of it. It appears to me, however, that the matter will be difficult to arrange. I agree with Sir Edward Wittenoom that in addition to Mr. Owen, Commissioner for Taxation, perhaps Mr. Black, the Under Treasurer, should also be a member of the Commission, and it is desirable that one or more members of Parliament should also be on it, especially those members of Parliament who are conversant with the relation existing between the State and the Commonwealth, and who have had to deal with the State's finances. I would be glad to have the information which I believe could be collected by such a commission. It would also help to arouse the interest of the public in the financial position of the State. The public of Western Australia, as a whole, have shown a woeful lack of vital and sustained interest in the State's finances.

Hon. J. Cornell: For which we should be thankful.

Hon. H. STEWART: I do not think so. Mr. Sanderson is to be thanked for keeping this subject before the public. The public are not altogether to blame for their lack of interest because, when a member endeavours to investigate matters connected with the financial position of the State, he finds it extremely difficult in many cases. Such an investigation by a Royal Commission will, I hope, bring out information which

will tend in future to the production of returns showing the public more definitely the actual position. We have monthly statements published at present and I always go through them in detail. I had a conversation with the Under Treasurer last year and ascertained from him that the figures regarding the trading concerns—and I believe the same applies to business undertakings—really do not show the actual position owing to the necessity for “book entries.” I was inquiring why, in a previous month, there had been a substantial credit which led one to believe the position had greatly improved, but in a subsequent month there had been a debit. In explanation I was told this was a book entry; too big a credit had been made in the previous month and, consequently, in the ensuing month, quite a substantial debit had to be made to rectify the position. To go through the statements from month to month represents so much time wasted because the figures do not represent the actual position. After my conversation with the Under Treasurer, I have come to the conclusion that the only time when we can get any idea of the position of the State trading concerns is when the annual report and balance sheet are published. The motion has my sympathy and whatever form the inquiry takes, it will receive my support.

Hon. J. J. HOLMES (North) [5.19]: I congratulate Mr. Sanderson on having tabled the motion, and I would like to support him, but I am confronted with the difficulty that we have no idea what the cost of the Royal Commission is likely to be. There has been a good deal of discussion in this House regarding Royal Commissions and their cost, and a good many of us have declared that an exceptionally good case will have to be made out before we make ourselves parties to appointing any more.

Hon. J. Duffell: We had one which did not cost anything.

Hon. J. J. HOLMES: If the hon. member assures me that this will not cost anything, I will support it.

Hon. J. Nicholson: It should not cost anything.

Hon. J. Cornell: You are not likely to get anything for nothing.

Hon. J. J. HOLMES: If it is going to cost nothing, no harm can be done, but I am pretty certain it will cost a considerable amount and I am pretty certain that, when the commission have completed their inquiries, the report will not be worth the paper it is written on. The document, to be of any use at all, would supply evidence of injustice to this State by the Commonwealth and I am satisfied that the Commonwealth do not care a rap for this State or the treatment they mete out to it. The Commonwealth Parliament is run like the Western Australian Parliament, from a political standpoint and not from the standpoint of statesmanship. No doubt both the Prime Minister (Mr. Hughes) and the late acting

Prime Minister (Mr. Watt) have a desire to further the interests of this State and assist us in every way possible, but if they go to the House of Representatives with a proposal to mete out equitable justice to Western Australia, they are confronted with the support of five members from this State against nearly 100 from New South Wales and Victoria against the proposal, and they count heads and say—“We will not do anything, if we do the boomerang will hit back upon us.” The Federal Parliament, like the Parliament of Western Australia, is run from a political standpoint. My colleagues who represent the Northern province, where there are very few representatives, know the treatment meted out to us by the State Government simply because we are few in numbers. As the sparsely populated North is treated by the Western Australian Government, so the sparsely populated State of Western Australia is treated by the Federal Government and all the Royal Commissions, and all the reports and documents we can produce will not make any difference. I would gladly support the hon. member if I thought any good would come of the motion, but I do not think the report will be worth the paper it is written on if a Royal Commission is appointed.

Hon. H. CARSON (Central) [5.22]: Mr. Sanderson is to be highly commended for having introduced the motion. Members know how diligently the hon. member has studied the finances of the State and has recognised what a parlous condition they are in. He is always telling us we are travelling towards unification. Undoubtedly that is true; we shall, in a short time, have to proclaim ourselves to the Federal Government a necessitous State. I think it would be very wise to appoint a Royal Commission to go thoroughly into the matter of the finances and the relationship with the Commonwealth. It would strengthen the hands of the Government in dealing with the Federal authorities, and I feel sure something must be done in the near future either by re-modelling the Constitution or in some other way to ensure better treatment from the Federal Government than we have had in the past. If the Royal Commission were appointed, they would be able to present facts and figures to show the Commonwealth that we have not been fairly treated, more especially in connection with the capitation grant during the war. Western Australia sent more men to the Front proportionately than any other State and yet, so far from receiving any recompense, we have suffered for it. I hope the motion will be carried. I do not think a Commission ought to cost a great amount. There are members in this House and in another place who would be willing to act, and I think they could conduct the inquiry quite as well as any outside body.

Hon. J. W. KIRWAN (South) [5.25]: I am sorry I was not in my place to hear Mr.

Sanderson propose the motion, because I would like to know exactly what information he desires to obtain as the result of the appointment of a Royal Commission. The hon. member knows that the financial relationship is set out in the Commonwealth Constitution and in various Acts which have been passed since. What further information does he want regarding the finances of the State and the Commonwealth other than can be obtained from the official documents? Sir Edward Wittenoom referred to the Commonwealth Savings Bank. The figures regarding that institution are perfectly well known to that hon. member. They are published every quarter, and we know exactly what proportion of the savings of the people go into the Commonwealth Savings Bank and what amount goes into the State Savings Bank. The amount of State revenue which goes to the Commonwealth through the medium of customs and excise duty, we know perfectly well, and no one is better aware of it than the hon. member. I fail to see what further information can be obtained than that which we at present have at our command. The report of the commission might perhaps bring that information together and present it in a concise form, and thus help to educate the people better regarding the financial position of the State, but if this work is going to cost a good deal of money, one is justified in pausing and asking whether it will be worth the expense entailed. The financial position of the State is appalling, and the relationship of the Commonwealth is only one very small portion of a very serious problem with which we are face to face to-day. After all, this can only be a resolution of this House, and it does not necessarily follow that the Government will act upon it. I do not see that much harm can result from passing it, though there may not be much good, but if the hon. member wishes the appointment of a Royal Commission, I would urge upon him the necessity for setting out exactly what information, other than is available in official documents, he desires and what he expects the Royal Commission to do further than collect and present that information to us in concise form. It seems rather a cumbersome course to secure information and a result which might be achieved much more simply.

[Resolved that motions be continued.]

Hon. J. EWING (South-West) [5.31]: It seems to me that the last speaker has not really got the meaning of the mover at all. The placing before this House of a concrete statement of the financial relationship between Western Australia and the Commonwealth would fully justify the carrying of the motion. But I take it that the mover desires we should see whether the Commonwealth have not really overstepped their powers by taking from us certain means of taxation which should properly belong to the State. Sir Edward Wittenoom, I presume,

takes the position that the Commonwealth had no right whatever to get through the Commonwealth Savings Bank money which should come to the State Savings Bank, and which did come to that institution in years gone by.

Hon. J. W. Kirwan: The motion asks that the Royal Commission should report on the financial relationship.

Hon. J. EWING: Yes, but I think the motion has a wider meaning than the hon. member supposes. The mover led me, at all events, to understand that the scope of the inquiry should be as wide as possible, dealing not only with the financial position of the State but also with many other matters, not only financial, affecting the people of Western Australia. Mr. Millington appears to be not quite sure whether he will support the motion, though at the conclusion of his remarks he said he would do so. I do not think any hon. member can do otherwise than support the motion and thank Mr. Sanderson for bringing it forward. From the newspapers I observe that an important member of the South Australian Ministry, a member of the Country party moreover, is warning the Country party and the people of South Australia regarding the seriousness of the position obtaining between the Commonwealth and their State. He points out that the trend of things is straight towards unification, and he urges the people to keep their powder dry so that they may effectively oppose unification.

Hon. J. Duffell: Tasmania is in the same box, too.

Hon. J. EWING: I am satisfied that we want all the money we can possibly get at the present time. Most of us do not thoroughly understand the position. The Federal Government can make further inroads on our financial resources and so embarrass the State. A Royal Commission will probably furnish us with information that we do not possess to-day. I know the Federal Constitution fairly well, but I am satisfied that financial information put in concrete form by a Royal Commission would place me in a better position to debate the subject. I do not know whether the leader of the House is going to reply to-day, or move the adjournment of the debate. I hope he will speak at once and state whether or not the Government will support the motion. It is all very well for us to pass pious resolutions which are not acted upon. When the Government are approached to appoint a Royal Commission, they say, "It will cost too much, and we do not think it is worth the expense." If this motion is carried, I would suggest that Mr. Sanderson move a further motion transmitting the original resolution to the Assembly and asking the concurrence of that House therein. Over the life of the Government we have no power whatever, not being a party House, and any expression of opinion from us may pass unheeded by the Ministry; but if our resolution is endorsed by another House, Ministers must necessarily appoint a Royal Commission or give some

good reason for not doing so. I think the Government would carry out the expressed wish of both Houses of Parliament; otherwise they would speedily go out of office, which would be a lamentable thing in view of the splendid Government we now possess. I think one member stated that Mr. Watt had said he would not depart from the pronouncement he had already made and that he was going to have his last pound of flesh. The Federal elections are coming along, however, and it is just on the cards that Mr. Watt may not be Federal Treasurer when those elections are over. He is only a cipher like the rest of us, and if the electors are dissatisfied with him, out he goes. I do not think, either, that Mr. Hughes will back up all that has been said in his absence by Mr. Watt. The information referred to in the motion is urgently required in view of the fact that several gentlemen are coming up for Federal honours in December next. With that information in our possession, we shall be able to see whether our Federal representatives are out for State rights or not. When Federation was inaugurated, the Senate was instituted in order to preserve State rights. Looking at the position to-day, however, it is clear that the Senate has paid ridiculously little heed to State rights. With the Senate it is simply a question of party politics, so far as I can see. Neither side in the Senate cares a rap about State rights, but simply cares about keeping its party in power. Having such a small representation as we have in the Federal Parliament, the position is made very difficult for us. All we can do is to get the fullest information, as suggested by the motion, and place it before the people, and let the people be satisfied that the State is not receiving a fair deal from the Commonwealth. Let us urge the men whom we send to the Federal Parliament to stand by us when they get there, and not to sink their identity and do practically nothing in the interests of Western Australia. The injustices which Western Australia has had to put up with from the Commonwealth during the past five years are outrageous, and every member representing Western Australia in the Federal Parliament should have moved the adjournment of the House a dozen times in order to try to get us some relief. I have not made up my mind whether a joint select committee of both Houses would not be better than a Royal Commission, because the difficulty would then be overcome as regards recommendations being made by officers of the Government. In view of their official positions, those officers would find it difficult to make recommendations. On the other hand, they could place full statements before a joint select committee, and the chairman of that committee would be able to render a most valuable report. By giving hon. members work to do, in the form of this Royal Commission, during the recess, we shall be able to obtain important information. I am satisfied there is sufficient financial ability in the Lower House and this House to produce an excel-

lent report. I have much pleasure in supporting the motion, which I hope will not remain a mere pious expression of opinion on the part of members of this House; I trust the carrying of the motion will bear fruit in the very near future.

On motion by the Honorary Minister debate adjourned.

BILL—KALGOORLIE FRIENDLY SOCIETIES' INVESTMENT VALIDATION.

Second Reading.

Debate resumed from the previous sitting.

Hon. J. J. HOLMES (North) [5.40]: I moved the adjournment of the debate last night in order to ascertain whether any objection was raised to this Bill by outside bodies. The measure itself does not convey much information, though, as explained by Mr. Millington, it is very satisfactory. I understand that, in this instance, money was invested by the Kalgoorlie friendly society under the impression that they had power to make the investments. If they have made a mistake, as Mr. Millington assures the House they have, I see no objection to the passing of a Bill validating the mistaken action. I wish it to be distinctly understood, however, that as far as I am concerned, neither a friendly society nor any other society operating under an Act of Parliament can deliberately spend money in contravention of the provisions of the Act and then come along to this House for a validating measure. In this case, however, the money was invested under the belief that the society had the power to do so. In the circumstances I support the second reading.

Hon. A. SANDERSON (Metropolitan-Suburban) [5.42]: It is an astonishing speech to which we have just listened. I have made some inquiries amongst people outside, and outside people have come to me. I will make a statement with some hesitation on this subject. As far as I can make out, this Bill is certainly one that wants investigation and review. On the face of it the measure requires that, for here we have a preamble stating "whereas the said society was not justified in law in investing the said funds in manner aforesaid." For that reason the society come forward to get an Act of Parliament. That in itself would, I will not say arouse suspicion, but make one alert to find out what it really means. I do not pretend to have heard every point of view, but I think we are entitled to ask those responsible for introducing this measure a few questions. Mr. Cornell last night made a certain statement, of which I took a note at the time. Though I knew nothing whatever about the circumstances of the case, the statement struck me as very extraordinary. If I heard Mr. Cornell aright, he said, "There was no protest from the Boulder or from the Kal-

goorlie chemists." That is flatly contradicted by the pharmacists' council of Western Australia. I should like to know the hon. member's reply to that. If I understand the position aright, the friendly societies are working under an Act of Parliament, the Friendly Societies' Association at Kalgoorlie invested certain funds in 300 contributing shares and 500 fully paid up shares in a company of 2,500 shares, and is one of 60 shareholders. The association holds those shares in a chemist's shop business. The friendly societies are permitted to supply medicine to their members, but are not permitted to run chemists' shops for profit, that is to say, to sell medicines to the general public and make a profit; and very properly so, for they are in the nature of trustees and are not allowed to engage in a speculative business; because if they engaged in such a business at a profit, it would be bad, while if they engaged in it at a loss it would be most disastrous for the members of the society. Very properly, therefore, Parliament has said, "You shall not engage in a business, but you are permitted to join together to buy medicine for yourselves." We are fortunate in having with us our honourable colleague Dr. Saw, who will be able to bring to bear special knowledge to assist us in the discussion of this question. We should understand what the position is, and understand what we are going to do. Here is this Friendly Societies' Association of Kalgoorlie running a chemist's shop at a profit. The Registrar of Friendly Societies does not care what they are doing so long as they conform with the law. He says, "You are breaking the law in what you are doing." It is of no use the sponsors of the Bill saying that the registrar supports the view they put forward. He does not do that, but he says "In order to put yourselves in order you must have an Act of Parliament to validate what is otherwise an illegal act. It is most misleading to say that the registrar supports the view that those friendly societies who have indulged in this chemist's shop business should be assisted out of their dilemma. We have those friendly societies committing an illegal act and we are asked to validate it. The chemists come along and say with a certain amount of force that for the friendly societies to engage in a chemist's shop business is not fair to the chemists of the State.

Hon. J. Ewing: They are only shareholders.

Hon. A. SANDERSON: They have a portion of the shares. On the showing of the Friendly Societies Association itself, it holds 300 contributing and 500 fully paid-up shares in a company of 2,500 shares and is one of 60 shareholders. We ought to verify that statement. I do not mean that they wish to mislead us, but it is a serious matter to validate an illegal act, and to protect ourselves from the criticism that we pass a thing without understanding clearly what we are doing, we ought to have some pretty

clear evidence that the association really holds 300 contributing shares and 500 fully paid-up shares. It is denied that this is the position of affairs.

Hon. H. Millington: Who denied it?

Hon. A. SANDERSON: It has been denied to me this morning. The chemists whom I have seen on the subject, the pharmacists' council, say this is misleading and that the company practically belongs to the friendly societies of Kalgoorlie. We require some information on the subject. At present we do not know the position of affairs. I have here an article on page 322 of the "Chemist and Druggist of Australasia" of the 1st September, 1919, which seems to throw a little light on the subject, and to suggest the importance of reviewing the situation carefully. This paper, which is the official organ of the chemists and druggists, was handed to me to-day. It contains a reference to a case in South Australia which at first sight seems uncommonly like the question we are dealing with in the Bill. The article is headed—"Pharmacists and Friendly Societies; The Mount Gambier Case." Without going into a lengthy statement containing a lot of detail, I offer this to hon. members, who can see it for themselves if they wish. As far as I can follow the case, it is practically on all fours with the Kalgoorlie case. In an interview the Attorney General of South Australia said that he had made inquiries with a view to finding out whether the action which had been taken was unlawful, and he was satisfied that the society was acting outside the scope of the Friendly Societies Act. There, it seems to me, is the whole question. Are we going to authorise those friendly societies to carry out something outside the Act under which they are working? If we do that with our eyes open it will be an end of the matter. But it will be a mistake to act until we know the position clearly and until we have got some further information from South Australia. It is important to the friendly societies and to the chemists, and to a certain extent important to the public; because if the friendly societies got this Bill through and continued to carry on that business and lost money, what would be the position of affairs? They would then be engaged in a legal act, while conceivably losing trust moneys in a speculative business. It seems to me that is not what the public intended or expected from friendly societies' work. It is like any other trustees' work and must be controlled very carefully. I do not know who discovered this matter at Kalgoorlie, presumably the registrar. Seeing that it has been going on for five years it is a pity it was not discovered before. At any rate, somebody deserves credit for discovering it at all, because in this country so many things illegal and unconstitutional go on without anybody taking the slightest notice. Therefore, speaking with some hesitation on this matter, I should like to congratulate somebody on having discovered this position of affairs. I was informed that this South

Australian matter is not yet finished with. I was also informed that if we could allow this question to wait a month until we get the latest views of this Mount Gambier case, it would possibly assist us in coming to a wise decision on the Kalgoorlie case. I need hardly assure hon. members that I have no hostility whatever towards the Kalgoorlie friendly societies. If this position has arisen merely through a technical slip, we should be very ready to assist in putting them on a proper footing; but it is fairly evident to me that what we are asked to do is, not merely to validate a technical illegality, but to sanction something new and foreign to the Friendly Societies Act and which may possibly lead to trouble in the future.

Hon. J. J. Holmes: The Bill proposes to legalise other matters.

Hon. A. SANDERSON: I am speaking merely of the chemist's shop enterprise. If we once legalise the friendly societies going into a chemist shop I think it will be found very difficult to resist with any logic or fairness—

Hon. H. Millington: But it is permissible under the Act for the friendly societies to run this business. It is being done at Perth and at Boulder.

Hon. A. SANDERSON: No, there is a clear issue between us. The hon. member says that at Boulder they are permitted to run this business. Nothing of the kind. Under the Friendly Societies Act they are permitted to co-operate to buy medicines for themselves, but they are not permitted to trade as chemists and supply any of the general public. That is the difference between the two positions. I do not, however, wish to embarrass the hon. member. I am only asking that we should have some clear and authoritative statement of the position of affairs, so that we may know what we are doing and what this may lead to, and in order that there may be some delay before putting the Bill through quickly. I should like to get further information from South Australia on the Mount Gambier case, which appears to be on all-fours with the present case, and the decision there will greatly assist us in coming to a conclusion on this matter.

Hon. A. J. H. SAW (Metropolitan-Suburban) [6.2]: I have no intention of opposing the second reading of the Bill, and I am sorry I was not here last night to listen to Mr. Millington's speech in introducing it. I can only plead the weakness that was left from an attack of influenza as a reason for my absence. I understand that the position taken up by the friendly societies at Kalgoorlie and by Mr. Millington, is that they have committed a small peccadillo. There was an historical occasion mentioned in "Midshipman Easy" when that same excuse was made by the servant girl, that it was only a little one. I understand that the chemists fear that instead of this being only a little peccadillo the Bill may be

pregnant with great possibilities. Naturally none of us wishes in any way to hamper the friendly societies, either at Kalgoorlie or anywhere else. We all recognise the good work that they do, and their motto of "Self help and thrift" is quite refreshing in these days when everyone expects the State to be at his call. Unfortunately, very few of those who expect State help realise that the State itself needs help as well as they. The position is explained in this circular from the friendly societies, namely, that they only hold about one-third of the shares of this chemist's business. I understand that they do not intend to run as a friendly society a chemist's business for profit, and that all they require is that we should legalise an action which they took some five years ago in buying these shares. It would be well if, in Committee, the number of shares which they state they possess was included in Clause 2, and the exact amount of their investment, which it is proposed we should legalise, was also definitely stated. I think that all friendly societies and trades unions whose motto is self-help and thrift realise that there are other businesses, and that it is a good thing to live and let live. It would certainly not be conducive to the welfare either of the friendly societies or of the community if these societies engaged in running a chemist's business with their funds. They have certain rights and privileges in the State, and it would not be fair for them to use their funds in competition with the ordinary chemist. It would undoubtedly tend to oust the chemist from his legitimate business, and in the long run would tend also to lower the status of the chemist. That would, I think, re-act harmfully on the community. It would be a very bad thing for the community that either the status of the chemists or of the doctors should be lowered. They have certain privileges and certain duties which they perform for the benefit of the public. Anything that will tend to lower the status of the chemist will be harmful, and will mean that the profession will not attract the same class of men who at present take it up. They have to engage in a long course of study and their examinations are of a very stringent nature. If the time ever came when the only thing a chemist had to look forward to was that he would be either in a departmental store as an assistant in the chemistry department, or as an assistant to a friendly society, it would have an injurious effect in keeping out of the business the right stamp of men. I have no desire to embarrass the friendly societies. We all recognise the good work they are doing, and I shall support the second reading of the Bill, although in Committee I intend to introduce an amendment on the lines I have suggested.

Hon. J. EWING (South-West) [6.6]: I was not present in the Chamber when the second reading of this Bill was moved. I can see a great danger in connection with the measure. I am in sympathy with the

friendly societies and would support them on every occasion, but I should like to know what the effect of the Bill will be. I wish Dr. Saw would draft a clause which would carry into effect that which he has put forward. In the circular letter I have before me it is stated that there are 8,000 shares held by the friendly societies carrying on a chemist's business in Kalgoorlie. Another statement has been made by someone who knows the position, and it is that 1,500 shares are held. Therefore, the whole of the business of M. Kelly Ltd. is in the hands of the friendly societies of Kalgoorlie. It is also stated that some 700 further shares were taken up by other friendly societies. We want to know whether the friendly societies of Western Australia are to become chemists and use their funds illegally in the way they have used them in the past. I am prepared to help the hon. member in looking after the money which has been invested by the friendly societies in this instance. I will not, however, go beyond that. I want it to be understood that some amendment must be made to the Bill in Committee to prevent other societies from spending their money. Those interested in the Kalgoorlie society have paid in certain funds and have a right to have their money accounted for properly. Their money may be loaned and the time may come when it will be impossible to refund it. The only thing to do is to protect the society, and take every precaution that it does not occur again, otherwise we will have the friendly societies all over the State competing with chemists. That kind of thing would never do. I am out against the subscriptions of members of friendly societies being used in order to compete against other business men in this way. Let us take every precaution to protect the members of these societies, and prevent any attempt to trade as chemists. Arrangements are made in Collie by which the local chemist, for a certain payment each week, guarantees the supply of medicine and even the attendance of a doctor to contributors. The money in question has been invested illegally, and I am only prepared to protect the funds that are already invested in Kalgoorlie provided an amendment is carried to safeguard the interests of those who are carrying on a legitimate business as chemists in Western Australia to-day.

Hon. H. MILLINGTON (North-East—in reply) [6.12]: I understand that Mr. Holmes, after making inquiries, does not particularly object to the Bill. There is no clonding of the issue. This is to validate an investment made by the Kalgoorlie friendly societies. The investment was made under a misapprehension. The whole point is that they had been sufficiently financial to enter into the business of the co-operative supply of drugs and medicines to their members everything would have been in order. The difficulty which has arisen is that they have not complete control of the business, for they are only shareholders. The particulars I have had sup-

plied to me by the secretary of the Kalgoorlie Friendly Society is that the Friendly Societies Association hold 500 fully paid up shares and 300 contributing shares.

Hon. J. Ewing: I have seen it elsewhere as 1,500 shares.

Hon. H. MILLINGTON: It has been stated in another place that they have 500 fully paid up shares, and 1,000 contributing shares. Because they were not able to finance the whole concern, 700 of the shares were taken up by members of affiliated friendly societies, and this accounts for the 1,000 shares. The shares are held by members of the friendly societies affiliated with the association. Therein a difficulty has arisen, and the Registrar of Friendly Societies challenged their position, because they were not the sole proprietors of the business. Mr. Sanderson points out that their action is not justified at law. I think that is admitted.

Hon. A. Sanderson: It is pointed out in the Bill.

Hon. H. MILLINGTON: That is the reason for the introduction of the Bill. They made this investment in all good faith, presumably on account of the business being run at Boulder by the friendly societies there. They have to employ a qualified chemist as a dispenser. The chemist who was at Boulder for a number of years, acting for the Kalgoorlie Friendly Society, is now in business in Hay-street, Perth. In Kalgoorlie they have to engage a fully qualified chemist. That is quite understood.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. H. MILLINGTON: With reference to the objection taken by Mr. Sanderson that these were trust funds, and that there was no authority to invest them in the manner that was done, I wish to point out with regard to these funds that members pay a certain amount towards a medical fund and also towards a funeral and accident fund. So far as the medical fund is concerned, and this is the one we are interested in, it is entirely separate from the other funds of the off-spring societies. Members pay a definite amount of 7s. per quarter to the medical fund. That 7s. was paid in full to the Friendly Societies' Association, and for that amount the various members of all the lodges received medical attention and also medicine. Prior to 1914 a contract existed between the Friendly Societies' Association and a local chemist to supply medicines to each member of the friendly societies and to members' families at fixed rates. As I stated when moving the second reading of the Bill, members of the friendly societies in 1914 became dissatisfied with that arrangement and decided that they would run their own chemist's business and supply drugs to their members. Then it was that negotiations were entered into and the business of M. Kelly, Limited, was taken over. The whole of the interest in that business is now owned by the Friendly Societies' Association.

Hon. A. Sanderson: The whole of it?

Hon. H. MILLINGTON: The Friendly Societies' Association have 500 fully paid-up shares and 300 contributing shares, and the various members of the society who went to the assistance of the Association in order to enable them to complete the purchase, hold 700 shares, and the total amount actually paid in cash on the share capital is £680. The shares held by the individual members were contributing and these members paid the £680 on the 700 shares. The Friendly Societies' Association has paid £120 into the company. It is for the purpose of validating this payment that the Bill has been introduced. As Mr. Sanderson states, there have been negotiations between the Registrar and the Friendly Societies' Association for a number of years and, as a result of these negotiations, the Registrar eventually recommended this method of settling the dispute and validating the action of the Association. I am not in a position to say whether the Association acted illegally or not, but it is presumed that the Registrar of Friendly Societies considered they did, but that it was an error that could be rectified, as no harm had been done. As a matter of fact I have shown that the acquirement of this business has been in the interests of the members concerned. There are over 1,000 members affiliated with the Association. It has been contended that medicines have been provided by the new company at pre-war rates. That, however, is a little far-fetched. Prior to 1914 the Friendly Societies' Association had a contract with the chemist to supply medicines at so much per quarter. The new company, despite the war conditions and abnormal increase in the price of drugs, continued to supply members of the Friendly Societies in Kalgoorlie at those rates. Therefore it was not a question of paying so much for each prescription. It was a question of paying so much per quarter to the lodge, and so, through the association, the same amount is charged for drugs as was previously charged. Therefore, the statement that members have received their medicines at the pre-war rates is correct. With regard to the statement that members' funds have been used in a manner that might incur loss, I desire to say that the funds used for this purpose were not actual trust funds. A lodge has certain funds which it has a right to use irrespective of the Registrar. So far as the funds which are contributed towards the funeral and accident allowance, those are definitely controlled by the Registrar, but the medical fund is a local one and the Association have the power to administer that as they think fit. Also there is the management fund out of which the management expenses are paid and that amount again is at the disposal of the members. Therefore, the trust funds under the control of the Registrar administering this Friendly Societies Act have not been touched so far as the business is concerned. The difficulty mentioned by Mr. Sanderson does not exist. In connection with the rather far-fetched South

Australian case quoted by the hon. member—the hon. member generally insists on having very elaborate evidence before he will allow himself to be influenced—what we say is that we placed the whole position in regard to this one case before the House and I fail to see that we can be influenced by what has taken place in another part of the Commonwealth when there has not been sufficient evidence adduced to satisfy us that there is any analogy between the two.

Hon. A. Sanderson: Here it is in the paper.

Hon. H. MILLINGTON: Even so, the hon. member has not shown that there is any analogy between the two cases, and as for satisfying the House with regard to the investment made, the Registrar of Friendly Societies has all the information. This is a registered company and before recommending the procedure which has been adopted, the Registrar undoubtedly satisfied himself that the statements which were made were correct. He is in a position to know whether the statements made with regard to the investment were correct or not. When he says he approves of this, it means that he has thoroughly investigated the whole case. The Minister in charge of the Department also takes the responsibility of saying that the case as presented by the Friendly Societies' Association is correct, and he considers the course which has been adopted is the best to follow. There would have been no difficulty had the Friendly Societies' Association been in a position to take over the whole business, but when they had to transfer certain of their shares to individual members, then the complication arose. I have already stated that in Boulder there is a similar Friendly Societies' Association. The one in Kalgoorlie has seven different lodges. A similar position exists in the metropolitan area where there is a Friendly Societies' Association and where they have a chemist's business in which they dispense drugs to members.

Hon. A. Sanderson: Do they sell to the public?

Hon. H. MILLINGTON: I do not wish to mislead the House. I do not know whether they do or not, but from correspondence which I have had with the secretary of the friendly societies, this is a matter entirely affecting members of the friendly societies organisations only. It was established for that purpose and I understand they trade with their own members. I have already stated that a duly qualified chemist is employed by the association to dispense prescriptions for members. I have also cleared up the matter referred to by Mr. Ewing by showing from the correspondence which has been received in Kalgoorlie from the secretary of the Association that the shares held by the Friendly Societies' Association are 500 fully paid up and 300 contributing, and that the members of the Association hold 700. The distinct purpose of the Bill is to protect the investment already made by the Association. It is to validate what has been done, and pre-

sumably the Registrar takes the view that this is the only way in which the mistake which has been made in good faith can be rectified. The Friendly Societies Association have nothing to hide. They court the fullest investigation and, if further inquiry is desired, I shall raise no objection. I would point out, however, that the Registrar of Friendly Societies and the Attorney General concur that this is the best way out of the difficulty. I hope the House will give the Friendly Societies Association the consideration they deserve.

Question put and passed.

Bill read a second time.

BILL — DIVORCE ACT AMENDMENT.

In Committee.

Resumed from the 10th September. Hon. J. F. Allen in the Chair; Hon. J. Nicholson in charge of the Bill.

The CHAIRMAN: Progress was reported on Clause 2.

Hon. J. NICHOLSON: I should like to make a personal explanation. Following the suggestion made when the Bill was previously considered, I have communicated with the representatives of each of the churches, and have sent them a copy of the Bill. I have received replies and, generally speaking, the views expressed are in accordance with those previously expressed when amendments to the Divorce Act were introduced. The churches generally oppose any widening of the grounds on which divorce might be obtained, but a number of them certainly do recognise there is something in Clauses 2 and 6. They, however, call attention to Clause 5 and point out that it would entitle the aggrieved party, petitioning for the restitution of conjugal rights, to get divorce earlier than the five years allowed in the case of desertion. Those representatives have apparently overlooked that it has been the law in England that a decree, once pronounced and not complied with, would have the effect of wilful desertion, and would entitle the party to sue for a judicial separation, for in England desertion is not a ground for divorce. Where a husband has been guilty of adultery, and where two years have not elapsed which would ground an application for judicial separation, if a decree for restitution of conjugal rights is pronounced, the parties are not required to wait till the expiration of the two years. The court fixes a time, and that removes all difficulty. A similar clause to this has been in force in New South Wales for the past 20 years. I also communicated with the women's organisations, the National Council of Women, the Women's Service Guild, and the W.G.T.U., and they unhesitatingly approve of the Bill. The representative of the Jewish church has pronounced himself in favour of the Bill, and another representative has

stated that his church does not recognise divorce on any grounds.

Hon. A. Sanderson: What church was that?

Hon. J. NICHOLSON: The Roman Catholic Church. I thought it only fair to place this information before the Committee.

Clause put and passed.

Clauses 3 to 6—agreed to.

Clause 7—Amendment to Section 23 of the principal Act:

Hon. J. W. KIRWAN: I move an amendment—

That the following words be added to the clause:—"And is further amended by adding at the end of paragraph (d) the following proviso:—'Provided that the insanity of a wife, when such insanity is the result of pregnancy, childbirth, or lactation, shall be no ground for a petition for dissolution of marriage on the part of the husband.'"

When the Bill that permitted insanity as a ground for divorce was before the Chamber, I opposed it in that respect. The view I and other members took of insanity was that it was a disease and, for that reason, ought not to be made a ground for divorce, as disease or sickness might happen to anyone. I certainly think that where insanity is the result of pregnancy, child birth or lactation, and it frequently arises from those causes, we ought not to penalise the wife to the extent of making it a ground for divorce. It would be manifestly unfair if we did so, seeing that the cause arose from the woman's devotion to her duty as a wife.

Hon. J. NICHOLSON: In the 1911 Act, there is a very guarded and carefully worded provision with regard to this ground for divorce. It provides that the petitioner may present a petition "on the ground that the respondent is a lunatic or person of unsound mind, and has been confined as such in any asylum or other institution in accordance with the provisions of the Lunacy Act, 1903, for a period or periods not less in the aggregate than five years within six years immediately preceding the filing of the petition, and is unlikely to recover from such lunacy or unsoundness of mind." I have the deepest sympathy for any man or woman in the position of having his or her partner for life placed in an institution on such a ground. But the idea which prompted the framing of the section quoted was that if the party afflicted was never likely to recover, from whatever cause the insanity arose, it mattered not whether it arose from one of the particular causes mentioned in the amendment, it should be a ground for divorce. Does it really matter whether the insanity arises from one cause or from another, if the insane person is not likely to recover? Under the Act as it stands, the person must have been of unsound mind for five years and the court must be satisfied that the person is not likely to recover. What stronger safeguards could there be? I cannot accept the amendment.

Hon. A. J. H. SAW: I support the views expressed by Mr. Nicholson. Insanity cannot be said to be the result of pregnancy, childbirth, or lactation. No doubt in the majority of cases of insanity there are hereditary and constitutional influences which are the real causes of the insanity. Women are specially prone to insanity at certain periods of stress—during puberty, during pregnancy, or immediately following it, during lactation, and at the change of life. I do not think there is any scientific ground for the sentiment which underlies the amendment. The result to the husband is the same, no matter at what period of the wife's life the insanity arises. Insanity arising at pregnancy is frequently cured, but the recovery takes place within a measurable period of the occurrence of the insanity if there is going to be recovery at all.

Hon. A. SANDERSON: We are in the position of a jury being addressed by experts on one side only. We listen with great respect to the legal and medical opinions expressed by Mr. Nicholson and Dr. Saw, but I venture to say that we could get a lawyer and a medical practitioner of equal standing with Mr. Nicholson and Dr. Saw to contradict them flatly. I was surprised to hear Mr. Nicholson and Dr. Saw enunciate the doctrine that, no matter what the cause of the insanity, divorce should be granted.

Hon. J. Nicholson: If the party is incurable.

Hon. A. SANDERSON: It is not only conceivable, but even probable, that the insanity of a wife may be caused directly or indirectly by the husband. And yet under this clause the husband would be released in such circumstances. If the member in charge of the Bill wishes us to believe that the churches and the women's organisations are supporting the measure—

Hon. J. Nicholson: I have not asked you to believe anything of the sort.

Hon. A. SANDERSON: The impression left on my mind by what I read in the newspapers was to that effect. However, it seemed to me almost incredible. I have a letter here from one authority, which says in regard to Clause 7—

Unless carefully guarded this clause may, I fear, open the way to abuse and injustice where the weaker party is in another country.

However, I am sure that at this period of the session there is not the slightest chance of the Bill going through. Will Mr. Nicholson tell us whether Clause 7 as it stands, with the amendment which has been proposed, represents the law in any other State of the Commonwealth or in England? From the legal aspect it is desirable that we should have divorce laws the same throughout Australia. If Mr. Nicholson cannot supply the information I ask for, we must be allowed time to obtain it for ourselves.

The HONORARY MINISTER: Whilst I recognise the sentiment underlying Mr. Kirwan's motion, I cannot support his amendment. I am rather at a loss to understand

Mr. Sanderson's attitude, seeing that the provision for divorce after lunacy has extended over five years and without prospect of recovery, has existed in this country for eight years. Seeing that we have had that provision for eight years and nothing has arisen under it, I cannot see why it should be amended. If it is proved that the unfortunate sufferer is not likely to recover, why should the divorce be refused? I cannot support the amendment.

Hon. H. STEWART: I have in thought a case in which the wife was of unsound mind. Her suffering, perhaps as the result of the actions of one of the parties, as instanced by Dr. Saw, leaves the way open to injustice. With that case in mind, I do not think I could do other than support the amendment. The clause proposes to repeal the words in the Divorce Act Amendment Act of 1911 "in accordance with the provisions of the Lunacy Act 1903." Those words were expressly put in as a safeguard, and I should like Mr. Nicholson to explain the reason why that safeguard should be removed.

Hon. J. NICHOLSON: In reply to the inquiry made by Mr. Sanderson, let me say that, as far as I can learn, incurable insanity is a ground for divorce in New Zealand. I am not sure whether it is so in New South Wales and Victoria. I believe it is so in Queensland. It is a ground for divorce in most centres on the continent of Europe, and the Divorce Reform League in England has adopted it as a ground for divorce. I do not think the amendment would help the position of either the husband or the wife in the circumstances suggested. With regard to the question raised by Mr. Stewart, who is anxious to know the reason for striking out the words "in accordance with the provisions of the Lunacy Act 1903," it is briefly this: by the inclusion of those words it is impossible for either husband or wife to petition in the courts here if the afflicted party is in one of the other States. Owing to the inadequate accommodation provided in our institution at Claremont, many people have sent their afflicted spouses to the other States, and to bring proceedings here it would be necessary to bring back the afflicted person, in order to provide a domicile here, which would probably cause great distress to that afflicted person.

Hon. A. SANDERSON: As in the case of the Treasury Bills measure the other night, we are gradually extracting little by little information on the subject under discussion. If we are going to turn out work of which we can be proud, we require to know the position very clearly. I ask the hon. member in charge of the Bill to tell us, if he can, whether the amendment is in accordance with the law in South Australia, in Victoria, in Tasmania, in New South Wales, and in Queensland.

Hon. J. NICHOLSON: I do not know of any provision in any other State of the Commonwealth similar to that suggested by

Mr. Kirwan. Insanity as a ground for divorce is the law in New Zealand and I believe in Queensland. I am not sure about New South Wales or Victoria. It has been the law here since 1911.

Hon. H. Stewart: With a safeguard.

Hon. J. NICHOLSON: It is in accordance with the recommendations of the majority report in England, and I believe will also become the law in that country.

Hon. A. SANDERSON: It is to be regretted that the report of the learned legal profession in the Chamber cannot apparently understand Parliamentary procedure. You, Sir, have made two suggestions that we should speak to the amendment before the Committee, which is the proposal put forward by Mr. Kirwan. I asked what is the law in the other States of the Commonwealth. If the hon. member will show me that none of them have that law I shall be prepared to say that we do not want it here. I will support Mr. Kirwan's amendment. If what Dr. Saw says is correct it will not affect the matter at all. If the Committee rejects the amendment we are thrown back on the clause, and can then discuss one or two other questions.

The CHAIRMAN: I ask hon. members to confine themselves to the amendment. The discussion has become discursive and we shall make no progress unless members confine themselves to the amendment.

Hon. Sir E. H. WITTENOOM: I intend to oppose the amendment because I consider it is superfluous. I can hardly imagine that any medical man would pronounce a woman insane from the causes set forward in the amendment. If there was insanity attached to these cases, it would be temporary insanity and not of such a lasting nature that anyone would be able to pronounce such a person sufficiently advanced in insanity to enable an individual to apply successfully for a divorce on that ground. If so much further information is required in connection with the matter I suggest that progress be reported to enable that information to be obtained.

Hon. J. CORNELL: If the supporters of the amendment desire to have it carried I understand they must also agree to the clause as it is printed. The amendment has been the law in the State for eight years. It is peculiar that these ardent advocates of this amendment have neglected for eight years to amend the law, and should only endeavour to do so when Mr. Nicholson has brought down this Bill. They now propose to undo something which has been on the Statute Book for eight years. I am prepared to take the opinion of Dr. Saw and accept the position as it is. Furthermore, there has been no public outcry against the law as it stands so far as I know. I will therefore support the Bill.

Hon. J. W. KIRWAN: I am disappointed at the remarks of hon. members concerning this proposal. Some have sympathy with the husband whose wife has become insane, but some consideration should also be given to the wife. When the parties were getting

married there was a distinct promise given that they would abide together for better or for worse, in sickness and in poverty. This is a case where insanity has been brought about by the woman carrying out her duty as a wife. It is not likely to happen to any woman who would be seeking to evade her responsibilities. A woman of that type would not be likely to become insane for these reasons. The Committee ought to pass the proposal I have brought forward. Most medical men will agree that there is no case of insanity where it is absolutely impossible that recovery should not take place. Recovery from all diseases takes place, sometimes under circumstances which puzzle the most expert medical men. But even apart from that consideration we must remember that the wife would have lucid intervals while confined in the asylum, and if there was anything that would tend to make that wife more distressed in mind it would be the fact that her husband had cast her off in order to suit his own convenience. I will never be a party to the passing of a law that would allow such a gross injustice as that. I intend to divide the Committee on this question.

Hon. J. NICHOLSON: Another aspect which I am afraid Mr. Kirwan has not considered is the case of a man whose wife is confined in an asylum and who is left with small children and who is bound to give the best possible attention to those children. He may find on the best medical testimony, after five years, that the case is absolutely incurable, and will assume that it could be shown that the woman's condition is the result of one of the causes suggested in the amendment. Then that man could never get a divorce in order to marry again, nor hope happily to be mated with another woman. He would be destitute of those comforts that all the members of the male sex are entitled to and the children would be deprived of the helping hand that would be given if he could marry again. Is it not better for the children to have a stepmother wisely chosen than that they should be in the care of a hired servant?

Hon. J. Mills: There is no evidence to show that a stepmother is always the best.

Hon. J. NICHOLSON: In the evidence taken before the commission in England it was proved that there were many instances where men who could not get a divorce actually resorted to taking a mistress. Is it not better in the interests of the community, and in the interests of morality, that something should be done whereby relief could be provided and such a condition avoided?

Hon. J. W. HICKEY: No matter how sentimental I may feel about this amendment, I wish to remove sentimentality and speak from the practical standpoint. Personally I am in favour of the amendment but I am loth to cast a vote in face of the opinions given by experts this evening—the legal and medical minds which have been brought to bear on this question. What struck me in connection with the remarks of Dr. Saw was that the amendment deals specifically with

pregnancy. As the hon. gentleman has told us, this does not lead to lunacy. Then, with all due respect to the hon. member's opinion, I desire to say that the medical fraternity disagree in that direction. If the medical records were searched it would be found that there were conflicting opinions in this direction. I agree with Mr. Sanderson, that if, as a result of this particular period of a woman's life, something does occur, the man must be a contributing factor. That being so, I would like to have heard more from hon. members. I cannot be influenced, though I have heard numerous opinions on this matter, but I am satisfied that what we have heard cannot be taken as final. I intend to vote for the amendment.

Hon. A. J. H. SAW: I fancy that my remarks must have been misunderstood. What I tried to make clear was that insanity occurs amongst certain people of unstable nervous constitutions and that heredity plays a very large part. The precise moment at which insanity occurs is at a period when some particular and excessive strain is put on the individual. That strain may be of many kinds, but in the case of a woman it usually occurs at three periods. One is at puberty, one during pregnancy, confinement, and lactation, and the third at the change of life. Consequently when insanity occurs during the period of pregnancy, confinement or lactation it may be in those cases that that particular period is the contributing cause of the insanity.

Hon. Sir E. H. Wittenoom: Would it be temporary or permanent?

Hon. A. J. H. SAW: In a large number of cases when insanity of that kind occurs, people recover, but not always. Whether they recover or not largely depends on the nervous constitution with which they were born. If they come from stock in which insanity was very prevalent then undoubtedly they are less likely to recover. I do not want to mislead the Committee by saying that pregnancy, lactation, and confinement are not contributing causes. Undoubtedly they are.

Hon. A. SANDERSON: There is no doubt whatever that we have just had a most valuable contribution to this discussion. The hon. member who has just spoken has pointed out that recovery depends to a great extent on heredity insanity.

Hon. A. J. H. SAW: On the degree of the taint in the family.

Hon. A. SANDERSON: Exactly. If there should be a strong and intelligent husband or wife, as the case may be, at a period of this kind, would it not almost be a certainty in ordinary circumstances that the patient would recover? I am glad the remarks I made were supported by Mr. Hickey. We come back to the point that it is not purely a physical question. There is the social, mental, and the financial aspect in connection with this important matter. That a man should be able to toss his wife aside without any support whatever—

Hon. J. Nicholson: That cannot be so. He is bound to maintain her.

Hon. A. SANDERSON: If this clause passes, a man in Western Australia will be able to get a divorce more easily than anywhere else. We are seeking to upset the established condition of affairs. It is a matter of the greatest public importance and I hope the amendment will be pressed to a division.

Hon. J. W. KIRWAN: Mr. Nicholson referred to the views of women's organisations. I do not know whether my amendment was placed before them. Some other amendments on the Notice Paper certainly did receive their consideration. The hon. member delivered an address to some ladies on Friday evening and they passed a motion approving of his Bill and of two amendments, of which notice had been given. I would like to know if my amendment was considered; if not how was it that the amendments of two other hon. members were presented to the meeting and not mine?

Hon. J. NICHOLSON: I had in mind the two amendments referred to, but not the amendment proposed by Mr. Kirwan; otherwise I would have brought it forward. I was speaking without notes.

Hon. J. W. KIRWAN: It is most regrettable that this amendment was not brought before the meeting. The views of those ladies were quoted by the hon. member and no doubt have influenced the Committee regarding the Bill. If my amendment had been submitted to them, I can hardly conceive that they would not have favoured it because it would appeal to women, particularly. Mr. Nicholson spoke of a man whose wife was in the lunatic asylum and whose family might need the protection of a mother. We ought to consider the position of the unfortunate person in the asylum. She would probably have lucid intervals for months and months. What would she think if she knew a stepmother had charge of her children? Would not that add considerably to the burden she was bearing as a result of carrying out her duties as a wife? I am surprised and disappointed that some members take the view that a woman should be punished so cruelly as a result of being faithful to her marriage vows. Perhaps some amendment of the marriage contract might be made and, instead of the marriage vow stipulating for better or worse, in sickness and health, there might be a qualification that if the woman became insane as a result of carrying out the duties she was undertaking, the husband would cast her off and cease to regard her as his wife. If a qualification of that sort were included in the marriage vow, there would perhaps be some hesitancy on the part of a woman to undertake the great risk involved in matrimony from her point of view. I would plead with members to consider, not only the case of the man, but the interests of the wife.

Hon. J. CORNELL: Mr. Kirwan has made an eloquent appeal for consideration for a wife who has become insane through child birth or pregnancy. Dr. Saw has said there are three stages. Mr. Kirwan has

dealt only with the middle stage. Assume that a mother has borne several children and then become insane. The hon. member has not considered that. Insanity might occur at change of life.

The CHAIRMAN: That is not referred to in the amendment.

Hon. J. CORNELL: Mr. Sanderson returns to the charge again and again and will not be repelled. He asks whether this is the law in any other place. It is his business to find that out. Mr. Kirwan has taken Mr. Nicholson to task for not bringing his amendment before the meeting of ladies. That was his business; not Mr. Nicholson's.

Hon. A. SANDERSON: According to Mr. Cornell, it is my business to find out whether this provision is included in any other Divorce Act in Australia. Is that reasonable? Surely Mr. Cornell is not serious. I ask again, did the Commission referred to by Mr. Nicholson approve of such a provision as this? He is unable to answer. Everything to do with divorce in this country is based on the Act of 1863. Further, the hon. member in charge of the Bill is unable to answer my question as to what is the law in the other Australian States.

Hon. J. NICHOLSON: In reply to Mr. Sanderson, the British Royal Commission did not make such a recommendation as Mr. Kirwan's amendment embodies. The Royal Commission's recommendation was simply—

We are satisfied that it will be in the interests of parties affected by cases of lunacy, in the interests of their children and of the State and morality, that insanity should be introduced as a ground of divorce.

The CHAIRMAN: We are dealing only with the amendment.

Hon. J. NICHOLSON: The Royal Commission did not attach such a qualification to their recommendation. I feel convinced that if this matter had been put before the women's organisations they would say, "We consider that the recommendations which were arrived at after due consideration by the Royal Commission in England are good enough for us." The result of Mr. Kirwan's amendment would only be increased immorality, and it would do more harm than good to the families who would be affected by it.

Hon. A. SANDERSON: We have it now that the English Royal Commission would not accept the amendment. But look at the position we put ourselves in now. This amendment, if inserted, would, according to the member in charge of the Bill, be contrary to the English law, and contrary to that important Royal Commission. But the whole of our marriage law in Western Australia is based on the preamble to the principal Act. Mr. Nicholson says, "I will not accept the amendment because it is not the English law and it is not the opinion of the English Royal Commission." In a measure that attitude has my support. But the whole position of affairs is entirely altered

when we are no longer working under the English law. Everybody admits that the Commonwealth has the power to take this matter over, and will take it over. We are going to have our own Australian marriage laws. It is curious, however, to find a member so confident about the English law and yet not knowing what is the Australian law.

Hon. J. NICHOLSON: For my part, I shall be glad to afford Mr. Sanderson opportunity of looking into the question.

[The President resumed the Chair.]

Progress reported.

House adjourned at 9.28 p.m.

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Wednesday 1st October, 1919.

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

QUESTION—RAILWAY EMPLOYEES, PEACE HOLIDAYS.

Mr. WILLCOCK asked the Minister for Railways: 1, Is it the policy of the Government that all permanent employees in the Railway Department be paid (a) two days' holiday on full pay for Armistice Day; or (b) if working, two days' pay at double time and two extra paid holidays on their annual leave? 2, Was this carried out in all cases of permanent employees? 3, Is it the policy of the Government that any permanent employee of the Railway Department who was absent (a) on leave without pay, or (b) on sick leave, should be granted two days' pay for the Armistice and Peace Days? 4, If so, will he issue instructions that any permanent employee of the Railway Department who has not been paid in the foregoing circumstances will be allowed two paid holidays?

The MINISTER FOR RAILWAYS replied: 1, (a) Yes; (b) Employees who